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FORTY-FIRST PARLIAMENT
FIRST SESSION—THIRD 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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Members of the House of Representatives

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<td>Turnbull, Malcolm Bligh</td>
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<td>Vasta, Ross Xavier</td>
<td>Bonner, Qld</td>
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<td>Washer, Malcolm James</td>
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<td>Windsor, Antony Harold Curties</td>
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<tr>
<td>Wood, Jason Peter</td>
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### 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

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Clerk of the House of Representatives—I.C. Harris
Secretary, Department of Parliamentary Services—H.R. Penfold QC
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<td>Treasurer</td>
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<td>Minister for Trade</td>
<td>The Hon. Mark Anthony James Vaile MP</td>
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<td>Minister for Defence and Leader of the Govern-</td>
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<td>Minister for Foreign Affairs</td>
<td>The Hon. Alexander John Gosse Downer MP</td>
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<td>Minister for Health and Ageing and Leader of</td>
<td>The Hon. Anthony John Abbott MP</td>
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<td>Attorney-General</td>
<td>The Hon. Philip Maxwell Ruddock MP</td>
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<td>Minister for Finance and Administration, Deputy</td>
<td>Senator the Hon. Nicholas Hugh Minchin</td>
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<tr>
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<td>Senator the Hon. Amanda Eloise Vanstone</td>
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<td>Indigenous Affairs and Minister Assisting the</td>
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<td>Prime Minister for Indigenous Affairs</td>
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<tr>
<td>Minister for Education, Science and Training</td>
<td>The Hon. Dr Brendan John Nelson MP</td>
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<tr>
<td>Minister for Family and Community Services and</td>
<td>Senator the Hon. Kay Christine Lesley Patterson</td>
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<td>Minister Assisting the Prime Minister for</td>
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<td>Minister for Industry, Tourism and Resources</td>
<td>The Hon. Ian Elgin Macfarlane MP</td>
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<td>Minister for Employment and Workplace Relation-</td>
<td>The Hon. Kevin James Andrews MP</td>
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<td>s and Minister Assisting the Prime Minister</td>
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<td>Minister for Communications, Information Tech-</td>
<td>Senator the Hon. Helen Lloyd Coonan</td>
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<tr>
<td>Minister for the Environment and Heritage</td>
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(The above ministers constitute the cabinet)
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<tr>
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<td>Senator the Hon. Christopher Martin Ellison</td>
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<tr>
<td>Minister for Fisheries, Forestry and Conservation</td>
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<td>Senator the Hon. Charles Roderick Kemp</td>
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<td>Minister for Human Services</td>
<td>The Hon. Joseph Benedict Hockey MP</td>
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<td>Minister for Citizenship and Multicultural Affairs and Deputy Leader of the House</td>
<td>The Hon. Peter John McGauran MP</td>
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<tr>
<td>Minister for Revenue and Assistant Treasurer</td>
<td>The Hon. Malcolm Thomas Brough MP</td>
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<tr>
<td>Special Minister of State</td>
<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td>Minister for Vocational and Technical Education and Assisting the Prime Minister</td>
<td>The Hon. Gary Douglas Hardgrave MP</td>
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<tr>
<td>Minister for Ageing</td>
<td>The Hon. Julie Isabel Bishop MP</td>
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<tr>
<td>Minister for Small Business and Tourism</td>
<td>The Hon. Frances Esther Bailey MP</td>
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<tr>
<td>Minister for Local Government, Territories and Roads</td>
<td>The Hon. James Eric Lloyd MP</td>
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<tr>
<td>Minister for Veterans’ Affairs and Assisting the Minister for Defence</td>
<td>The Hon. De-Anne Margaret Kelly MP</td>
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<td>Parliamentary Secretary to the Minister for Finance and Administration</td>
<td>The Hon. Peter Craig Dutton MP</td>
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<td>Parliamentary Secretary to the Minister for Industry, Tourism and Resources</td>
<td>The Hon. Dr Sharman Nancy Stone MP</td>
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<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
<td>The Hon. Warren George Entsch MP</td>
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<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Christopher Maurice Pyne MP</td>
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<tr>
<td>Parliamentary Secretary (Foreign Affairs and Trade)</td>
<td>The Hon. Teresa Gambaro MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Bruce Fredrick Billson MP</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon. Gary Roy Nairn MP</td>
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<td>Parliamentary Secretary to the Minister for Transport and Regional Services</td>
<td>The Hon. Christopher John Pearce MP</td>
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<td>Parliamentary Secretary to the Minister for the Environment and Heritage</td>
<td>The Hon. John Kenneth Cobb MP</td>
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<tr>
<td>Parliamentary Secretary (Children and Youth Affairs)</td>
<td>The Hon. Gregory Andrew Hunt MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Education, Science and Training</td>
<td>The Hon. Sussan Penelope Ley MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon. Patrick Francis Farmer MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Richard Mansell Colbeck</td>
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SHADOW MINISTRY

Leader of the Opposition
The Hon. Kim Christian Beazley MP

Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research
Jennifer Louise Macklin MP

Leader of the Opposition in the Senate and Shadow Minister for Social Security
Senator Christopher Vaughan Evans

Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Senator Stephen Michael Conroy

Shadow Minister for Health and Manager of Opposition Business in the House
Julia Eileen Gillard MP

Shadow Treasurer
Wayne Maxwell Swan MP

Shadow Minister for Industry, Infrastructure and Industrial Relations
Stephen Francis Smith MP

Shadow Minister for Foreign Affairs and International Security
Kevin Michael Rudd MP

Shadow Minister for Defence and Homeland Security
Robert Bruce McClelland MP

Shadow Minister for Trade
The Hon. Simon Findlay Crean MP

Shadow Minister for Primary Industries, Resources and Tourism
Martin John Ferguson MP

Shadow Minister for Environment and Heritage and Deputy Manager of Opposition Business in the House
Anthony Norman Albanese MP

Shadow Minister for Public Administration and Open Government, Shadow Minister for Indigenous Affairs and Reconciliation and Shadow Minister for the Arts
Senator Kim John Carr

Shadow Minister for Regional Development and Roads and Shadow Minister for Housing and Urban Development
Kelvin John Thomson MP

Shadow Minister for Finance and Superannuation
Senator the Hon. Nicholas John Sherry

Shadow Minister for Work, Family and Community, Shadow Minister for Youth and Early Childhood Education and Shadow Minister Assisting the Leader on the Status of Women
Tanya Joan Plibersek MP

Shadow Minister for Employment and Workplace Participation and Shadow Minister for Corporate Governance and Responsibility
Senator Penelope Ying Yen Wong

(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, 11 May 2005

The SPEAKER (Hon. David Hawker) took the chair at 9 am and read prayers.

SOCIAL SECURITY LEGISLATION AMENDMENT (ONE-OFF PAYMENTS FOR CARERS) BILL 2005

First Reading
Bill presented by Ms Ley, and read a first time.

Second Reading
Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (9.02 am)—I move:
That this bill be now read a second time.

The measure contained in this bill will make bonus payments to carers who are in receipt of carer payment and/or carer allowance.

This bill builds on the support provided to carers by the Howard government in the 2004-05 budget package, recognising the contribution of carers. The bonus payments are made in recognition of the contribution carers make to society and the wellbeing of the people they care for, and to provide some additional support in meeting the costs of providing this care. These bonus payments are made possible because of this government’s prudent economic management in delivering surplus budgets, which have made it possible to pay these social dividends.

This bill specifically recognises carers in receipt of carer payment and/or carer allowance.

Carer payment is a means-tested income support payment paid to a person with limited income who provides constant care for someone with a disability or frail aged. Carer allowance recipients will receive a one-off payment of $600 for each eligible care receiver they provide care for.

Carers whose children qualify for a health care card only will not be eligible for the bonus payment. Carers who claim carer allowance after 10 May 2005, and whose payment is backdated due to the application of the carer allowance backdating provisions—that is, currently up to 52 weeks in relation to a child or up to 26 weeks in relation to an adult—will not be eligible for the bonus payment even though the backdated period will have included payment for 10 May 2005.

These bonus payments to carers are non-taxable and do not count as income for social security or family assistance purposes.

Payments will be made automatically to the majority of eligible customers by 30 June 2005. It is expected that a small number of claimants will receive the one-off bonus in 2005-06 where they are assessed as eligible for the payment after 1 July 2005 and have their eligibility for the payment backdated to the date of claim, which must have been made on or before 10 May 2005.

The measure contained in this bill demonstrates the government’s firm commitment to carers and will cost $316.9 million. I commend the bill to the House and present the explanatory memorandum to the bill.

Debate (on motion by Mr McClelland) adjourned.

AUSTRALIAN TECHNICAL COLLEGES (FLEXIBILITY IN ACHIEVING AUSTRALIA’S SKILLS NEEDS) BILL 2005

First Reading
Bill presented by Mr Hardgrave for Dr Nelson, and read a first time.
Second Reading
Mr HARDGRAVE (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (9.05 am)—I move:

That this bill be now read a second time.

This bill implements the government’s election commitment to establish 24 Australian technical colleges in identified regions throughout Australia. These colleges will offer high-quality training and facilities that will further strengthen Australia’s vocational and technical education system, and promote pride and excellence in the acquisition of trade skills.

Australia faces pressing skills needs in a number of traditional nation-building trades. Failure to address this issue will have a detrimental impact on the strong economy that we currently enjoy. For this reason it is vital that we attract more young people into vocational and technical education. Through this bill, the Australian government will implement a new approach to attracting more young people into the trades and beyond to trade based self-employment or small business opportunities. The colleges will promote a career path in trade occupations in key industries as a valuable and rewarding option for young people, at least as valuable as those professions traditionally requiring a university qualification. By providing instruction linked to workplace requirements and offering high-quality training and facilities, the colleges will become centres of excellence in trade training where capable and committed students who are interested in pursuing a rewarding career can start their vocational training. The colleges will play a pivotal role in raising the profile and status of vocational pathways in schools. Encouraging more young people to consider a career in the traditional trades and to participate in the training is a positive development for the training system as a whole.

Passage of this legislation will enshrine the underpinning principles of the Australian technical colleges. The principal object is to address the skills needs of the Australian economy through the achievement of a number of key goals, such as:

- promoting pride and excellence in trade skills training for young people;
- providing skills and education in a flexible learning environment to build a solid basis for secure and rewarding careers;
- adopting a new industry-led approach to providing education and training in partnership with local communities and meeting regional labour market needs;
- establishing an industry-led governing body for each Australian technical college which sets out its strategic directions and performance objectives, and selects the college principal;
- providing trade training that is relevant to industry and that leads to nationally recognised qualifications through school based new apprenticeships, and academic and vocational education which is relevant to trade careers and leads to a year 12 certificate;
- ensuring the autonomy of the principal in each Australian technical college to manage that college, to select the best staff and suitable education and training partners and to meet the targets and performance measures set by the governing body of the college;
- encouraging an environment of freedom and reward for effort for the staff of the colleges through flexible employment arrangements which provide rewards linked to excellent performance;
• providing employability and business skills to young people, recognising many successful graduates will operate their own businesses;
• developing expertise in a range of industries in a region with the flexibility to meet changing work force and local industry needs.

The passage of this bill will enable up to 7,200 young Australians per year to undertake high-quality education and training at an Australian technical college. Students studying at the colleges will be provided with tuition in trade related vocational training, leading to a national training package qualification, and academic studies which will allow them to complete their senior secondary education. Students will commence a school based new apprenticeship in a trade in an industry where there is a need. They will have a strong foundation to continue with their preferred trade after they complete year 12 but will also keep open the option of going on to further academic study if they so choose.

The bill will make available $343.6 million over the period to 2009 to support the establishment and operation of the 24 colleges. This supplementary funding will support infrastructure development as well as the additional costs associated with the delivery of the specialised services which the colleges will provide. This funding is over and above other general recurrent funding which colleges will be eligible to receive from the Australian government under the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004 and recurrent funding provided by state and territory governments. All colleges must be schools.

This bill will provide for funding agreements between the Australian government and relevant state and territory governments or the Australian Technical College Authority for the colleges over the period 2005 to 2009 for the making of payments to establish and operate a college. The funding agreements will contain the conditions under which funding will be allocated to colleges and include a schedule of the payments to be made to each college over the term of the agreement.

The bill therefore provides for agreements to be tailored to the needs and challenges of each individual region—each of the 24 regions is different in their aspirations, style and substance. While some governance and administrative requirements will be set as standard conditions in each funding agreement, the bill does not prescribe any particular model of operation. We, as a government, actually respect the ability and the rights of people in each of these regions to shape their own destiny. Each college will be able to operate in a manner which best suits the needs of industry and students in the particular region in which this college is established. The Australian government will consider any model which has the backing of local community, business and industry groups and which meets the broad requirements for the colleges as set out in the discussion paper and request for proposal documentation.

This flexibility to tailor arrangements to local needs will be especially important in the initial years of each college. Colleges may commence operations by offering training in a specialised trade that is of particular relevance to the local region and is in one of the industry groups which have been identified by the Australian government as a priority. Over time the college could be expected to broaden the range of trade training on offer, based on the needs of the local community.
The prescribed conditions which will be standard in each funding agreement will ensure that the colleges provide specialist training of the highest quality. It will be a condition of funding that, by the time each college starts providing tuition to students, it meets all relevant state/territory requirements for registration and accreditation, so that it can operate as a school and deliver curriculum leading to achievement of the senior secondary certificate of education relevant in each of the eight states and territories. This will of course enable the colleges to qualify for general recurrent funding from both the federal and, indeed, state and territory governments of Australia.

Colleges must also either be a registered training organisation in their own right or have links with registered training organisations to ensure the proper delivery of quality vocational training, leading to a national training package qualification for students. User choice funding will flow to registered training organisations in the usual way.

The colleges will be led by a governing body consisting of local industry and community representatives. Industry involvement is critical to the success of the colleges. As a result, the skills taught to students will be directly relevant to the needs of the local industry, enhancing young people’s prospects for further training and, indeed, employment. This in turn supports the long-term prosperity of each of the regions in which the colleges are located and, of course, assists Australian businesses to remain competitive in a global economy.

The college principal will have the autonomy to manage the operations of the college and will be responsible for meeting the targets and performance measures that are set by the governing body and for the employment of staff. To ensure that colleges are able to attract and retain staff of the highest quality, the principal will be able to offer staff the option of an Australian workplace agreement. Through these agreements the colleges will be able to offer staff rewards for performance, such as performance pay, and other attractive working conditions.

There will be an Australian technical college in each of the 24 identified regions by 2008, with implementation phased over the period from 2006. A formal request for proposal process will be completed by mid-2005. It is anticipated that a small number of colleges will commence operations in 2006. These are likely to be existing schools which have strong support from local community and industry organisations and ready access to required teaching facilities. By July 2005 I will announce the colleges which will commence operations in 2006. The remaining colleges will commence in 2007 and 2008 and may include greenfield sites. These will be announced by the end of 2005.

The 24 regions that the Australian government has identified for the establishment of the colleges all face particular challenges in relation to the availability of trade skills and will clearly benefit from the establishment of a college. They were selected by taking into account a number of factors, including the existence of a strong industry base, skills shortages and the level of youth unemployment.

The Australian government is committed to raising the profile of vocational and technical education. Attracting young people to trade related professions is vital for Australia’s future and is an important step in providing for the long-term skills needs of industry. The Australian technical colleges initiative offers a new approach to achieving this and forms an important part of the Australian government’s overall strategy for tackling our skills needs. The Australian technical colleges will promote trade qualifi-
cations as a highly valued alternative to a university degree and, over time, will develop a reputation that will show students and parents that vocational education and training provides access to careers that are secure, lucrative and rewarding.

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

Debate (on motion by Mr McClelland) adjourned.

SKILLING AUSTRALIA’S WORKFORCE BILL 2005

First Reading
Bill presented by Mr Hardgrave for Dr Nelson, and read a first time.

Second Reading

Mr HARDGRAVE (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (9.18 am)—I move:

That this bill be now read a second time.

The Skilling Australia’s Workforce Bill and the associated Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 are the most significant pieces of legislation for vocational and technical education in more than a decade. These bills will establish the new national training system and put in place the arrangements to ensure a high-quality, flexible and responsive system which will provide the nation-building skilled people required by industry and business in the short term and beyond.

These bills are necessary, for despite the best effort of industry and the Australian government over the past nine years too many key issues are still not being addressed by states and territories. For example, it is probably easier for doctors and lawyers to work across state borders than it is for a hairdresser, a plumber or a carpenter. It seems each state government still does not trust the competency and quality of training in other state systems. This jurisdictional dysfunction must end. Without the states and territories working with the Commonwealth on the portability of qualifications, issues of licensing, industrial relations impediments and training flexibility we will never have the national vocational and technical education system that people want and demand and that Australia needs.

From talking with so many people in the public and private training sector, I am confident there are many people within the system who agree these changes must be made. I have no doubt of the capacity of people within the sector to rise to the challenge and deliver on the improvements to the system we are sponsoring. It seems there is a systemic failure somewhere between the classroom level of the education and training sector and the national policy level of the Australian government. So, despite the fact that many training and education professionals understand and share our ambitions, it is the union sponsored failure of policies of the state and territory governments standing in the way of progress. This must end or all Australians will pay a high price.

The Skilling Australia’s Workforce Bill sets out the objectives for the new national training system and describes the commitment by the Australian government and the state and territory governments to support the new arrangements.

The bill will appropriate an additional $4.4 billion as the Australian government’s contribution to the states and territories for vocational education and training for the period July 2005 to December 2008. This includes an additional $175 million funding compared to 2004 and represents an average real annual increase of 3.2 per cent on that year.

The Australian government has called on the states and territories to match this addi-
tional $175 million in order to ensure that they also invest funds to purchase ownership of the outcomes which reflect national consistency. States and territories must deliver high-quality and responsive training in all jurisdictions and across all industry sectors.

A key feature of the Skilling Australia’s Workforce Bill will be the strengthening of the Australian government’s leadership role in vocational and technical education by tying funding more strongly to a range of conditions and targets for national training outcomes.

Through this legislation the Australian government will drive genuine reform by requiring states and territories to increase the flexibility and responsiveness of training delivery, so that the training system can respond to the specific challenges that face training and business in the 21st century.

There will be a number of statutory conditions in the legislation that states must meet in order to receive their share of the Australian government funding. These include:

- maximising choice for employers and new apprentices to enable them to select the most suitable training provider for their needs;
- implementing workplace reform in state owned TAFE, including through more flexible employment arrangements such as AWAs and performance pay so that it is more responsive to local employer and industry needs;
- removing impediments in state awards and legislation so that training qualifications are automatically based on competence, rather than on length of time;
- increasing the utilisation of fully publicly funded training infrastructure by providing third-party access to that infrastructure on a commercial basis; and
- ensuring that payments received under the act are not used for providing vocational education and training to overseas students or for private recreational pursuits or hobbies.

The Commonwealth-State Agreement for Skilling Australia’s Workforce—a multilateral agreement with the states and territories—will maintain focus on national cooperation and collaboration. It is the government’s intention to build the new system around the principles of a national approach, better quality training and outcomes for clients through more flexible and accelerated pathways, and industry leadership through greater engagement with industry and business.

This government’s strong commitment to vocational and technical education is illustrated by the significant funding of $4.4 billion provided through this bill and a further $1.4 billion over four years announced last year for an integrated and comprehensive suite of policies to reinforce nation-building skills needs. This lifts the Australian government contribution to vocational and technical education to a record $10.1 billion over the next four years. These initiatives represent one of the most significant boosts to vocational and technical education ever undertaken by any Australian government.

I am also pleased to announce that, as part of the Howard government’s Welfare to Work package, the budget contains an additional $42.8 million to fund a further 12,800 vocational and technical education places for parents and older workers who are receiving welfare support, to help them participate in the workforce over the years 2006 to 2009.

The associated Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 will repeal the Australian National Training Authority Act 1992 and the Vocational Education and Training Funding Act
1992 and provides for the transitional arrangements for the transfer of functions and responsibilities from the Australian National Training Authority to the Department of Education, Science and Training.

Twelve years ago, before the establishment of ANTA, Australia had eight separate training systems operating quite independently of each other, with the content and delivery of training largely determined by training providers.

Today, the foundations of a national system are largely in place, but the failure of states and territories to implement fully the spirit and detail of the necessary changes—changes which they have agreed to in principle but have failed to execute in practice—has cost this country dearly.

In addition, the challenges facing Australia today are quite different from those in 1992 when Labor introduced ANTA. At that time, Australia faced unemployment of 10 per cent. The Australian government’s sound economic management over the past nine years and the resulting unemployment figure of 5.1 per cent—the lowest since 1976—have resulted in an increased demand by industry for skilled workers. Today, Australian businesses estimate that the most significant challenge to ongoing economic growth is the need for more skilled workers to meet demand.

Despite this it is important to note that there is limited evidence of economy-wide skills shortages; however, there are indications that some parts of the labour market are moving towards full capacity. The immediate impact of skills shortages could be upward pressure on labour costs.

Over the long term the cumulative effect of this would be felt by us all. The government is very mindful of this and is continuing the work of the past nine years to maximise the skills base over the medium to long term through an effective and streamlined national training system alongside responses through our most targeted and effective skilled migration program.

In many industries, such as construction, mining and manufacturing, shortages tend to be cyclical. Accordingly, a more responsive and flexible training system is key to meeting both current and future skills needs. In the longer term, raising the skill level of the Australian workforce will help address the challenge of an ageing population by improving workplace participation and productivity.

We cannot do this without state and territory governments, which have the responsibility for both quality standards and day-to-day delivery of training. We must, however, as a national government, ensure that the delivery and quality meets our needs as a nation. But no state is showing signs of providing the way forward, so it is up to the Australian government to sponsor the way ahead.

While there has been significant reform in the vocational and technical education sector, a commitment from the states and territories to further reform, to ensure the national training system can meet the skills needs of this nation, is vital. The Australian government recently added more than $1 billion in vocational and technical education election commitments. Detailed discussions are continuing with the states and territories on the new national training arrangements based on this bill and the Commonwealth financial commitment of $4.4 billion. Multilateral and bilateral agreements are proposed which will provide national strength and direction to the system and allow for flexible responses within jurisdictions to the national agenda.

But the demand for more skilled workers is only one of the challenges facing the new national training system. The great leaps in
technology and innovation mean that we need to provide people with different and increasingly sophisticated skills. Changing demographics put pressure on the training system to deliver more new forms of training to suit the learning needs of mature-aged workers, as well as providing flexible training options for part-time or distance learners and those in non-standard employment.

These are just some of the challenges which our training system must address in the 21st century if it is to continue to deliver the skilled work force which we need.

Employers want skilled people available and trained locally or innovatively to meet their needs. We need a system which is agile; we need a system which is responsive; we need a system which is accountable to clients.

This new national training system will provide more appropriate governance, accountability and operational arrangements, which will focus on current and future skills needs and will reinvigorate the leadership role of business and industry.

Why is it after 104 years of Federation that doctors, accountants and lawyers are more easily able to transport their skills across state boundaries but those in the trades are not? How is it that in the year 2005 a hairdresser moving from Victoria to New South Wales is unable to continue working in their trade because their qualifications are not recognised across state borders? This is a farcical situation. It is a situation where the trade unions of Australia have hogtied us and, as a nation, it is costing us dearly.

If we are to ensure Australia’s continued economic growth and our ability to compete effectively on the global stage, it is essential that industry and business needs drive our training policies, priorities, delivery and accountability. The training system must be responsive to industry and it must be flexible enough to respond rapidly to new technologies and changing work practices.

But it is not only industry that will benefit from the new training system. Seventy per cent of young Australians do not go directly from school to university, and these young people, as well as mature age workers retraining or upgrading their skills and those who are disengaged from or returning to the work force, will also benefit from increasingly flexible and accelerated training pathways.

The Australian government will work with the states and territories and with industry to raise awareness that vocational qualifications can lead to challenging, diverse and often very lucrative careers in trade employment and small business opportunities.

The training system must also offer more flexible options for students and employers. The current arrangement where many new apprentices can still take up to four years to complete their training, rather than having access to accelerated or more relevant competency based pathways, cannot continue. Rigid time based approaches must be removed as they cannot meet the needs of employers or individuals in a rapidly changing global economy. We need timely rather than time based training outcomes.

The Australian government will take an increased leadership role in the new system to ensure that there are consistent and national approaches to the quality of training delivery and outcomes. We need to be able to place workers where there are jobs, with skills that are recognised by all employers, regardless of whether they are in Algester, Adelaide, Armidale or Alice Springs.

The new system will also be a streamlined, simpler system. Access to training will be easier for clients—both students and employers. More information on the perform-
ance of training providers will be made publicly available, so people can make informed choices about which provider best meets their skills needs.

Under a functioning new national training system the Australian government will continue to work collaboratively with the states and territories and with industry to give more Australians the opportunity to achieve their potential through quality training, and to deliver better outcomes for Australian industry and business.

The Australian government has set a new and challenging agenda for vocational and technical education. It is an agenda that addresses the current concerns of industry, business and training clients. The Skilling Australia’s Workforce Bill represents a significant investment in Australia’s economic future and is an indication that this government has a continuing commitment to vocational and technical education. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Ms Macklin) adjourned.

SKILLING AUSTRALIA’S WORKFORCE (REPEAL AND TRANSITIONAL PROVISIONS) BILL 2005
First Reading
Bill presented by Mr Hardgrave, for Dr Nelson, and read a first time.

Second Reading
Mr HARDGRAVE (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (9.35 am)—I move:

That this bill be now read a second time.

The Skilling Australia’s Workforce (Repeal and Transitional Provisions) Bill 2005 will repeal the Australian National Training Authority Act 1992 and the Vocational Education and Training Funding Act 1992 and provide for the transitional arrangements for the transfer of functions and responsibilities from the Australian National Training Authority—ANTA—to the Department of Education, Science and Training.

In October last year, the Prime Minister announced that from July 2005 the responsibilities of ANTA will be taken into the Department of Education, Science and Training. ANTA was established in 1992 to coordinate the various levels of government in establishing a truly national vocational and technical education system.

In this debate I want to acknowledge the work of the ANTA board, the advisory bodies to the board, and the ANTA staff, and recognise their achievements over time.

These achievements include:

- the establishment of the national training packages scheme, which covers most industries and more than 80 per cent of the workforce;
- the offering of recognised qualifications by more than 4,000 registered training organisations;
- the implementation of New Apprenticeships and the Australian Quality Training Framework;
- the facilitation of recognition of prior learning; and
- the expansion of VET in Schools.

Twelve years ago, before the establishment of ANTA, Australia had eight separate training systems operating quite independently of each other, with the content and the delivery of training largely determined by training providers. Today, the foundations of a national system are largely in place. But real progress on a number of key issues has been thwarted—and, I would challenge, deliberately—by states and territories. In light of this the Australian government is deter-
mined to play a national leadership role and achieve real reforms.

The abolition of ANTA and the transfer of its functions to my department reflects the Australian government’s commitment to a more integrated and proactive approach to the education and training needs of young people.

New challenges now confront Australia’s economy and its education and training system, and more appropriate governance, accountability and operational requirements should be put in place. We also need to keep training focused on current and future skill needs and reinvigorate the leadership role of business and industry.

Our vocational and technical education system has made an enormous contribution to Australia’s economic success. They are called the nation-building trades for good reason. But our strong economic growth over the past decade has led to greater skill demands in occupations ranging from plumbing and electrical, to hairdressing and commercial cookery, to boilermaking, sheet metal working and so on.

At the same time, we must continually enhance Australia’s skills base to meet the changing needs of industry. Advances in technology and innovation demand new and increasingly sophisticated skills. In addition, changing demographics, including Australia’s ageing population, hold particular challenges for the training system, which must find ways to provide more flexible training to suit a range of learning needs. Training providers must continue to innovate and adopt new technologies and practices to respond to the needs of existing and new learners.

By resuming the functions of ANTA, the Australian government will have the opportunity to build a more flexible and responsive national system which can respond quickly to the skills needs of Australian businesses, industries, communities and individuals.

After 12 years of work, which has resulted in the foundations for a national vocational and technical education system, this bill will ensure a smooth transition of arrangements which builds on the work of ANTA and the collaboration of the Australian government, state and territory governments, industry and training providers.

This bill will ensure a smooth transition to the new national training arrangements and it confirms this government’s continuing commitment to a national vocational and technical education system.

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

Debate (on motion by Ms Macklin) adjourned.

HEALTH LEGISLATION AMENDMENT (AUSTRALIAN COMMUNITY PHARMACY AUTHORITY) BILL 2005

First Reading

Bill presented by Ms Julie Bishop, for Mr Abbott, and read a first time.

Second Reading

Ms JULIE BISHOP (Curtin—Minister for Ageing) (9.40 am)—I move:

That this bill be now read a second time.

The Health Legislation Amendment (Australian Community Pharmacy Authority) Bill 2005 amends the National Health Act 1953 to extend the existing arrangements for approving pharmacists to supply PBS medicines subsidised under the Pharmaceutical Benefits Scheme.

The National Health Act 1953 currently provides for the establishment of the Australian Community Pharmacy Authority, whose role is to consider applications by pharmacists to supply PBS medicines and to make
recommendations as to whether or not an application be approved.

In making its recommendations, the ACPA must comply with a set of rules determined by the Minister for Health and Ageing, in accordance with the act. These rules, known as the pharmacy location rules, prescribe location based criteria which must be satisfied in order for a pharmacist to obtain approval to supply PBS medicines from particular premises.

The provisions for the pharmacy location rules and the ACPA will cease to operate after 30 June 2005.

The bill amends the act to provide for the pharmacy location rules and their administration by the ACPA to continue to operate until 31 December 2005.

In accordance with a commitment made in the Third Community Pharmacy Agreement between the Commonwealth and the Pharmacy Guild of Australia, a joint review of the pharmacy location rules is being undertaken.

The review is expected to report before 30 June 2005. However, in order to allow government time to consider the findings and recommendations of the review, the government has decided to extend the existing arrangements until 31 December 2005.

The pharmacy location rules currently in force will therefore remain in effect until 31 December 2004, and the Australian Community Pharmacy Authority will continue to administer them.

This bill also makes a technical amendment to the Health Legislation Amendment (Podiatric Surgery and Other Matters) Bill 2004 to correct a misdescription.

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

Debate (on motion by Ms Macklin) adjourned.

SOCIAL SECURITY AMENDMENT (EXTENSION OF YOUTH ALLOWANCE AND AUSTUDY ELIGIBILITY TO NEW APPRENTICES) BILL 2005

Second Reading

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

That this bill be now read a second time.

Ms MACKLIN (Jagajaga) (9.43 am)—The Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill 2005—as its very long name suggests—extends eligibility for youth allowance and Austudy to full-time new apprentices. This was Labor Party policy before the last election, and we support the bill today.

Labor believe that all Australians engaged in education and training should be supported by a liveable level of income whether they are at school, university, TAFE, in vocational education or undertaking an apprenticeship. Unfortunately, evidence—whether it be empirical or anecdotal—suggests that many young people in particular are discouraged from taking on an apprenticeship or traineeship due to the low wages that they can earn.

Currently, full-time new apprentices are not able to access youth allowance as they have been classified as being in full-time employment. To access youth allowance, a person must be either unemployed or a full-time student. Likewise, apprentices are not currently able to access Austudy as they are not undertaking an approved tertiary undergraduate course. So this bill introduces a generic definition of ‘new apprentice’ into the definitions of the Social Security Act and then amends the relevant qualifications section to include new apprentices as a class of people eligible for youth allowance or Austudy. Under the proposal in this bill, new
apprentices will be treated the same as full-time students for the rates payable. Income, assets and parental means tests will all be the same, including the classification of a person as ‘independent’, and rent assistance arrangements will also be the same. The rates payable range from $178.80 to $326.50 a fortnight, depending on the individual’s circumstances.

Most of the bill’s provisions treat new apprentices in the same way as full-time students are treated, but in one respect the government has chosen to give new apprentices inferior assistance. This is in relation to the amount of income that they can store in what is called their ‘income credit bank’ before it affects their fortnightly payments. At the moment, youth allowance recipients are able to accumulate a portion of their fortnightly income-free area. This accumulation forms an income bank. The income bank credits can then be used to offset any income earned that exceeds the fortnightly income-free area. What that all means is that, if a recipient of youth allowance has a fortnight when their income unexpectedly exceeds their usual arrangements—for example, if they take on an extra shift in that fortnight—they can use their available income bank credits to avoid a reduction in their benefits, so it is a very good system. The maximum that can be accrued by a student in their income bank is $6,000. Unemployed job seekers have what is called ‘a working credit’ and the maximum working credit amount is $1,000.

Under schedule 1, part 1, proposed sections 13 to 15 of the bill that we are debating today, the income credit bank applicable to new apprentices is unfortunately only $1,000, compared to the $6,000 available for full-time students. The government have not provided any explanation as to why they have chosen to treat new apprentices differently from full-time students, so today we are querying this approach. We will certainly not hold the bill up, but I call on the Minister for Education, Science and Training, when he responds after everybody has debated the bill, to fully explain to the House why new apprentices are being discriminated against in this way. Young apprentices could be particularly disadvantaged by this anomaly as they will be unable to bank very much of the additional income they might earn by working at different wage levels. This could be a particular difficulty, an inconvenience and an administrative problem for some apprentices engaged through group training arrangements where there are different sites under different industrial arrangements. I certainly hope the government will provide an explanation for the position that they have taken on the bill. Hopefully, as the bill proceeds through the parliament they may reconsider this arrangement.

There is another initiative that we welcome from last night’s budget which is of particular relevance to this bill. This is the reduction in the taper rate for youth allowance students and new apprentices and for Austudy and Abstudy recipients. What the government is proposing to do is to change the taper rate for income that these students and new apprentices receive. For income over $316 a fortnight the taper rate is going to go from 70c to 60c in the dollar. This will certainly be beneficial. It will mean that for every dollar earned over $316 a fortnight the taper rate is going to go from 70c to 60c in the dollar. This will certainly be beneficial. It will mean that for every dollar earned over $316 a fortnight recipients of the youth allowance will now lose less of their benefit. It is a shame that it is not going to happen until 1 July next year—but it is the case that the reduction in the taper rate will help people receiving youth allowance to keep more of their allowance while they are still working.

That is good news. Unfortunately, that is the end of the good news because, although the minister, in the speech he has given to parliament, seems to be talking down the
skills shortage facing Australia, most of the people I meet are very well aware that our country faces a very serious skills crisis. This is a crisis of this government’s own making, a crisis born of their disregard for adequate investment in our skills base over a sustained period of time. At this stage I move the second reading amendment that is being circulated in my name:

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) creating a skills crisis through a continued failure to provide the necessary training opportunities for all Australians during their nine long years in office;
(2) their failure to ensure the quality of training in the New Apprenticeships Scheme;
(3) ignoring the alarmingly low completion rates among New Apprentices; and

calls on the Government to provide apprentices on Youth Allowance and Austudy the same income bank entitlements as full time students”.

Listening to the minister, I noted he seemed to be keen to blame the skills shortage—which is having a very serious effect on so many businesses around Australia—on everybody else but this government: it was either the states’ or the unions’ fault. He was always trying to pass the buck, not recognising that this government has been in power for nine long years. Let us go back to the start of this government’s time in power and have a look at how little value this government has placed on training and apprenticeships. If you look at its first two budgets, in 1996 and 1997, you see it actually slashed $240 million off the vocational education and training sector. It actually cut the funding going into vocational education and training. In the years following that we had the 1998-2000 Australian National Training Authority agreement, which abolished growth funding altogether and froze funding to the vocational education and training sector for the following three years. This is the history of what has created the skills crisis in this country. Of course there was no mention of any of this history by the minister. These funding cuts and the subsequent freeze have meant that more and more TAFE colleges have had to close some of their training facilities and certainly have had to turn away thousands of students—hundreds of thousands of students, in fact—from TAFE. Teachers and students have been put under extraordinary pressure. The quality of training and skills development in this country have certainly been threatened.

At the same time that we have had this government—the government that is refusing to take responsibility for the skills crisis that we face—cutting and freezing funds to vocational education, we have had businesses right around the country crying out for skilled staff. At the same time, we face a major shortage of TAFE places. This is the direct result of the cutting and freezing of vocational education funds by this government in its first few years in office. Nobody else is to blame. The government should look at its own record.

It is typical that the Parliamentary Secretary to the Treasurer, at the dispatch box today, is seeking to blame everybody else. This is the way the government is approaching the current negotiations with the states and territories on the new Commonwealth-state training funding agreement. Instead of approaching the negotiations with the states and territories as an opportunity to work together, it just wants to buck-pass and take no responsibility for the policy failings and cuts to funding that took place over the early period of the government’s time in office.

I will give a statistic to the parliamentary secretary, at the table, who does not want to
take any responsibility either: the government has refused to provide any growth funding for more TAFE places through the Commonwealth-state training agreements for six of the last nine years. There has been no increase and no growth funding for TAFE places. Is it any wonder that we now have 40,000 people trying to get into TAFE who cannot get in because there just are not enough TAFE places? Fifteen thousand of those 40,000 are young people who want to get into TAFE and who want to train to fill the jobs that are available in this country. They cannot get in because over six of the last nine years this government has refused to provide growth funding for more TAFE places. So let us have a bit of responsibility from this government for the actions that have led to this very serious skills shortage. We saw in last night’s budget a serious squandering of opportunities to secure our future prosperity. Rather than setting out a plan to invest this unexpectedly strong revenue that is coming from record terms of trade and generally strong economic conditions, rather than investing that money in the key drivers of growth, we have seen the government decide to give very significant tax cuts to some of the wealthiest people in this country. A responsible budget would have seen a much more significant increase in funding going to training Australian workers. What was the one new initiative for training in last night’s budget? The new initiative from this government was to import another 20,000 skilled workers from overseas. That is the one new initiative that we got from this government’s training system. Labor’s proposal would mean less reliance on bringing imported skills from overseas and would provide more opportunities for young Australians to complete their apprenticeships and then get the jobs that are going in many different sectors of the economy. Improving completion rates now would mean that we would be able to deal with the skills crisis today. We want to see young people finishing their apprenticeships and getting the jobs that are there today. We do not want to see business having to wait until 2010, when this government’s technical colleges will produce their first tradesperson.

Let us once again look back over what has happened on the skilled migration front since this government was elected. This government has imported 178,000 extra skilled migrants since 1997 and, at the same time, has turned away 270,000 Australians from TAFE. That is since 1998. On the one hand, there has been a massive number of skilled migrants brought into this country while, on the other, 270,000 Australians have been turned away from TAFE. Those are the real priorities of this government.

Labor’s priorities are quite different. We are saying to this government: train Australians first and train Australians now. Under our proposal, traditional apprentices would receive a $1,000 payment halfway through their training and another $1,000 payment at the completion of their apprenticeship. The trade completion bonus would be paid to apprentices who complete their training and then go on to address the major skills shortage facing this country. The trade completion bonus was one measure this government could have introduced straightaway to encourage Australians to complete their apprenticeships. As a result of this government’s inaction, 40 per cent of people who start a new apprenticeship do not complete their training. What a shocking result from this government’s training system. Labor’s proposal would mean less reliance on bringing imported skills from overseas and would provide more opportunities for young Australians to complete their apprenticeships and then get the jobs that are going in many different sectors of the economy. Improving completion rates now would mean that we would be able to deal with the skills crisis today. We want to see young people finishing their apprenticeships and getting the jobs that are there today. We do not want to see business having to wait until 2010, when this government’s technical colleges will produce their first tradesperson.

The government refused to adopt a proposal which Labor put forward. We put it forward in good faith, proposing that the government take up this initiative. We suggested that the government introduce a $2,000 trade completion bonus for traditional
traditional apprentices in some of the following areas—these are all areas on the national skills shortage list that the government knows so well is having such a serious impact on business: general and off-site construction, automotive service and repair, automotive manufacturing, metals and engineering, electrotechnology, baking, hairdressing, transmission and distribution, and commercial cookery. All of these areas are crying out for more skilled labour, yet this government is only looking to import more skilled migrants from overseas rather than encouraging our own young people to complete their apprenticeships.

As Labor has said, the payment we have proposed would not be taxable for income tax or other tax purposes and would not affect people’s social security payments. We are proposing a trade completion bonus that would set a target to lift the completion rate of apprentices by one third—from around 60 per cent now to 80 per cent. That would mean an extra 8,000 trained apprentices in our workplaces every year. By achieving an 80 per cent completion target, this scheme would cost we estimate in the order of $80 million in 2006—definitely affordable in last night’s budget—but, unfortunately, the government has refused to adopt this proposal. It is a very practical, worthwhile proposal put forward in good faith by the Labor Party, but once again this government has passed up the opportunity to get more qualified Australian tradespeople into our workplaces right now.

Instead, businesses in this country will have to either import skilled labour or wait until after 2010 for the first few—it is only going to be a few hundred—qualified apprentices to come through the technical colleges. We will get nothing from the technical colleges in 2010 and then there will just be a few hundred qualified tradespeople coming out of that system. Why not pick up Labor’s proposal to make sure that Australian apprentices actually finish their apprenticeships here in this country now, rather than have businesses continue to import very significant numbers of skilled workers from overseas? Unfortunately, this has been ignored by this government and an opportunity has been lost.

There was a failure by this government last night to address in the budget the mounting problems with New Apprenticeships. I will read a short quote from a talkback caller in Melbourne who described the Howard government’s New Apprenticeships scheme on ABC radio in this way:

It’s the apprenticeship scheme you have when you don’t really have one.

Tom, the caller, said that his wife had been signed up as a new apprentice in process work, despite the fact that she had been doing process work for the last 24 years. As Tom went on to say:

There’s no practical training anymore ... it’s a big rort, very big rort.

Tom went on to say:
It swells the apprenticeship numbers up.

Of course, we know that Tom’s wife is not the only person to be duded by the New Apprenticeships scheme. The government was forced to release a report called Skills at work. This was a report released by the Department of Education, Science and Training and it reveals that more than half the people who completed a new apprenticeship said that their skills had not improved as a result. The government’s own report says that six per cent of people said they actually had fewer skills than when they started their new apprenticeship. So the New Apprenticeships scheme not just is failing to give many people new skills but actually seems to be causing a reduction in the skills that they already have.
What is more, the growth in the New Apprenticeships scheme, as we all know, has been in areas where there is not a skill shortage. These findings are a shocking indictment of this government at a time when businesses around this country are crying out for more qualified tradespeople. And, of course, the Reserve Bank is saying that the skills shortage is one of the factors putting pressure on interest rates. We have a blazing skills crisis in this country, which is not recognised by the minister who is responsible for it. Why does he not want to recognise it? He does not want to recognise it because he is pointing the New Apprenticeships hose away from the fire. We are seeing new apprentices being trained in areas where we do not have skill shortages while local businesses are crying out every day for skilled workers in key trades. The minister might not be hearing them. He should get out more, because the businesses that I talk to tell me all the time about how much extra they have to pay for the tradespeople they are trying to employ. It is driving up costs and wages and, in many cases, jeopardising industry projects.

I will give a couple of examples. Spacemaker Home Improvements is a construction company in Mount Waverly in Victoria. It is in desperate need of carpenters, bricklayers, wall and floor tilers, and plasterers. This is just an example of one company. The company is forced to pay above market rates just to retain the tradespeople it currently has. It says that costs have increased 12 per cent in the past two years. No wonder we have pressure on interest rates. Despite the fact that local businesses like Spacemaker are crying out for skilled workers, we still have 40,000 people turned away from TAFE each year—including 15,000 young people. To give some specific examples of the sorts of courses that students are being turned away from, Sunshine TAFE in Melbourne’s northwest had to turn away students from its plumbing and electrical courses, even though businesses in that area are desperately short of trained plumbers and electricians. Newport TAFE in the western suburbs of Melbourne has 150 people on waiting lists for carpentry and joinery. In the east of Melbourne, Wantirna and Croydon TAFEs both have waiting lists in building and electrical courses. All of these TAFEs want to be able to offer these young people more opportunities to get into the traditional trades but they do not have the TAFE places for them. Imagine how businesses like Spacemaker feel not only about the wasted potential of the young people who want to get into the traditional trades but also about the higher prices that they have to charge families for renovations because they cannot get the skilled labour they need.

TAFEs are being forced to turn young people away from study in areas of skill shortage because the federal government has not kept up—and this comes from the actual figures—with the funding provided by the states and territories. In fact, there is a skills deficit of $833 million. That $833 million would have created an additional 300,000 TAFE places—an enormous number—which would have met the demand from all those people who want to go to TAFE to get the skills which our economy desperately needs. But of course the government have decided not to fix that skills deficit; they have decided to have a ‘quick fix’ by importing more skilled labour from overseas rather than significantly increasing opportunities for our young people to get the training they want and need in order to get the jobs that are going. The government should be all about creating additional TAFE places so that we train Australians first—15,000 of them who cannot get into TAFE because the government will not provide the TAFE places they need. The shortcomings of the New Apprenticeships scheme are very well known to those
Australians who have been a part of the system for the last seven years. These shortcomings have been voiced loud and clear not only by people such as Tom and his wife but by many others, yet the government has not wanted to know about them.

A major survey was done last year for the Department of Education, Science and Training and we have had a lot of trouble getting the results. We have been trying to get the government to come clean with the details of the survey, which cost taxpayers about $400,000. Unfortunately, the government has been very reluctant to release the detailed findings. It is apparent from correspondence we have had with the department that they have not been provided by the survey researchers with any reports or summaries of the data. Through freedom of information, we asked for the government to provide reports or summaries of the data collected by the survey. It was quite a shock for me to receive a letter from the department which said:

DEST does not have any reports or summaries of the data that was used in Skills at Work.

The Skills at work report had next to nothing in it from the survey. The letter goes on:

The Department sought no such reports from SRC [Social Research Centre] and produced no unpublished internal reports. The documents held by DEST are the data itself, the questionnaires ... and some technical reports and methodologies that were prepared by SRC.

The department spent $400,000 of taxpayers’ money only to not require the researchers to produce any reports or summaries of the data that might inform policy. Imagine how surreal this sounds in the real world. The minister at the table, the Minister for Education, Science and Training, was responsible for it. It is extraordinary that he was more than happy to fork out $400,000 of taxpayers’ money to conduct a survey on apprenticeship outcomes—definitely something that needed to be done—but that he does not seem to have any interest in making sure that there are analytical reports that tell us what the survey found out. The survey should be able to tell us—I suspect it does tell us—what the shortcomings of the scheme are. I am sure the survey results would tell us what the public know—that is, that we do have serious problems with the New Apprenticeships scheme, that it has been concentrated in areas where there are no skills shortages and that we do have people on the New Apprenticeships scheme not getting the skills that they thought they were signing up for.

I do not know what is worse: a government deciding to bury its heads in the sand so that it does not have to deal with this very serious skills crisis or a government flinging the sand into our eyes so that we will not see their nine long years of failure on skills. Why the secrecy? Is it because the report reveals the true outcomes of the Howard government’s New Apprenticeships program? The minister at the table has been responsible for this area for the last three years, yet there has been no attempt to deal with what are serious problems with the New Apprenticeships scheme, no attempt to make sure that the vast bulk of training is happening in areas of skills shortage, no attempt to deal with the huge 40 per cent drop-out from the scheme and no attempt to recognise that people are saying they do not learn anything from the New Apprenticeships programs. These findings are obviously very embarrassing to the government. No wonder it does not want to even receive a report which analyses the survey. We will continue to pursue the government on these issues because Australia is suffering and because the Reserve Bank is saying that skills shortages is one of the main reasons for upward pressure on interest rates. Business is screaming out for skilled labour, saying that it is having to increase wages to attract skilled labour to its projects and that it
is delaying projects because it cannot get the skilled labour it needs. It is this government’s responsibility. (Time expired)

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

Mr Crean—I second the amendment.

Mr RICHARDSON (Kingston) (10.14 am)—I rise today in support of the Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill 2005. So often in this House we hear lively debate about the two very important issues of the skills shortage and unemployment. This bill is aimed right at the heart of both issues by providing incentives to bring new apprentices into the work force and by openly recognising the value of the choice made by many individuals not to go directly from school to university but to take on a trade. More importantly, these changes to Youth Allowance, Austudy and Abstudy arrangements will ease the financial burden for new apprentices currently learning a trade, and it is those new apprentices who are going to be the first to address the issue of the skills shortage in this nation.

While a new apprentice is completing their apprenticeship, they are combining work and skills training and, because of that work component, they traditionally did not fall within the framework of Austudy or Youth Allowance and therefore could not receive assistance. These often young individuals are having to absorb the costs of such things as the purchase of tools associated with their trade, moving out of home and establishing themselves in their new jobs. To date they have had to bear this burden on a training wage and without the assistance of Youth Allowance or Austudy. The situation as it currently operates does not provide an incentive for young people to move off the dole queue and into an apprenticeship and it does not support those students who go straight from school into an apprenticeship as highly as it does those who go directly to university. The bill seeks to move new apprentices into line with their counterparts at university, who are able to combine work with study while retaining their entitlement to access Youth Allowance, Austudy or Abstudy.

The bill supports the government’s agenda to address the national skills shortage by encouraging people to participate in New Apprenticeships and by making it that little bit easier for existing new apprentices to complete their training. The New Apprenticeships system provides Australian workers with the skills needed to re-enter the work force, to retrain for a new job, to upgrade from an existing job or to enter the work force while obtaining the necessary training upon their exit from school.

By encouraging more Australians into new apprenticeships and making it financially easier for them to complete their training, the Howard government is ensuring an increase in the supply of skilled Australians with a nationally recognised qualification which will meet the growing needs of business and help to address the national skills shortage. Under the proposed scheme, new apprentices would be subject to the same eligibility criteria, and income and partner income tests which currently apply to Youth Allowance, Austudy and Abstudy. This means that over time, as a new apprentice’s wage increases with their skill level, their Austudy or youth allowance payment will reduce, ensuring that they are not simply cut off when they reach a certain income point but instead face a gradual reduction in their payment as their wages increase, causing them to rely on the payment less and less.
One very important facet of this new entitlement is that it exempts from assessment as income the value of the Commonwealth trade learning scholarships as well as the value of Tools for Your Trade. This means that funds provided to a new apprentice specifically for the purpose of paying their fees or purchasing the tools they need to conduct their work will not create a detriment, preventing them from accessing this very important financial support.

Another vital ramification of this bill is the flow-on effect it will provide to new apprentices to access other services. Under the scheme proposed in this bill, new apprentices accessing youth allowance, Austudy or Abstudy entitlements may also be able to qualify for additional fortnightly assistance consistent with current arrangements under these payments. The measures I speak of are currently available to eligible students at universities and other such further education institutions, although new apprentices have not had the benefit of them in the past. These services, such as the fares allowance or the pharmaceutical allowance, make daily life that little bit easier for eligible students. Under this bill, those services will now make life that little bit easier for eligible new apprentices as well.

The Howard government values very highly the choices of young Australians who do not go directly from school to university but instead seek out training to obtain a trade. By extending the eligibility for these various payments to include new apprentices, thus making it consistent with assistance for other full-time students, it acknowledges the importance and worthiness of vocational education and training as compared to university study.

The Howard government expects that payments under the new scheme will commence on 1 July 2005, and the financial commitment of $382.2 million over three years will benefit up to 93,000 new apprentices. The funding provided through the bill further affirms the government’s commitment to supporting new apprentices at a time when their wages are generally at their lowest. The bill is yet another piece of evidence of the Howard government’s commitment to addressing the skills shortage faced by this nation. Ensuring 93,000 new apprentices are financially supported is just one of the steps being taken by the government in an attempt to rectify the problem. This measure is only possible because of the exceptional economic management of the Howard government. This government has worked tirelessly to ensure that it is able to give back to Australians who need it when they need it the most, and this is only one example of a measure taken by the government to give back to Australians when it is most appropriate.

As a new member of the Commonwealth government I am exceptionally grateful to those existing and former members of the Howard government who have ensured we are in an economic position to provide this assistance to new apprentices. As a current member of the Howard government, and after listening to the Treasurer’s budget speech last night, I am exceptionally proud and grateful that future Australian governments will be in a position to continue to support those Australians who need it because this government’s continually exceptional economic management has established a strong and viable economic future for this nation.

On a personal note, I have a 21-year-old son who commenced a new apprenticeship early this year. My son, like so many others, has battled financially to establish himself with the tools he requires to work as an apprentice carpenter-builder. He is able to do this, however, because he is living at home
with parents who are able to assist him with financial support. Many new apprentices are not as fortunate as my son and do not have parents in a financial position to support them or have been forced to move away from home because of family circumstances. This bill ensures that those new apprentices will now have the financial backing of the Howard government to ensure that they will be able to afford to support themselves while obtaining their qualifications for a trade.

I stand in this House as a representative of every new apprentice or potential new apprentice in my electorate of Kingston, as a representative of every new apprentice nationwide and as a father of a new apprentice, and as such I commend this very important bill to the House.

Mr ALBANESE (Grayndler) (10.24 am)—I am pleased to make a contribution in this debate on the Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill 2005 but not pleased that there is such a crisis in our skills base. This measure is one of the measures announced by the federal government during the last election campaign. That was in response to an outcry from industry, unions and people in the community about the issue of skills shortages, which are there as a direct result of government policy. This measure, which Labor also announced during the election campaign that it would do, is worthy of support, although I draw the minister’s attention to the issues raised by the shadow minister, the Deputy Leader of the Opposition, about the anomalies which will remain between new apprentices and students in full-time study as a result of the detail of this policy measure.

The government for a long time said that skills shortages were not an issue. In the time I was shadow minister for employment services and training I issued 62 media releases about skills shortages and the need for action. On this side of the House we understood that this was a critical issue facing, in particular, young people but also mature age people trying to get back into the workforce, and industry. Over time, as a result of government inaction, everyone from the Reserve Bank down understood the nature of this crisis. Indeed, people such as Peter Hendy from ACCI—no friend of the Labor Party—were talking about this and the need for action. At the first meetings I went to upon becoming shadow minister for training I was informed about the disappointment of business and unions over the failure to address these issues.

And it is a result of policy failure. With the creation of its New Apprenticeships program the government essentially amalgamated what Labor had created through the Australian traineeship system with the former apprenticeship system, called it New Apprenticeships and used it to boost the numbers as if there were actually extra people getting skills training. We know that what that led to, and is continuing to lead to and has not been addressed by this government, is distortions and rorts whereby many of the people engaged in the New Apprenticeship system are not getting any training whatsoever. We have examples of fast food stores being established with 50 employees, where each of the 50 is a trainee. The question has to be asked: who is doing the training? We have examples of young people working at the local fish and chip shop. In order to get a government subsidy, they are told they are ‘new apprentices’, but when they conclude their schooling and want to go for a real new apprenticeship they are told, ‘No, you cannot because you have already been through the system.’ So they actually get excluded from getting the skills and jobs they need.

We know that years of neglect have meant that 270,000 Australians have missed out on
a TAFE place since 1998. We know that during that time 178,000 skilled migrants came to Australia. The only new initiative in the budget last night was again the importation of more skilled labour in order to fill the void that has been created as a direct result of government policy—where for six out of the last nine years there has been no growth funding.

The fact that we have a skills crisis at the same time that 40,000 people are missing out on TAFE each year—15,000 of them being young people who are eager to do a new apprenticeship to get the skilled job that they and Australia need—is an outrageous abrogation of government responsibility. Last night in the budget, in spite of the fact that we have a massive surplus due in large part to the particular circumstances of the price of commodities, we squandered the opportunity to secure long-term prosperity. This comes about due to ideology—the fact that this government is so hateful of anything to do with the public sector that it has starved TAFE, the major provider of skills training in the nation, of proper funding. The attack on TAFE over such a long period of time has meant that they have been starved of funds, but the consequences of that flow through to young people in particular not being able to get the training they need.

For the last two years the Governor of the Reserve Bank has repeatedly spoken about the skills crisis and the threat that that poses to economic growth. According to Group Training Australia there are currently national skills shortages in all key trades, including engineering trades, vehicle trades, construction trades, food trades, electrical, electronics, printing, wood, hairdressing, furniture and upholstery. And it is not just in the blue-collar area. Services such as nursing, child care and teaching are also desperate for new entrants to keep up with demand.

In July last year the ACCI survey of investor confidence found that for the first time in 14 years the availability of suitably qualified employees was the No. 1 constraint on future investment decisions. At that time, 79 per cent of firms surveyed said recruiting employees with appropriate skills was a major or moderate concern. Over the next five years it is expected that 175,000 workers will leave the traditional trades, with only 70,000 expected to enter them. The government cannot say it was not warned. Labor established a Senate inquiry into these issues in 2002-03 and a report was handed down in 2003. It warned that Australia would not have enough skilled metal, engineering and manufacturing workers to carry out the $20 billion worth of major infrastructure and resources projects needed in the next 10 years. It has been estimated that current skills shortages could cost Australia $9 billion in lost output over the coming decade.

What we saw during the election campaign was not a serious attempt to address these issues. That should not be a surprise, because only Labor has ever taken the issue of vocational education and training seriously. It was, of course, the Whitlam government in 1973 that first provided Commonwealth financial support for apprenticeships through the establishment of the National Apprenticeship Assistance Scheme. It was the Hawke Labor government in the 1980s that took on the states and territories and put in place new industrial arrangements that enabled the traineeship system to be created in the first place. And it was the Keating Labor government that in 1992 got the agreement of all states and territories for the establishment of the Australian National Training Authority, a statutory body which sought to overcome the inconsistencies of our federal structure and bring a national focus to the delivery of VET.
But what we have seen over the nine years of this government is a complete absence of visionary initiatives and reforms. Commonwealth VET funding in real terms has been cut over the past nine years. In fact, since 1997 real funding per teaching hour has dropped by around 19 per cent and the proportion of VET funding coming from the Commonwealth has fallen from 25 per cent to 22.2 per cent. Inevitably, these cuts have undermined the quality of training that more than 1.7 million Australians receive from the VET sector.

At a time when we most need our federal structure to work cooperatively, the minister undermined ANTA by refusing to have an ANTA agreement in place. We know that that was supposed to occur last year. The minister was simply silent all through the year, knowing what he had in his back pocket: an announcement that would be made after the election—not during the election—that ANTA would be abolished. So much for honesty in government. With no agreement, the fundamental structure at the core of our VET system was to be abolished. Was that mentioned in the election campaign? Not on your life. What we did get during the election campaign was the announcement of the Institute for Trade Skill Excellence. This would provide:

... industry endorsement of qualifications provided by private and public training providers, including TAFE, identifying excellence and the ‘preferred providers’ of high quality and industry-relevant training’.

That is what ANTA used to do, of course. They did not announce that they were abolishing ANTA; that would have been too honest.

There were to be four shareholders of the institute. Not all of them knew until the night before that they were going to be shareholders. There was the ACCI, the AiG, the BCA and the NFF. There was no representation from TAFE, no representation from unions. After the government had gone through this whole process of establishing skills councils, measures in the announcement included the establishment of an industry reference group for each key trades industry. Once again, the government were not being honest with the Australian public prior to the election. The announcement was that zero of the $18.3 million—a subsidy for the government’s friends in the corporate sector—would be spent on training. During the election campaign, the minister did not bother to front at the TAFE directors conference held in Sydney on 22 to 24 September. Even the junior minister did not bother to front. They sent along a parliamentary secretary. That is more than they sent to the WorldSkills conference held in Brisbane at the convention centre earlier last year. In that case, there was no government representation whatsoever at an event where tens of thousands of young people learn about their opportunities to attain skills.

The government did not just do that, of course. Once again showing a victory of style over substance during the election campaign, it made an announcement about toolboxes. The toolbox idea is, on the surface, a good one if toolboxes are provided, but once again it was policy on the run. Obviously the government is not aware that construction, electrical, metal fabrication and other awards contain tool allowances of up to $22 a week—more than people are going to get out of this grant. When I spoke to employer reps and asked whether they would guarantee that they would keep the allowance in the award, they said no. Of course they said no. We are going to get the government giving money from the taxpayer for what is already in the award, what apprentices in areas such as the building and electrical industries already receive. It is absolutely absurd. It could mean, if apprentices
lose this allowance, that they will actually end up worse off. The government did not think that through.

And we have the technical colleges. The government starved TAFE of funds, undermined it for nine years. There are some 40,000 people wanting to get into a TAFE course, 15,000 of them young people. What is the government’s response? To set up a parallel system—to be run by the private sector and to have AWAs as a condition of participation, to undermine industrial conditions. That system will not produce a single apprentice—not one—until after 2010. We have a crisis now. I do not know if the minister just boycotts TAFE conferences or if he has ever gone into a TAFE. If he went into a TAFE, he would see hardworking men and women, particularly in areas like construction, who make sacrifices to teach. They would earn more on the job than they do in the TAFE training young people, but they do it out of their commitment, their pride in their skills and the satisfaction they get in imparting those skills, to younger people in particular. They do it out of their commitment to this nation. The government has contempt for all that. We will go through this costly exercise of creating, or attempting to create, a parallel system in order to produce a few thousand people sometime after 2010.

During the election campaign the minister could not say where the new colleges were, where they would be or who would run them. There was just this vague concept. There was talk about one of them being in Gladstone. If the minister had spoken to anyone in Gladstone, he would know that, through local industry, through the local high schools, through the local group training organisation—already in place—young Australians doing a VET in Schools course were working with industry, getting those skills. Those linkages are there. If the government was serious, with the same amount of money it could have had a serious impact by working from the basis of the existing VET in Schools program or working through skills centres such as the ones that exist in Brisbane. It could have worked through the models that are there.

It is all about ideology. The people who will suffer are the young people who will miss out on opportunities to gain skills. (Time expired)

Mr FAWCETT (Wakefield) (10.44 am)—I rise to support the Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill 2005. The measures in this bill will provide net outlays of $383.2 million over three years to give further assistance to apprentices and trainees in the initial years of their training. Why do we need such a measure? Unemployment is at a record low level. The record reduction in long-term unemployment, which was down to 102,400 in January 2005, is the result of a strong and growing economy. However, this has resulted in a rapidly increasing demand for labour. The work force requires employees in a range of areas, from unskilled through to qualified tradespeople. Nowhere is this more relevant than in the electorate of Wakefield, which I have the privilege to represent in this place. Several statistical local areas, or SLAs, of Wakefield now have an unemployment rate of around three per cent to four per cent.

Last week I attended a meeting that had been called by a large employer in the wine industry. They indicated that one of the most significant threats to their proposed expansion was the availability of labour, both skilled and unskilled. In a region of South Australia that is responsible for over 70 per cent of the state’s manufacturing output as well as an intensive horticultural industry, it is no wonder that employers are more frequently talking about the difficulty in find-
ing, attracting and retaining the work force they need to expand or, in some cases, even to sustain their operations. This is the case in both the skilled and unskilled areas. The barriers to growth that this work force shortage is causing are particularly disturbing given that the SLAs that make up the city of Play-
ford, which is adjacent to the manufacturing areas, have an unemployment rate of 13 per cent. While this is better than the rate of 17 per cent recorded in 1996, there is still more that can be done to provide the opportunity for these Australians to participate in the paid work force.

The barriers to overcoming this high rate of unemployment in these few pockets of Wakefield are varied and include social issues such as family breakdown, drugs, inter-
generational welfare dependency and education. Simplistic, stand-alone silver bullet policies will not address this overnight. However, progress has been made through the initiatives of the Howard government. I therefore welcome the range of additional initiatives announced recently. I particularly welcome the decision to extend the role of the family relationship centres to include pre-marriage education and a more proactive approach to support couples who choose to work through difficulties to achieve a stronger marriage. The short-, medium- and long-term benefits of stronger marriages will be widespread. Kids Help Line statistics show that the largest single issue that causes young people to seek assistance is conflict within their parents’ relationship and the threat of separation. The flow-on effects of separation on children are widely recognised and many of them impact on the barriers discussed in this debate. Despite the negative reaction of some vocal groups, these initiatives, some of which include welfare reform, are designed not to punish but to provide the hand-up that members of our community need to have the confidence to choose to participate.

Mr Crean—I think this is the wrong speech.

Mr FAWCETT—If members opposite would listen, they would realise that this is one of a number of initiatives that are helping people to make the choice to step up and receive the training that is there and to overcome the initial barriers and get them to the point of completion. This bill is one of these initiatives. Despite the member for Grayndler’s comments about a parallel system to TAFE, he obviously does not understand that Australian technical colleges is one of these initiatives that actually trains year 11 and 12 students, which is not the area that TAFE colleges target, and that TAFEs on the ground are one of the most proactive participants in groups that are bidding to provide services to the technical colleges.

Mr Albanese—Yeah, sure they are!

Mr FAWCETT—If the member for Grayndler came to Wakefield and sat through some of the meetings, he would realise the keen participation of TAFEs in that system. This bill supports the government’s intention to address skills shortages in the Australian economy. It encourages people to participate in new apprenticeships by providing them with the skills needed to enter or re-enter the work force, to re-train for a new job or to upgrade for an existing job. The measure will increase the supply of skilled people with a nationally recognised qualification that will meet the needs of business and will support a more competitive and innovative economy.

For the first time, this measure extends eligibility for youth allowance and Austudy to full-time apprentices and trainees participating under the New Apprenticeships scheme. In line with the Howard government’s determination to see trade training valued as a first choice for many of our
young people, new apprentices will be treated consistently with the current payment arrangements for full-time students. This will include the application of parental, personal and partner means-testing according to their circumstances. The extension of eligibility for youth allowance and Austudy payments to full-time new apprentices will help to ease the financial burden faced by apprentices and trainees in the initial years of their training.

That these measures are so specific to areas of skills shortage acknowledges how important these people are to our continued economic competitiveness, performance and growth. This is vital for the people of Wakefield.

In the city of Playford, around 25 per cent of the working population is employed in manufacturing industries. The expansion of these industries is consistent with the increase in new apprentices engaged in traditional trades in Wakefield, which have risen from 210 in 1996 to 720 in 2004, an increase of 243 per cent in traditional trades and excluding trainees. According to the National Centre for Vocational Education Research, the largest share of these was in the automotive sector. While, rightly, there is a focus on traditional trades, the other sectors of the workforce should not be understated. In Playford, the retail and services sector employs 30 per cent of the workforce. This 30 per cent of the workforce is benefiting from earlier Howard government initiatives which have seen the number of new apprentices in Wakefield—that is, apprentices in traditional trades and trainees—increase from 310 in 1996 to over 3,300 in 2004. For the electorate of Wakefield, that is an increase of 968 per cent. More important than the statistic is that a generation of people is being equipped to move into the workforce in one of the largest employment sectors available to them. The additional income provided by having access to youth allowance or Austudy will give the support that some need to choose to make the transition from school or welfare to training and work. As well as supporting the people of Wakefield, nationally this measure will provide additional support to up to 75,000 more people in 2005-06, increasing to approximately 93,000 people by the 2008-09 financial year.

The amending bill also contains provisions for the exemption from social security and veterans’ entitlements for the Commonwealth trade learning scholarships and the Tools for your Trade initiative. These scholarships and initiatives will be exempt from assessment as taxable income. This will ensure that these measures are fully effective and that their value to recipients is not eroded.

In addition to the Youth Allowance or Austudy changes, the government is introducing the Commonwealth trade learning scholarship to financially assist new apprentices undertaking apprenticeships in trade occupations in skill shortage areas. The scholarships will provide for payments of $500 to new apprentices upon successful completion of their first and second years. For young people in the country areas of Wakefield, who often face additional transport and living costs, as well as for those coming from families living on welfare, this assistance will encourage and allow many new apprentices to remain in training and to reach their goals of becoming fully qualified tradespeople. This is a real initiative to help them overcome barriers to entry into this training. It is well recognised that the incentive through reward at the completion of training is real, but the barriers still exist to get through those first years. This initiative is one way to overcome those barriers.

Up to 34,000 new apprentices engaged each year in training for trades experiencing skill shortages, as identified in the Depart-
ment of Employment and Workplace Relations national skill shortages list, will benefit from this measure. These will include new apprentices in metals, motor vehicle trades, building trades, plumbers, chefs and cooks, cabinet makers, furniture makers and hairdressers.

It is important to recognise that these initiatives do not represent a significant change in focus for the government. The Howard government, despite comments from members opposite, has been investing in vocational education and training over a number of years as well as working to make the Australian state and territory government agreements for trade training more effective. Many of these measures have had good success. The Skills at work report, released on 7 March 2005, found that the number of completions of new apprenticeships has increased by 280 per cent since 1996. Over the 12 months to June 2003, around 120,500 new apprentices completed.

The growth in new apprenticeships in these areas has not been at the expense of apprenticeships in the traditional trades. Today 38 per cent of new apprentices are in trades and related works, and the number of new apprentices in these areas has grown by 21 per cent since 1995. In the last 12 months alone there has been a 19 per cent increase in commencements in traditional trades.

When Mr Beazley was Minister for Employment, Education and Training we saw very high levels of unemployment and the number of new apprentices in training plummeted to an all time low of 122,700—compared to almost 400,000 today. The increase in numbers and the satisfaction rates recorded by both new apprentices and the employees are good outcomes. But there is still more to be done—more to be done to keep the growth in the economy strong, which enables Australians to enjoy the world class health and education services that they demand; and more to be done to give that helping hand to those who need the support to choose to participate. I welcome the opportunity to work with the people of Wakefield as a representative of the Howard government to see that every person who is willing and able to work has the training, support and incentive to choose to do so. I am therefore pleased to support the Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill 2005.

Mr LAMING (Bowman) (10.55 am)—I am very keen to support the Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill 2005 and I rise to make two general points. The first is a general observation about the shortages of skills that have been talked about in this chamber today. The second is to talk about financial injection and policy and to make a comparison with what we are seeing from the other side.

I think most of us in this chamber would agree that there has been a dissonance between industry and the private sector at times in the roles that they play in training and education. That has been an issue for a decade or more. We are seeing right now efforts to bring those two together, to have industry and the economy working more closely to actually be providing the graduates that we need. We know that, the closer that partnership is, the more effective things will work.

Of course, government has a key role there—both state and federal. It always interests me when we come to the chamber and hear the member for Jagajaga saying that somehow TAFE, in some revisionist approach to political history, is suddenly a completely federal issue—that in some way the federal government has complete control over TAFE campuses across the nation. In
reality, when you visit a TAFE you will see that that is simply not the case.

Mr Crean—That is what ANTA was about, and you abolished it!

Mr Laming—I am glad the member for Hotham is sitting here today and listening. I acknowledge your long history in the union movement and your interest in training. I know that is why you are here today. It does surprise me that simple truths are getting under your skin. Quite frankly, getting TAFE working and perhaps having it working well with Australian technical colleges is exactly what this nation needs.

I will make two points in the time I have today. The first is that, when we look—at total government revenues, we see that there is no jurisdiction in Australia growing faster than the coffers of the Queensland government. Take any measure you like and you will see that over the last decade or so Queensland has grown at an extraordinary 125 per cent in real terms. It is completely cashed up to be running whatever sort of TAFE system it desires. It is growing faster than the Commonwealth in relative terms and faster than every single jurisdiction. Those ABS figures came out just two weeks ago and reinforced that. So as far as Queensland is concerned, those solutions lie entirely with a Beattie government that simply is not delivering.

Mr Crean—It requires a joint effort, and you know it.

Mr Laming—I hear the interjection again from the member for Hotham. Once again, it surprises me that you can interject in what I am saying when you hold above your head nothing more than a proposed trade completion bonus as the solution to the very problems we are discussing today. I compare that trade completion bonus and the idea that a $1,000 payment will suddenly turn around the skills crisis with the broad raft of government reforms I am outlining today.

Mr Crean interjecting—

Mr Laming—I know you have had plenty of opportunities to discuss it with your union members, to whom you are aligned, to come up with a better solution than a $1,000 payment that is suddenly going to turn this whole sector around. That bears a startling resemblance to scholarships of $500 that are being paid to new apprentices who complete their years of training. That is one line in a broad policy platform. You are going to need a lot more than that. You will have to tell the opposition frontbench that you will need a lot more than a trade completion bonus to make more than a dint in this situation.

Let us go through what those solutions are. We can start with the $10.1 billion over the next four years to address the needs of skilling up. That includes money for TAFE and for private training providers. If you look at the last decade you will see that this government has been about offering choice for people in training. Private training providers have been a significant addition to that role. Of course we have to be funding TAFE, and there are arrangements existing already.

Also, do not forget that today we are introducing changes to youth allowance. I recall that the opposition were once in government when questions were asked about whether we could ever hope to see the kinds of rights extended to students also available to apprentices. It is happening today; it is happening under this government. That is one of the reasons that I am speaking today—to say that it is a fantastic move and one that was completely available to the opposition for the long duration that they, unfortunately, ruled the country under completely different economic circumstances.

When we hear about the skills shortage to which they refer, I often remember that if
there was a glimmer of hope—if there was a moment of warmth about living under the opposition in government—it was in the fact that there was not a skills shortage. That was because we were all at home looking for a job. There were plenty of people in the queues relying on welfare with no opportunity for training, participation, skilling, experience or remaining connected to their community. That can be done in full-time work—and we have an exemplary record of that, as I can see being acknowledged at the table—and also in part-time work, but I would be remiss not to make the observation that there is part-time work and there is part-time work.

What we have today, which is a very high participation rate and a very low unemployment rate, are workers who are part-time because they choose to be part-time. We know that nearly half of those in part-time work say, ‘This is exactly how much work I want.’ Sure, there are part-time workers who would like more work. There always will be; that is the definition of part-time and transitional work.

Let me take you back 10 years, and I know that memories are good on both sides of the chamber. There are many who will recall that part-time work just eight, nine or 10 years ago meant being forced back into work to pay high interest rates on your mortgage when you would rather have been at home, studying or caring for children. There were people subjected to downsizing or being laid off. Furthermore, when entire businesses were made bankrupt, people were having their hours cut and becoming part-time when they wanted to be productive full-time workers. Sure, there were part-time workers then as there are now, but under completely different circumstances. The lack of choice and alternatives was the most striking recollection that I have, as many do, of 10 years ago.

Moving to today’s expansion of the platform—and I know that these amendments are only making small modifications to it—$2.5 billion is being spent on vocational and further education, and an additional package has been announced, particularly for the traditional trades. Of course, the rebuttal to these measures that comes from the opposition is that they have an anecdotal story of someone who was offered an apprenticeship and how meaningless that was. We need to do better in this place than put together one or two anecdotal stories, because in the end we will have more apprenticeships in traditional trades and more apprenticeships in the innovative trades. They will be of varying quality: some will have fantastic supervision and training quality and some will not, but we need to make sure that those standards are as high as possible, and you cannot have standards if you do not have the opportunity to begin with.

We have already spoken about the $349 million over four years for the Australian technical colleges. I wish I could stand up and say that the cooperation from state jurisdictions has been seamless and enthusiastic. I wish I could say that they welcomed the notion of technical colleges because they can see that, while any one intervention is never a complete solution, it is a really important contribution. In fact, the story is quite different. There is this mixed story of indifference, hostility and a lack of cooperation with those putting together submissions for the Australian technical colleges. We are still a long way from being able to work together with state jurisdictions on some of these really important solutions to our skills and technical shortages.

Do not forget that, of course, running TAFE also means that states control the situation with those that come into this country and seek to have their trades accredited for Australia. I can give many examples of
individuals who come from other developed economies and seek to have their skills accredited. They find that they are met with long queues, they discover a lack of information from state agencies on how they will be assessed and they receive letters on their assessment long after they are meant to arrive. Highly-trained foreign workers who wish to join our work force are often subjected to very rudimentary and poorly developed skills assessment. This process could be significantly streamlined, with very little additional resourcing, to make sure that those who do come to this country are actually able to be engaged in the work force and have their overseas qualifications recognised in a timely manner.

I noted in the tone of the words of the member for Jagajaga a certain almost dismissive approach to the use of overseas skills. Once again, no-one here is saying that we are intending to crowd out opportunities for Australians by bringing in foreign workers; that is far from the case. In any circumstance you are going to need a blended, multiparty model to find solutions to things like skills crises, particularly when you are running at 5.1 per cent unemployment. I know that the opposition has no experience in this generation of managing an economy with unemployment around five per cent. I think some of you would not even remember those days.

Mr Crean—That’s just not right—have a look at the stats. Get your facts right!

Mr Laming—I suspect that you were around but probably had not even entered this chamber. You are unable to know what it is like to be running a country with 5.1 per cent unemployment. The conditions are unfamiliar to you, and I would understand it if some of your comments are slightly off the mark.
made for them. Those increases will be part of the medium-term solution. A constant effort is being made to support TAFE appropriately but, in the end, we simply cannot march in from a federal jurisdiction and have TAFE work in the way that we would all like it to deliver.

That said, the Australian technical colleges are a fantastic parallel policy alternative. It has all of the elements and all of the building blocks for a really productive new sector, for which I know there is an enormous amount of excitement on this side of the House. Performance bonuses for those who are teaching in colleges is a very exiting new development as well.

What we are seeing today is a finessing of this legislation. I support both changes. I highlight the fact that a broad raft of government policies have been presented rather than the one-by-one approach taken by the opposition. The member for Brisbane is at the table. I am sure he would concur that you cannot fix these problems with a single policy initiative. I would like to see from the opposition something more than a complete reliance on a trade completion bonus. That is far from finding a solution to our skills needs, which we know in education and training will require a well-functioning TAFE, Australian technical colleges and the raft of incentives being offered to young Australians embarking upon their very important and valuable trades as we speak.

Mr TUCKEY (O’Connor) (11.09 am)—I was not present when merely three Labor speakers bothered to address the Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill 2005. Considering I was speaker No. 7 and each speaker was allocated 20 minutes, there is clear evidence they did not speak for very long. It does not show the sincere interest in the apprenticeship system that the opposition tends to profess once there is evidence around Australia of skills shortages arising from a booming economy.

A common criticism levelled by the opposition benches at the Howard government is that it has neglected skills training. That is inconsistent with the statistics. I have not got the updated figures before me, but I think it has been quoted in this place on many occasions that, when the Howard government took office, we had about 160,000 persons in apprenticeships around Australia. In the short years thereafter, that figure grew to 450,000. That figure was substantially more than the increase in population growth during that period and, therefore, evidence that, even then, the Howard government was doing its very best to re-engage people with the trades.

I accept wholeheartedly that there was a community attitude that if you did not go to university you were falling behind the scene. As the current circumstances are demonstrating, people are suddenly learning that it costs more to get a plumber than a doctor to make a household visit. That is because the marketplace has responded to these shortages with higher remuneration and much more recognition in the community of the value of such people and the services they provide.

When one talks about these things one thinks of the current situation in Queensland where not only is there a shortage of medical practitioners but also the health authorities have endorsed people to do work that is clearly beyond their capacity. That is now creating problems that only contemporary inquiries are going to resolve. It needs to be remembered that the Hawke government, in a panic, reduced undergraduate places for medical students by 4,000 because of the blow-out in bulk billing costs to the budget. When one considers the time scale involved in the training of a medical gradate to become an independent general practitioner,
you wonder why 10 years later that shortage is materialising in the community. That reduction was done to protect the budget. The argument was that all these people were graduating, hanging their shingles out as bulk-billers and then buying a football team and other sorts of things that were happening at that stage.

So I do not think the criticism that the Howard government has been neglectful in this area can in any way be substantiated. But, on the other hand, we have before us a small piece of legislation that further enhances the attractiveness of apprenticeships, particularly to mature age applicants; therefore, it is good policy. Certainly there has been a process in this regard. The inclusion of apprenticeships for eligibility for the youth allowance, which was originally seen more as the preserve of academic education, is quite appropriate. The training processes associated with apprenticeships and trade skills should be treated in exactly the same way.

Some time ago we allowed the youth allowance to include rental assistance. In my electorate, young people have to move to where training opportunities exist. My recollection of the late fifties is that every small town had a machinery dealer and the local kid went there to learn. Because of technology requirements et cetera, we see even more consolidation of machinery dealers in the larger regional centres and their workforce emanates out to the farming properties et cetera. So if you want to be in an apprenticeship and you live in one of the smaller communities, you have to find accommodation where the apprenticeship training is available. Initially the youth allowance arrangement gave a very good subsidy in year 1 and discontinued it in year 2, to the extent that the accommodation costs to the individual exceeded their increase in salary. That has been addressed, and now we see other matters being brought to account, particularly as they relate to more mature age apprentices—and why shouldn’t they?

In Western Australia we still have substantial reform to achieve at the state government level, as the government is the regulator. It is interesting, and again this is my recollection, that as an employer one had to be terribly careful about breaking the industrial law by employing too many apprentices. That was forbidden under most awards, certainly in Western Australia, where you were only allowed to have so many apprentices relative to the number of senior tradesmen that you had on your staff. The argument behind that was they needed the time to properly teach these younger people, and there is a bit of truth in that. But behind it all was a suspicion in the trade union movement that these ‘nasty’ employers would put all these apprentices on at extremely low rates of pay for the purpose of sacking tradesmen, which was just dopey, but it was typical of the culture of the time and of course was anti the employment of apprentices. Unions did not particularly like them, but they stand up today and say, ‘You don’t pay them enough to keep them in the job.’ I think there is some truth in that.

A case was brought to my attention the other day where one of these training employers that have become commonplace with apprentices is charging the employer $700 a week but in fact the employee, the apprentice, is receiving $250 a week. Considering its address in Welshpool, I have got a funny feeling that a particular skills training group might be union orientated. I will not make an accusation as to that because I am checking it out, but that sounds pretty funny to me. I know it is a not-for-profit organisation. The apprentice’s parent wants to know where all the money goes if there is a fee of $700 charged to the employer, who has taken on the apprentice through this scheme, when in
fact her son takes home only $250 or thereabouts.

The interesting side of all this is the fundamental issue that the Howard government now proposes in terms of apprenticeships: that the term of the apprenticeship should be to achieve a particular outcome—a skill level or a competence—and should not be four years. This is extremely important because this lady says, to quote the words of her son’s current employer, that he would like her son, because he believes he has the competence, as a tradesman—not as an apprentice—in a roof construction team to be sent out as the boss. That is how high is his regard of this young person. This person has achieved the skills necessary to be a tradesman and, arguably, a foreman but he has got to do another two years on very low wages relative to what he could earn in that other position. But under Western Australian law, if he wants a ticket—if he wants proof in future years that he is a tradesman—he has got to hang around for another two years on these low wages which the unions criticise. Why? If his boss thinks he is so capable and has such good qualities, why not let him go out? Give him his ticket—and, yes, have some assessment of him other than just that of his employer, who is a better judge—and let that person go out and arguably be teaching someone else.

We just get these rigidities for no reason. As the Chairman of the Western Australian Turf Club, I attempted, with my committee, to get an apprenticeship for farriers, a well paid position. It never happened. The committee that makes these decisions about apprenticeships would not have it on because he could not see the opportunities for multiskilling. Apparently it thought a 14-stone farrier should also be trained as a jockey. That is dumb. There were trade and skill opportunities; there was an opportunity to put apprenticeships in place. Of course, they go on getting trained: they are called a learner or something like that. They traipse around with a farrier and the industry accepts that this bloke puts on a good shoe and that one does not—and fair enough. But the idea of an apprenticeship in a highly remunerated and very skilful trade was rejected, so we have all these silly things happening.

For instance, take the building industry. I had correspondence recently with one of Perth’s leading builders who made a speech about the fact that there is a skills shortage because the training system no longer meets modern reality. As a youth you would see a so-called building tradesman come onto a property, put the stumps in, put the wooden floor in, put the building up, put the roof on and leave the site with probably only the plumber and a few other tradespeople left to come onto the site. Today someone comes in and puts the gutters up, someone else puts the roof framing up and someone else has just one skill—they put the roof on, whether it be tiles or Colourbond—and so on. That is how specialised the building industry has become, and in Western Australia this has been beneficial to both employees and the purchasers of houses.

As you would know, Mr Deputy Speaker Wilkie, Western Australia’s housing still represents the cheapest by far. I might add that it is with some grief I hear that the head of BGC, Len Buckeridge, who above all others has delivered cheap houses to all Western Australians, is thinking of giving up because of the extent to which he is being harassed by the state government. Just imagine a political party that virtually gave away land in the old Midland abattoir site to one fellow to start a brickworks against Midland Brick, which was then run by Rick New, who used to have a pretty aggressive attitude to trade unions, and all of a sudden it is sold off to one of the Australian majors and no longer represents a risk. Then along comes Len...
Buckeridge to build a brand-new brickworks when Western Australia was importing bricks from the eastern states—and I am surprised we did not start bringing them in from China; they know a lot about that particular technology. For three years the man had all the machinery that once operated in the European Union—where, of course, environmental requirements are at the extreme—and he cannot find a block of land in Western Australia on which he is allowed to erect a brickworks. And the Commonwealth is now assisting in that regard. Excuse me! Why wouldn’t a government of any political persuasion want that new job-creating, skills-creating opportunity and, because Western Australia and Perth in particular is a double-brick community, have more and cheaper bricks available to keep housing costs down?

I once held the position of shadow minister for defence personnel and I interviewed wives of defence personnel. They all wanted to get to the Navy’s Stirling base. Why? Because that was where they could afford homes on the salaries that their spouses were receiving. Why would we want to change that when we have people who have made an art form of specialisation in housing construction et cetera and who have kept houses of an equivalent value in terms of amenity $100,000 cheaper? Why wouldn’t any government want to pursue that arrangement? Why, with the money they spent on public housing, did they want to drive Buckeridge out of that marketplace—as Stephens, the then minister, attempted—so that the taxpayer paid more for public housing? One just cannot believe it.

In terms of training, specialisation has now become so significant that in apprenticeships we need to achieve a special recognition that some of those specialist skills, for which a person should get a ticket, might be learnt in a year. Someone should be able to demonstrate that they have the skills and the understanding of by-laws and other things. There seems to be this idea that if we can keep them at TAFE for four years that means more TAFE workers and unionised TAFE workers will get a job. It is silly. When people are competent they should be accredited and allowed to get out there.

We read in the paper all the time that these people disappear out of their apprenticeships after two years. Why? Because they have achieved a skill where they can get a full-time job, at possibly $1,000 a week instead of $200. But in later years, if things are a bit tight and they apply for a job and someone says, ‘Where’s your trade ticket?’ they haven’t got one, and that is a disadvantage for the future. All these matters need to be addressed in terms of their skills training.

Let me comment on other aspects of how people might be encouraged to work and to enter the workplace, which this legislation has something to do with. I am constantly disappointed—and I hope the Minister for Vocational and Technical Education might listen for a moment to what I am about to say—in the inadequate efforts made by government departments, local government and the private sector to create more opportunities for people to work from home. This is particularly important where a broadband connection is used. One might say, ‘They’re all highly skilled people.’ It is not necessarily so. When one talks, for instance, of a single parent wanting to maximise the support of their children, it might help if a job could be created which they could conduct from their home base. This might be operating in a decentralised call centre, which is not considered highly skilled. It might be like one of Sydney’s leading legal practitioners, a woman, who is maintaining her business from Sri Lanka because her husband was transferred there. She is maintaining her practice from Sri Lanka in partnership with a major legal firm. Why haven’t we got more
incentives for people to take those sorts of jobs at different levels?

We have a massive shortage of town planners in local government. The institute told me some years ago that if local government were to free up its processes and allow planners to work from home there would be no shortage. When one looks at the skills required in town planning, why wouldn’t that be possible? Again, it is all part of this idea of giving people an opportunity to work in an appropriate environment.

Even when one gets down to piecework in the so-called sweatshops or in a home environment, it is always forgotten that you need only roughly half as much pay or half the working hours to work from home to net out the same as someone who must attend a workplace, particularly when you take into account the example quoted in today’s paper of a family here in Canberra with three children spending $243 a week in child care. The parents are both IT people. Clearly, if one of them were able to work from home in that IT position doing half a week’s work, they would net the same money. Of course, they would be in a lower tax bracket and they would not have to spend as much on clothing, transport, parking or whatever else. We should take account of those matters.

As I have said today, the great attraction of lifting those tax thresholds for higher income workers is that it will keep IT jobs in Australia that might otherwise go to India. An employer looks at the gross wage and the employee, quite properly, looks at the net wage. When employers have to ramp up their gross wages to cover a huge tax expense and other payments that are associated with employing an individual, they start to take the Indian option. The employee is not that interested in their gross wage but interested in their net wage. There is an old, old saying, even amongst other workers. ‘What do I get in the hand, Mr Tuckey?’ they used to say.

(Time expired)

Mr HARDGRAVE (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (11.30 am)—Thank you very much indeed to everybody who has spoken on the Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill 2005. I know that the honourable member for Paterson joins with the government in strong support for this bill. He has indicated his particular interest in this bill, but I thank everybody who contributed. While I do not necessarily agree with all the comments made on this bill, I appreciate the input of all members to the debate. The member for O’Connor, in his expansive contribution, made some very good sense and good points in what he was reflecting upon.

But we on this side are somewhat dismayed at the lack of understanding by those opposite of this area of vocational and technical education. Through their contributions to the debate they have shown that they do not really understand the basics. The Australian government does not fund, nor has ever funded, the technical and further education institutes—the TAFE institutes—around Australia. They are funded by the state governments of this country. We fund the states, though, and that money finds its way through the state governments into the individual TAFE institutions, although we are concerned that about a dollar out of every four dollars that we put into state governments disappears in the administration of the other three dollars. In fact, the situation could be so bad that one dollar in every three dollars does not actually get into the classrooms in the TAFE sector.

So when people talk about training opportunities we are very concerned that our money, put forward in record amounts now,
is not being provided in good faith to those who should be making use of it. In fact, earlier today I introduced legislation that will put almost $5 billion over the next four years into the hands of the states if they will sign up to certain principles that we think are absolutely critical to getting a truly national training system responsive to the needs of business and the needs of students—the real world needs, not just the union inspired needs. This is possible.

It is duplicitous of those opposite to continue to accuse this government of failure in an area that is simply the responsibility of the states and territories. The Constitution enshrines the day-to-day running and the quality issues associated with vocational and technical education as the responsibility of the states and territories. Those opposite need to remember that. Further, there has been a failure by the states and territories—supported by the federal opposition—to deal with the key issues of industrial relations, licensing, regulation and an industry-led, competency based and responsive system. That signalled the end of the old National Training Authority arrangements. The Tools for your Trade initiative was raised by those opposite. This is an initiative that, along with the trade learning scholarship, the extension of Youth Allowance, Austudy and Abstudy to new apprentices—the purpose of this bill—and the creation of Australian government funded places, shows the Howard government’s recognition of the needs of entry level apprentices.

Finally, the establishment of Australian technical colleges was raised by those opposite. This is not directly associated with this bill but in the general area of discussion. These Australian technical colleges are essential to address deficiencies in the application of the states and territories of the vocational education and training programs in schools and their failure to introduce, in all jurisdictions except for Queensland, a comprehensive range of school based new apprentices in traditional trades.

There are absolutely no part-time school based apprenticeships in traditional trades in the state of New South Wales. The biggest state of Australia, New South Wales, continues to be the worst state in Australia in which to be an apprentice. The Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill will appropriate net outlays of $383.2 million over three years to assist new apprentices and trainees. This bill extends eligibility for Youth Allowance and Austudy payment to full-time new apprentices. The conditions of eligibility are consistent with those of full-time students in receipt of one of these allowances. New apprentices who qualify for assistance will be subject to personal, partner and parental means testing consistent with current arrangements under these allowances. New apprentices will also benefit from the income-free area currently available for student allowance recipients.

This bill also amends the Social Security Act 1991 to exempt from social security income testing the value of the Commonwealth trade learning scholarships and tools received under the Tools for your Trade initiative. This ensures that new apprentices receive the full benefit of all these measures in the initial years of their training. This bill provides, yet again, a further example of the commitment of this government to vocational and technical education as a means of building an even stronger Australia. We are introducing several measures that address skills needs in the Australian economy. This initiative will provide targeted assistance to new apprentices during the initial years of their training when their wages generally are at their lowest—enforced by industrial relations agreements.
By ensuring that new apprentices have the support they need to undertake their training, the bill further encourages people to participate in New Apprenticeships, showing that they build possibilities not only for life-long self employment but also for small business opportunities. This supports a more competitive and innovative economy. It acknowledges the importance of a strong vocational education and training sector for continued economic performance and growth.

This government already has a proud record when it comes to ensuring the vitality of the vocational and technical education sector, with benefits for all Australians of all ages. These measures, combined with other initiatives announced and currently being implemented by this government, represent a significant investment in the future growth of Australian industries and the entire vocational and technical education sector. I commend this bill to the House, but some tidying up measures have been brought to our attention since this legislation was introduced. I therefore forecast a government amendment once the House deals with the bill in detail.

The DEPUTY SPEAKER (Hon. AM Somlyay)—The question was that this bill be now read a second time. To this the Deputy Leader of the Opposition has moved an amendment that all words after ‘That’ be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand part of the question.

Question agreed to.
Original question agreed to.
Bill read a second time.
Message from the Governor-General recommending appropriation announced.

Consideration in Detail
Bill—by leave—taken as a whole.

Mr HARDGRAVE (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (11.37 am)—by leave—I present a supplementary explanatory memorandum to the Social Security Amendment (Extension of Youth Allowance and Austudy Eligibility to New Apprentices) Bill 2005, and I move government amendments (1) and (2):

(1) Schedule 1, item 6, page 4 (lines 10 to 16), omit paragraphs (e) and (f), substitute:
(e) the person is a new apprentice and is at least 25 years old.

(2) Schedule 1, page 4 (after line 28), after item 8, insert:

8A Paragraph 1061ZK(5)(a)
After “on that day”, insert “(otherwise than because of section 540AA)”.

Following the introduction of the amending bill into the House on 17 March 2005, these two amendments provide further technical effect to the government’s election commitment to extend eligibility for youth allowance and Austudy payment to new apprentices. The first amendment ensures that newstart allowance recipients who take up a new apprenticeship are able to transfer to youth allowance as full-time new apprentices. Providing this facility ensures that job seekers in receipt of newstart allowance have an incentive to take up a new apprenticeship confident in the knowledge that they will receive assistance under youth allowance with conditions consistent with those available to student recipients in the initial years of their training.

The second amendment ensures that eligible full-time new apprentices are not able to qualify for an automatic issue health care card. Eligible new apprentices will be able to access a low-income health care card upon lodgment of a claim with Centrelink. This approach is consistent with a range of full-time students in receipt of youth allowance. I
therefore submit the amendments to the House.

Mr BEVIS (Brisbane) (11.38 am)—On behalf of the opposition, I understand these amendments have been circulated to the shadow minister and that they are comparatively technical in nature. On that basis, I am happy to see them proceed.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr HARDGRAVE (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (11.39 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

SOCIAL SECURITY LEGISLATION AMENDMENT (ONE-OFF PAYMENTS FOR CARERS) BILL 2005

Second Reading

Debate resumed.

Ms PLIBERSEK (Sydney) (11.40 am)—Labor supports the Social Security Legislation Amendment (One-off Payments for Carers) Bill 2005. At the outset, we say that we will be supporting the legislation because any extra payment for carers is welcome but we do have some reservations about the fact that this is another one-off payment rather than a substantial long-term commitment to carers. This bill gives effect to measures announced in last night’s 2005 budget and, because of the very short timing and the desire to start these payments in June 2005, we are happy to expedite passage of the legislation. It involves three one-off payments that will be made in June 2005: a one-off payment of $1,000 to recipients of carer payment, a one-off payment of $1,000 to recipients of carer service pension and a one-off payment to recipients of carer allowance generally payable as an amount of $600 for each person being cared for who attracts a carer allowance.

In broad terms, we see a bill that introduces three new one-off lump sum payments which will be made hopefully before 30 June 2005. A person who receives an installment of carer payment for a period that includes 10 May 2005 will be entitled to the $1,000 payment. For someone who is receiving carer service pension on 10 May and is subject to certain qualifications, a similar arrangement exists for a person entitled to a $600 payment that was receiving the carer allowance on 10 May. Where care is shared, the $600 will also be shared. Where the qualification for carer allowance depends on a person providing care for two disabled children, the payment will still be only $600.

Labor supports the one-off payments because we support any extra efforts made for carers, who are some of the most overlooked and hard done by people in the Australian community. Carers suffer enormous financial, physical and emotional difficulties because of the role they play in caring for others. We hope that the government reconsiders this trend of coming out with a lump sum whenever they are looking for a good news story and, instead, commits to a better system which supports carers year round and indeed increases payments to carers year round instead of in this one-off fashion. This is the second year in a row that we have had one-off payments and I would have thought, with a year to think about it, the Treasurer could have come up with a better system than another lump sum.

The problem is, of course, that there are difficulties that last all year round for carers. There are a number of issues that carer organisations have identified which the government has unfortunately still avoided by
making this one-off payment. With a bit more thought, perhaps in next year’s budget, the new Treasurer, whoever he or she may be, will be able to give a little more consideration to—

Mr Pyne—They’ll be very good.

Ms PLIBERSEK—The minister is saying the new Treasurer will be very good. You have a bid in for the new Treasurer, have you?

Mr Pyne—Mr Deputy Speaker, I rise on a point of order. I have been verballed by the shadow minister at the dispatch box. I said: on our side whoever the Treasurer is is going to be better than the Labor side.

Ms PLIBERSEK—There is enormous sensitivity on the government’s part about the speculation about new treasurers and leaders. I am happy to wait for the minister to speculate further on the Treasurer’s—

The DEPUTY SPEAKER (Hon. AM Somlyay)—Well, I am not. You have the call.

Ms PLIBERSEK—We know that there are more than 2½ million Australians—13 per cent of the population—living in households and providing unpaid care to family members and friends in the community who need care as the result of a disability or a mental or chronic illness or because they are frail and aged.

For most people, caring is part of a normal life cycle. There will be periods in most people’s lives when they are caring for someone, often an aged parent, and allowing that person to remain in the home environment, where most people prefer to remain if they can. An added difficulty arises, however, when care is not a temporary need, which so many people in the community experience at some time, but a much longer term situation, where the person needing care has a high level of dependency and where the role of the carer becomes much more critical to the person being able to remain in their own home. It is impossible to measure this very important and valuable contribution with respect to the wellbeing of the person being cared for at home, but the Australian Institute of Health and Welfare have attempted to measure the financial cost of the replacement labour. They estimate that the labour alone would cost almost $20 billion a year—$19.3 billion per year.

Many carers would tell you that it is rewarding to be able to look after their loved ones in their own home, but they also face an extraordinary number of difficulties. There are the obvious ones of the strain on physical health and emotional wellbeing. Often people are isolated in the home and not able to get out or continue their work. That not only leads to social isolation but also means they lose a great deal of economic wellbeing. They lose not just the immediate pay packet that they are not collecting but also their long-term connection to the work force and their ability to develop skills. If someone is out of the work force or has reduced their work commitment for many years in order to care for someone, even when they no longer need to care for that person their ability to earn an income has been compromised from that time on.

We fully support people being able to stay in their own home when they need care; we want to show the maximum support possible to people who are contributing to that care and we believe that society owes carers the debt of looking after people who need care. For those reasons we welcome the $1,000 or $600 payment, but we make the point that once again it is a one-off payment rather than ongoing support.

Fifty-six per cent of all carers are in either full-time or part-time work compared to 70 per cent of noncarers, which shows the effect
that caring has on somebody’s ability to participate in the work force. Among primary carers the participation rate dropped to only 39 per cent, which indicates that as people are required to provide more care for a person their ability to participate in the work force diminishes. It is kind of an obvious thing to say but if you extrapolate the effects of that over the lifetime of the carer you understand the financial sacrifice that they are making.

The median gross personal income per week was about $300 for carers compared to $407 for noncarers. Primary carers had an income of $237 per week, which was even less than the income of $327 a week for other carers, and that reflects primary carers’ lower work force participation rates.

In their pre budget submission for 2005-06, Carers Australia asked for a number of substantial supports for carers. The first is that election promises made by the government be kept, particularly in relation to barriers to carers’ work force participation, to increased availability of respite care and to an increased commitment to mental health.

They say mental illness is much overlooked by the Australian community and that a focus on mental health will make it easier for carers of people with mental illness to offer the support that is genuinely needed. The move to lift the number of hours that someone can work or participate in work-like activity from 20 to 25 hours is of course welcome, but most carers would remove that limit altogether if they could.

Carers have also asked that the government double the carer allowance. At the moment, the carer allowance is only $90.10 per fortnight. That is a very low figure considering the amount of work and the very difficult nature of the work that carers undertake. Carers have asked for a modest increase by changing that figure to $90.10 a week rather than each fortnight, which they estimate would cost about $1 billion per annum. When you consider that carers are doing about $20 billion per annum of unpaid work, it seems like a fairly modest claim.

Carers have also asked that the government expand its new strategy for community care in the forthcoming new home and community care agreement with the states and territories to fully investigate the unmet demand for community care services. The level of funding for home and community care has increased but the number of people needing home and community care has also increased dramatically, and that trend will continue with the further ageing of the population. As in the area of child care, it is almost impossible to quantify the amount of unmet need. That is an area where the government should be doing further work.

Another area is continence support. Carers have asked that the Australian government take a leading role in undertaking a review of the various Commonwealth and state administered continence assistance schemes, with the objective of ensuring greater consistency between the schemes in various states. I believe they hope there will be an increase in funding provided for continence support as well. Carers estimate that people spend about $900 to $1,200 per annum on continence support, depending on the sorts of products needed, but the subsidy for those products is $470 per annum. Carers have also asked that the continence resource centres that exist in some states be expanded to all states, and that would need Commonwealth support.

There are about two million people nationally who need continence support, and again that is something that will increase with the ageing of the population.

Carers have also asked that increased funding be made available to expand the capacity of Commonwealth carer resource centres to offer counselling to carers through the national carer counselling program. An extra
$1 million will double the capacity for brokered counselling and direct service provision, according to Carers Australia. Further funding should be allocated to progress Indigenous and culturally and linguistically diverse initiatives in counselling for carers and to encourage innovation for these client groups. Again, that is the request in the Carers Australia pre-budget submission.

Commonwealth carer resource centres should be expanded to service the information and emotional support needs of carers who contact the centres. An additional $600,000 would have enabled one full-time equivalent resource person to be employed in each of the eight centres. They have also asked that $1 million be allocated—these are all very modest figures—to fund a range of flexible carer focused education programs to be implemented through the Commonwealth carer resource centres in the state and territory carer associations. The education programs will provide informal practical instruction and advice tailored to the immediate and continuing needs of carers in their caring role and appropriate to their age and individual life stage. A national survey of health and wellbeing in 2000 found that 33 per cent of carers have been injured in the course of caring for someone and that 49 per cent never got any training in how to care. Basic training in lifting people, for example, would be very useful for some carers.

Carers Australia have also asked that an advisory body formed by the federal, state and territory governments to look at the needs of ageing carers include consultation with carers, that its work be reported publicly and that the work of the group be used to develop a broad strategy which would address the needs of ageing carers. Many of us in this place would have been contacted by older parents who have children in their 30s, 40s or 50s who need care. The parents are in their 70s or 80s and are beside themselves because they do not know what will happen to their children after they are gone. Certainly we can have a lot of sympathy for people in that situation but they need a bit more than sympathy; they need some help in developing a strategy that will help them be confident that their children will be cared for after they are gone.

I want to finish by speaking for a little while on the needs of young carers, a group that is largely overlooked. In part that is because many of us find it difficult to believe that teenagers and even children are forced to look after their parents. Often those children are living in single-parent households. Often it is just them and mum. The burdens they shoulder are much greater than children should ever have to shoulder. It is not just making sure that parents are taking medication; it is not just doing the housework that parents are unable to do. Sometimes it is dealing with quite frightening episodes of mental illness. Sometimes it is providing physical support such as showering a parent. It is a very difficult thing to ask a teenager to do that. I know a few people in this situation who have spent their teenage years having to be home every night to make sure dinner is ready and, usually, mum is able to get into the shower and get into bed. They worry about leaving their parents alone all day. They are constantly thinking about the needs of their parents.

Seventeen per cent of all carers in Australia are under 26 years of age, and 18,800 young people in Australia—five per cent of those carers—are the main source of unpaid, informal support for the person they are looking after. That is a lot of young people. There are 181,100 young carers in Australia who are under the age of 18, and 10 per cent of all people in Australia aged between 15 and 25 are carers. Mostly they do not have a choice about doing that—they are the only person who can look after the person they
are caring for, who is usually their parent. As I said, if they are not doing the work of caring for the person for whom they have responsibility then they are thinking about doing that work. The effects on their health of the physical stresses, the lack of sleep and the physical demands of lifting, carrying and helping people into the shower, are significant. But there are other stresses, including constant feelings of sadness, guilt, anger, fear and worry, which can contribute to impaired psychosocial development. The effects on the transition to adulthood are significant. Carers are not able to move out of home, they find difficulty gaining employment because of their caring responsibilities, and financial independence is a dream. It is also pretty hard to develop an intimate relationship when you have someone at home whom you need to be looking after.

I want to finish on the education and employment opportunities for young carers. Young carers are too often faced with a dilemma: do they care for their parent or other person, or do they go to school? Most of them find it extremely difficult to do both. If they are studying for more than 25 hours a week they are not eligible for financial support. The effect of that on their long-term learning and ability to earn a living, even when they no longer have caring responsibilities, is obvious. Given the sacrifices they make, I would hate to think that we condemn these young people to a lifetime of poverty because they miss out on early learning opportunities and the ability to do substantial further study.

I think that in the assessment procedures for these payments a lot of social workers find it hard to believe that young people are doing the amount of caring they are doing and wanting to study as well. There is some discretion when it comes to allowing payments in this area, but it seems to me that the discretion is inconsistently applied—and, in any case, people have to be 16 to qualify for the payments. Labor would like to see, rather than a series of one-off payments, more substantial, longer-term investment in carers. My personal plea is for these young carers who are so often overlooked and who do an incredibly valuable and important job in our community.

Mr LAMING (Bowman) (12.04 pm)—I rise to speak in strong support of the Social Security Legislation Amendment (One-off Payments for Carers) Bill 2005. Obviously there is now very little doubt left in this chamber that the Howard government is strongly supporting carers. We heard that echoed again last night in the announcement that the one-off payment for carers will be extended. That was a very exciting part of the budget and will be truly good news—and I know that the member for Sydney shares a passion for the carer sector. As part of that commitment we have introduced more flexibility. I recall that the first time I spoke in this chamber it was in support of allowing carers greater flexibility to return to the work force and perform more hours of work without having their payments threatened. Not only was that good news for carers with whom I spoke in the electorate but it also began to uncover the completely inadequate respite services offered by the state from which I come. That led me to data provided by AIHW that further underlined that and showed that Queensland really is lagging behind in respite services.

I do not need to start again a discussion about the jurisdictional battles between certain areas of social sector provision, but I want to make the point that respite is just another one of those areas where the Howard government is having no problem in stepping forward with innovative solutions to complex problems, particularly in looking after carers.
It is a shame that the member for Sydney left the chamber just as I was about to make a general observation about her fairly substantial speech, which took up almost all of her allocated time. Talk is pretty cheap in this chamber. I cannot pretend for a moment to have walked in the shoes of a full-time carer of a loved one at home—unable to return to the work force, offered inadequate respite support from state bodies and having very limited choices—and to know how restricting that can be on fulfilling one’s hopes and ambitions, having one’s endowments maximised and having opportunities for that loved one who requires care extended also.

But I think there is also a real moral question about taking up enormous amounts of time in this chamber—at the very moment when we can bring forward great ideas and filling it up with a waffly exposition, a needs analysis, a discussion of how tough caring is. This is a chamber where we are acknowledging that need. That is why we have entire sectors devoted to it.

I do not think that there is any great value in just expounding another needs analysis—having another report sitting on a shelf about the needs of carers. We are past that. We are now looking for great ideas to come from both sides of the chamber. We seem to have plenty being put forward, and they are being implemented.

It is important to have a cogent discussion about the carer sector at some time or other, and it is probably appropriate at a university. There may even be some limited value in having the discussion in parliament that rolls through major social challenges and simply outlining them in great detail. But it is morally questionable to utilise the very valuable time we have here and not put up any form of cogent alternative policy. That is what is missing.

It is not the only time this has happened. We did not wake up this morning and suddenly find no solutions from the other side of the chamber. This is an ongoing and recurring pattern. Those opposite say, ‘We are still three years away, so you won’t get any answers from us; we just want to talk about the needs.’ It does not go any further. We have three years to make some changes; there are three years for the Australian public to see alternative policies; and you will not even be drip-fed. There will not even be snippets. What I got in 20 minutes from the previous speaker, the member for Sydney—and I do not for a moment doubt her sincerity in this area of debate—was, and I quote, ‘more substantial, longer term investment in carers’. That came in the last 90 seconds of her speech, making it almost entirely impossible to have any form of elaboration in that area.

As we on this side of the chamber roll out more flexible delivery models, more options for the caring sector, I want to highlight that point: there is still no cogent detailed alternative from the opposition. Until there is, we cannot hope to have a strong opposition that actually provides an alternative vision for the very social sectors that it claims to have such close affiliations and consideration for. Those opposite have certainly breathed life back into the word ‘opposition’. Once again, all we are seeing is these ideas being rolled out—effectively a description of the situation, without ever really engaging in a suitable policy alternative.

We have recognised the value of carers. That has been done by making the awards that are available and the payments more flexible. The payments are larger than ever before and the overall contributions into that sector are larger than ever before. That is why I made my earlier point. We all agree that the carer sector is an extraordinarily important one, for a whole number of reasons. Obviously there is the moral expectation that
government delivers and does not leave Australians who are caring for those in need in any way disadvantaged. That is the basis behind the payments and the incentives. But above that, we want to make sure that every Australian, disabled or otherwise, can maximise their endowments, have as many choices as possible and remain connected to their community. That is where the policy of this government is directed.

Once again, we look for the opposition to present an alternative vision—not just to present it six weeks before the election and find some reason not to have it costed, but to present it two years or 2 ½ years beforehand so that we can really see whether there is any alternative path that the opposition is prepared to propose. We have had 20 minutes so far and heard nothing.

It does not ring that untrue. I had the pleasure of speaking at the Childcare Queensland conference only two weeks ago. Four days beforehand there was hubris in the local newspaper—that there was an incredible need for child care, that affordability was being blown out of the water, that out-of-pocket costs for child care were a concern for parents and that people could not find child-care places. When we drill down a bit, we realise that that was not the problem at all. In fact, it was the member for Sydney herself who, in searching for an individual who could claim that child care was not meeting her precise needs, had to move from her own electorate to one five federal electorates away to find that person in Mount Druitt.

Ms Hall—Mr Deputy Speaker, I rise on a point of order. I hate to interrupt the speaker in this way, but it seems to me that he is a little bit short of information on carers and is resorting to discussing child care. I would like to draw your attention to the fact that he needs to come back to the matter of carers rather than discussing child care at this stage.

The DEPUTY SPEAKER (Hon. AM Somlyay)—Order! I call the member for Bowman.

Mr LAMING—Obviously young carers fall into that category. Many of them are also child carers. There is a very good overlap. There is an overlap because the very speaker who preceded me actually gave that speech. My small divergence was for about 30 seconds to emphasise a recurring pattern of behaviour by the opposition in its failure to propose any form of alternative policy in areas of the social sector. But I will indulge that interjection and move on. I will speak more—if you would like to hear it—on the government’s proposals for looking after carers.

We know that there are thousands of carers who are benefiting from the one-off payments. I have already mentioned that they were repeated again in the budget last night. The changes on flexibility have already come into effect, on 1 April. We spoke about those at the start of the year, and I know that they have been welcomed. I am also pleased that there has been a jurisdictional working group. Often there is a criticism that jurisdictions are not working together. The working group is now looking at issues of accommodation and care planning and will report back in July 2005. That is a very reasonable time line: answers from that working group will be received within months. We have also sponsored a national meeting of young carers. That occurs every two years. There was an inaugural meeting last year and we provided funding for that. I also want to mention the national research project on the long-term impact of caring, looking at issues faced by carers. While, at the pointy end, there is provision of financial assistance, there is also the jurisdictional working group,
greater cooperation and research to make sure that the best information is not only col-
lated but also disseminated amongst jurisdic-
tions that provide that care.

The government has announced an addi-
tional $461 million to directly assist carers. 
There is the one-off payment bonus, a lump 
sum, paid to eligible carers who were receiv-
ing the payment or the allowance as of 2004. 
As I have said, up to 13,000 carers will bene-
fit from those payments—even, in some 
cases, when they do not actually live with the 
person who is requiring that care.

Moving again to the discussion of child 
care and younger carers, these form a par-
ticular sector of need amongst carers. Keep-
ing them in contact, socially connected and 
able to access education is vitally important. 
That is why I am glad to see that there is up 
to five hours a week of respite for young 
carers and also some blocks of respite. One 
of the common criticisms from carers is ‘I 
get very short periods of respite. It doesn’t 
allow me to re-enter the work force; it 
doesn’t fit in with the times that I am study-
ing.’ Increasingly, flexibility of that provi-
sion is very important. I recall that last 
year—back in August—the National Young 
Carers Summit occurred. That was very im-
portant for exchanging information regarding 
the issues that face young carers around the 
country.

An area that is particularly of concern in 
Bowman is older carers. There are a number 
of those in a seat with a demographic that is 
effectively bimodal, with a large number of 
people retiring to the area and a large number 
of younger families. Under the new initia-
tives, people over the age of 70 can look 
forward to up to four weeks of respite care, 
with two weeks for those between 65 and 70. 
That was of great interest to and strongly 
supported by persons with whom I spoke in 
my electorate.

Those outlined measures indicate a raft of 
proposals for carers. The common criticism 
from those with whom I have spoken in my 
electorate is that it still does not help them to 
access state funded respite care places. That 
is why it is absolutely vital that coming in 
parallel are federal options to increase the 
flexibility of payments and to provide access 
to respite care. In the end it will boil down to 
dollars, as it so often does. These payments 
have increased fivefold since 1996-97 and 
now exceed $104 million. There are 89 
Commonwealth carer respite centres around 
the country, there are additional respite ser-
vices that specifically target those with de-
mementia and there are other respite services 
that help carers. There are carer resource 
centres in every state and territory now, and 
they provide information to carers that has 
often been lacking because carers are so 
bussy. The National Carer Counselling Pro-
gram has been implemented, thereby allow-
ing access to professional counselling. There 
is also support for carers, totalling around 
$84 million in subsidies annually, for resi-
dential bed days in aged care homes.

I would like to conclude by distilling it 
down to the legislative changes, of which 
this bill is just one measure. We have seen 
already the extension of carer payment eligi-
bility to carers of profoundly disabled chil-
dren under the age of 16. There is an exten-
sion of the carer payment eligibility to carers 
of two or more disabled children—it is great 
to see that these carer payments are per per-
son being cared for—who require a level of 
care that is at least equivalent to the care of a 
child with a profound disability. The changes 
increase the number of hours permitted to 
work, to train or to access education without 
loss of carer payment eligibility and extend 
the carer allowance eligibility to carers who 
do not necessarily live with the person for 
whom they are caring. It is because of all of
those additional elements of flexibility that I support the bill.

Ms HALL (Shortland) (12.17 pm)—I would firstly like to welcome you back, Mr Deputy Speaker Somlyay, and state on the record that I am pleased that you have made such a speedy recovery from your operation. I found it rather interesting to listen to the previous speaker, the member for Bowman, who was most critical of our shadow minister because she spoke about issues relating to carers. I was very interested to hear the speech of the member for Bowen. It was very fuzzy. He did not give us any idea of areas that the government would move into in the future. I draw his attention to that fact and suggest that he should be a little more discerning in his criticism.

I support wholeheartedly the measure before the House today. I believe we should do anything we can to help make the lives of carers a little better. Unfortunately, this government always adopts the approach of supplying one-off payments. There probably is a more structured way that we could do this that would encompass the needs of carers on an ongoing basis rather than throwing $1,000 or $600 at them at budget time. However, any legislation that improves the lives of carers should not only be supported, it should be embraced. On this side of the House we are doing that.

The Social Security Legislation Amendment (One-off Payments for Carers) Bill 2005 gives effect to announcements in last night’s budget and will provide extra assistance to carers. It is because of our appreciation of carers that we are happy to come in here and expedite this piece of legislation through the House. As the legislation was only introduced this morning, it demonstrates our commitment to carers and the recognition on this side of the House of the importance of carers and the vital role that they play within our community. Without carers this government would be in a very sad state.

I am not being critical of the government when I say this, but as a nation we rely on carers to deliver vital service and care to many people, be they elderly spouses, elderly parents, young children with disabilities, older children with disabilities or people that have been injured in some way at work. We look to families, friends and people in the community who are prepared to give their time freely to provide care and support to these people. I would like to acknowledge the work that all carers—families, friends and members of the community—provide to their loved ones and also their commitment. We, as a nation, value their work. If we were to put a dollar value on it, a $1,000 or $600 payment would go nowhere near recognising the work or matching the financial contributions that they make. It is important to put on the record that carers make an enormous financial contribution to our nation. It is not only the support that they give so willingly; it is the financial contribution of their work in kind.

This legislation provides three one-off payments: a one-off payment of $1,000 to recipients of carers payment; a one-off payment of $1,000 to recipients of carers service pension; and a one-off payment to recipients of care allowance. I think that is quite important. I congratulate the government on the fact that they are giving payments to all those groups. The bill introduces a series of new one-off payments to carers that will each be paid as a lump sum. Generally, that will happen before the end of this financial year. It is good to note that it will not impact on their Centrelink payments as well. If the care is shared, that $600 payment will also be shared. Where qualification for carers allowance depends on a person providing care for two disabled children, the payment
will also be $600, which we on this side are quite happy to support.

Unfortunately, when it comes to issues like this the government tends to opt for the easy option—it throws additional money at carers instead of getting down and looking at the really important issues that impact on their lives. It tends to be a quick fix, bandaid measure—a feel good measure. It feels really good to throw $1,000 or $600 at carers once a year, but what is this going to do to improve the overall quality of their lives? How will this assist them on a day-to-day basis? How will this assist them when they are at their absolute wits end and they do not know where to turn next?

I looked to some carers whom I have had some dealing with in my electorate. I am a member of a number of organisations that involve carers. My mind goes to this one particular group of carers I had some dealings with. They were the parents of children with profound disabilities. The fact was that they were having difficulty surviving on a day-to-day basis. These families were having to provide care 24 hours a day to their children. To be quite honest, I do not know how one woman in particular was surviving. She had about two hours sleep a night and had to provide constant medical assistance to one child. She did that because she loved her child. She did that because, if she did not, there was no other option. I think: how would that $1,000 one-off payment help her? My answer is: I do not think it would. It would just be a quick fix. It would help by providing some cash at that one particular time. It would not change the way she functions on a day-to-day basis. I think that is the area that we need to look at.

I also looked to an elderly couple in my electorate, one of whom desperately needed respite care. I congratulate the government on increasing the amount of time that is available for respite care from two to four weeks, but they did not deal with the overwhelming issue in areas like mine. They did absolutely nothing to ensure that that elderly person was actually able to access respite care. The issue for that couple was not the fact that they wanted four weeks instead of two weeks; they needed to find a place where they could actually access respite care. There is a real shortage of respite care beds available. Shortland is the 10th-oldest electorate in the whole of Australia. I know the great difficulty there is in being able to access respite care in that electorate.

My colleagues in other areas of the Hunter have experienced similar problems. The Newcastle electorate is the 16th-oldest electorate; Paterson is around the 13th- or 14th-oldest electorate in Australia. If respite care is available, quite often it requires travelling for some distance. My own area is on the eastern side of Lake Macquarie, and there are a number of respite beds available on the western side of Lake Macquarie. The distance is eight kilometres, but there is a lake in the middle of it. If you have an elderly person who has to travel to visit their loved one whilst they are in respite care, it is a two-hour trip. You have this frail aged person travelling for two hours on public transport—that is, providing the transport is working or available on that day; you would not want to do it on a weekend. It really does create a problem.

So there are a number of issues that revolve around the issue of respite and carers allowance. Whilst we welcome the payment of these sums of $1,000 or $600, the problem is that the government has failed to look at the whole system and has opted for the easy option of paying the $1,000 or $600. I am sure that people will welcome the payment of that money and that they will be able to use it, but I know that many of those people need a lot more support than that.
The provision of HACC and all those services that carers need and rely on is quite limited. I look at aged care packages in my electorate—packages that carers also rely on—and I find that they are limited also. An issue that is of particular concern to me in relation to those aged care packages is that the further you get from the central population the more difficult they are to access. In two areas within my electorate—Catherine Hill Bay and Nords Wharf—there was not one aged care package available until recently, because the providers of the packages were not prepared to travel to those outlying areas.

Catherine Hill Bay—an absolutely stunning area—was an old mining settlement and there is still a significant number of quite elderly people there. After much consultation and work done by people within the community, along with the assistance that I could give at that time, we managed to get an aged care package for a couple in their 80s that lived out there. They were both diabetics and both were significantly disabled. They cared for each other and it was very hard to work out who was the carer, because they both had such high-care needs. They managed to do what so many elderly couples do—they cared for each other and survived—but their whole independence was really being put at risk by the fact that the kind of support that was needed in the community was not available to ensure that they could maintain their independence and continue to live there.

I ask a question: what will this $1,000 do to help these people live independently? What will the $600 do to help them live independently? My answer is: not very much at all. It may provide them with money on a one-off basis, but their needs are on an ongoing basis over the year. That is something that the government need to get their heads around and continue to live there.

We do not need any more bandaid solutions; we need solutions that really recognise the needs of carers when it comes to health. I embrace and welcome the $1,000 and I embrace and welcome the $600, but carers in Australia deserve better. They deserve ongoing support; they deserve support 365 days a
year. They do not need any more bandaid solutions; they need a government that is really committed to them and a government that recognises their enormous contribution to our Australian community.

Mrs MARKUS (Greenway) (12.37 pm)—I rise to support the Social Security Legislation Amendment (One-off Payments for Carers) Bill 2005. Carers play a vital role in our community. Their selflessness and commitment in caring for the ill, the disabled and the elderly are absolutely essential to ensuring that the most vulnerable in our community receive the best care possible. The government must provide as much assistance to these hardworking Australians as it can. These hardworking Australians are on call 24 hours a day, seven days a week. Many of them do not sleep. Many of them, for instance, have to get up on a regular basis to turn the person they are caring for to ensure they are breathing. The Howard government recognises the vital importance of carers, and it will continue to support them.

In 2003-04 the Australian government provided carers with direct payments totalling $1.9 billion. This was an increase of 140 per cent from 1999-2000. In my electorate of Greenway, I have come across many carers over the years. As a social worker in that community for a period of 10 years at least, I came across many carers working and serving their loved ones. Many of these carers have benefited from the government’s assistance, which provides essential support for the family. The additional one-off payment, which is tax free, has been welcomed by carers in my community. I have witnessed firsthand the self-sacrifice and work of family members in caring for their loved ones. Such care is provided out of love and compassion and it is often at great personal expense. The emotional strain on the extended family is difficult to measure.

I want to talk about some of the families in Greenway. There is a lovely couple who live in Riverstone—the suburb that I live in. The husband, a digger, has served his country well. His wife spends a significant amount of time caring for him. They were able to use the payment provided in the previous year to benefit them in a way of their choosing. The wife mentioned to me that she was so grateful to receive those funds because they had enabled her to do some things that she had previously been unable to do. Spending some time with her extended family had previously been out of the question. In her circumstances, the one-off payment enabled her to spend it in a way of her choosing. She was able to gain benefit for herself and her extended family. The payment was not given to her in a way that dictated how she spent it. These people are on restricted incomes and must have a strict and very tight budget. If this payment had been spread over time, it would not have given them the flexibility to use it in a creative way that would benefit them.

The mother of a family who came to visit me recently suffers from a very serious condition. She was previously cared for by her husband. Unfortunately, he was very seriously injured and became a quadriplegic. Their daughter supports them, but it is a strain on her and her family. This additional, concrete financial support will enable them to make some practical choices through the way they spend it.

Caring for an elderly, ill or disabled person, as I have said, is a 24-hour job. It requires people to commit their whole life. Carers work tirelessly and with little public recognition for their considerable efforts and self-sacrifice. This payment alone is a declaration, an acknowledgment, of the work of these carers and their significant contribution to the most vulnerable. The benefits of the care they provide are immeasurable.
Those in need of care are often much more comfortable being cared for by someone whom they know and who has a deep knowledge of their specific needs, how they feel, what is important to them and what is challenging for them. Carers often do not seek recognition of any sort. They are the unsung heroes of our community, caring for the most vulnerable in our society. It is our responsibility as a government and as a community to ensure that carers are provided with every assistance available. The Australian government has a strong commitment to ensuring that carers, especially older parent carers, are supported in this valuable role.

Some of the additional support that the government has committed includes increasing the carers allowance and expanding the eligibility. Young carers, of which there are several hundred, have benefited from $27 million in the 2004-05 budget. Young carers are having to look after a mother or a father without support. In August last year, the National Young Carers Summit was held in Sydney. We have also provided additional respite care for older carers.

All of these measures, when taken together, declare a strong commitment to ensuring that carers and the people that they care for are provided with whatever assistance we can give. Two hundred and fifty-five million dollars was provided for one-off lump sum payments to eligible carers in the 2003-04 budget. Under this measure, carer payment recipients were paid a one-off bonus of $1,000 and carer allowance recipients were paid a one-off bonus of $600. The 2004-05 budget built on previous support by this government for carers. I have already mentioned some of that support. The budget provided an additional $461 million in direct assistance. Again, this is practical and concrete and the money goes into the hands of the carers for them to decide how best to use it.

It is important that governments increasingly provide people that are on fixed incomes with opportunities to make choices. This is an opportunity for carers to actually decide what they need to do with this money when on a day-to-day basis they have very little choice. The choice that they have made is to care for somebody—through no fault of theirs or of the person that they care for. These payments were made in recognition of the very significant contribution of carers to communities across this nation, and I note particularly those in Greenway, the seat that I represent.

The 2004-05 budget initiatives have made a real difference to the daily lives of carers looking after people with many disabilities, such as multiple sclerosis and quadriplegia, those with a severe medical condition or people who are frail aged. The 2005 carer bonus will continue the one-off payment to carer payment and carer allowance recipients. The additional support provided by these measures will assist in meeting some of the costs of providing essential care. It will provide an opportunity for families, particularly carers, to make some choices about what is important to them. I therefore wish to strongly support this bill.

Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (12.48 pm)—in reply—I would like to thank the opposition for their speedy response in agreeing to the passage of the Social Security Legislation Amendment (One-off Payments for Carers) Bill 2005 today. I would like to thank the member for Sydney, the member for Shortland and the member for Greenway for Teming the dedication and devotion often displayed around the clock, seven days a week, by carers to the ones they love, to give those people the best quality of life in what are very often difficult personal circumstances. I believe the member for Greenway’s remarks,
clearly drawn from her experience as a social worker before she became a member of this place, demonstrate the government’s compassion and the nature of our compassion in our agenda for carers.

This bill specifically recognises carers in receipt of carer payment and/or carer allowance in the same way as the payments made in 2004. The measures contained in this bill demonstrate the government’s firm commitment to carers and will cost $316.9 million. The bonus payments are made in recognition of the important contribution carers make to society, and to the wellbeing of the people they care for, and to provide some additional support in meeting the cost of providing this care. This bill builds on the support provided by the Howard government in the 2004-05 budget package recognising the contribution of carers. The government’s prudent economic management in delivering surplus budgets has made it possible for us to pay these social dividends. Carer payment customers will receive a one-off bonus payment of $1,000. The carer payment is a means tested income support payment paid to a person with limited income who provides constant care for someone who has a disability or is frail aged. The carer allowance is not means tested and is an income supplement paid to a person who provides daily care and attention at home for a person who has a disability or is frail aged. Carer allowance recipients will receive a one-off payment of $600 for each eligible care receiver that they provide care for.

I would now like to address some of the opposition claims as to the future of ageing parent carers and the issues affecting young carers. The government recognises the financial and emotional demands that caring can place upon families and carers. We are also very aware of the anxiety that carers feel about how a son or daughter with a disability will be cared for when the carer can no longer do so. The Australian government does have a strong commitment to ensuring that parents and carers have greater certainty about the future care of their sons and daughters with a disability.

Work in this important area has already started. After the Community and Disability Services Ministers Conference in July 2004, the Australian government led the establishment of a multijurisdictional working group to look at future care planning issues. The working group is currently exploring options to help ageing parents plan for future accommodation and support, including financial options, for their children with disabilities. A report to ministers is anticipated by July 2005. Other initiatives to assist older carers include a $72½ million budget commitment to provide up to four weeks respite care a year to all parents aged over 70 years who are caring for a son or daughter with a disability and up to two weeks respite care a year to all parents aged between 65 and 69 years who themselves require hospitalisation and are caring for a son or daughter with a disability. Australian government funding for this initiative is conditional on matching funding by state and territory governments.

The Howard government recognises that young carers require particular services, including respite services and age appropriate information, to help them stay in education while they also provide care. At least 500 young carers each year will benefit from almost $27 million which has been allocated to establish respite and information services for young carers. Young carers at risk of leaving education prematurely and not completing secondary education will be able to access up to five hours respite per week during the school term to attend education or training. In addition, young carers at risk will have access to two-week blocks of respite to undertake activities such as study for exams, training or recreation.
Delivery of the respite services has been negotiated with the Commonwealth carer respite centres. Carers Australia has been contracted to deliver a range of initiatives, including information and referral services that will support young carers in the many challenges that they face as part of their caring role. All young carers will benefit from the new information and referral services network, including a telephone hotline available through the existing Commonwealth carers resource centres, online advice and an age appropriate information package. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Message from the Administrator recommending appropriation announced.

Third Reading

Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (12.54 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a second time.

Third Reading

Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (12.54 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a second time.

CUSTOMS TARIFF AMENDMENT BILL (No. 1) 2005

Second Reading

Debate resumed from 10 March, on motion by Mr Ruddock:

That this bill be now read a second time.

Mr MURPHY (Lowe) (12.54 pm)—The Customs Tariff Amendment Bill (No. 1) 2005 represents minor amendments of a technical nature that are important but uncontroversial. The bill amends the Customs Tariff Act 1995 as follows: first, it amends item 22 of schedule 4 to the tariff, which relates to goods for use in oil and gas exploration, to reflect changes in technology and to extend the coverage of the item. The changes are expected to have a minor impact in cost to the federal government of about $220,000 per annum in lost revenue. Second, the bill amends chapter 29 of the tariff to insert a new additional note to allow the chemical paraquat dichloride, with an added emetic, to be classified. Paraquat dichloride is used in agriculture as a herbicide. This change is also expected to have a minor financial impact. Third, it amends item 68 of schedule 4 to the tariff to extend the operation of the South Pacific Regional Trade and Economic Co-operation Agreement (Textile, Clothing and Footwear Provisions) Scheme for a further seven years to 31 December 2011. It is estimated that the cost to the government in customs revenue forgone by the extension of the SPARTECA (TCF Provisions) Scheme will be approximately $1.2 million per annum for the first five years of the extended scheme.

Fourth, the bill amends the country codes for Poland and Wake Island to reflect the codes used by the International Organisation for Standardisation. Fifth, it increases on and from 1 January 2005 the rates of customs duty payable on certain US-originating alcohol and tobacco products in accordance with the consumer price index announced on 28 July 2004. Sixth, it increases on and from 1 February 2005 the rates of customs duty payable on certain US-originating alcohol and tobacco products in accordance with the CPI announced on 25 January 2005. This is an important adjustment because, based on import volumes of alcohol and tobacco products from the United States of America in 2004, it is estimated that if this measure were not taken the government shortfall in the first 12-month period would be in the vicinity of $6 million.

This bill is supported by the opposition because it is a housekeeping bill to tidy up and update several areas of the Customs Tariff Act 1995. Attention to detail is an important part of running a portfolio well. We are
well aware of what can happen when a minister is inadequate to the task and does not properly supervise his or her portfolio. In this case, we have such a minister in Senator Ellison who, we learned only last week, has managed to delay for a third time the live introduction of the integrated cargo system for imports as a part of the cargo management re-engineering project. The cargo management re-engineering project is a good idea. It is a vital part of trade modernisation for our increasingly globalised world. There are real efficiency gains to be had by streamlining the way industry interacts with government, and this was the original aim of the cargo management re-engineering, or CMR, project. The opposition support this project. We think it is a good idea, but what we cannot support is the continual history of waste and mismanagement of the Howard government on this project. The projected cost of this project started off in the area of $25 million, but by 2001 the minimum price tag had risen to $35 million.

Mr Slipper—On a point of order, Mr Deputy Speaker: I realise that we often have a wide-ranging debate, but my point is that the matter being discussed by the honourable member, while no doubt near and dear to his heart, is of no relevance to the bill currently before the chamber. I note, however, that at very short notice the member for Lowe was in fact substituted for the shadow minister. I also note your argument in terms of related purposes. I am listening closely to the member for Lowe, and I am sure he will continue to keep his comments as close to the bill as he can.

Mr Murphy—Mr Deputy Speaker, I thank you for those comments. I want to assure my friend and colleague the member for Fisher that this contribution is germane to the debate and in fact will be an invaluable contribution when the minister reads it, because of his delay in this area. That is what I am trying to bring to the attention of the House. By the end of the financial year 2002-03 the cost of the project had multiplied by four times to $145 million. In December estimates the opposition again asked about the projected cost, only to find the cost had blown out again to a whopping $204 million dollars.

It is not just the cash that Senator Ellison is losing. It is now also an issue of time. For the benefit of the member for Fisher, that is why I am raising the delay in this area. The project is now approaching three years overdue. We were told last week that the anticipated start date of 1 July is postponed. For the benefit of the House, and particularly the member for Fisher, who has an interest in this, that is the third time that this has occurred. What I am putting to the House today is that Senator Ellison has sought to shift the blame on to Customs and on to the industry. That is what I call projection. The minister claims that somehow this delay was the fault of the industry because industry could not get ready for 1 July. That is sophistry. That is why I am making that point. We support the bill, but we are going to make—

Mr Hunt—Are you sure you’re correct?

Mr Murphy—I am correct. You can check the facts.

Mr Hunt—You mean the Financial Review.

Mr Murphy—No, I am not talking about the Financial Review; I am just talking about the facts. In reality, it is the minister
who has not supplied the program to the industry on time so that industry has a reasonable time to train its staff, upgrade its hardware, introduce new systems and generally change the way it runs its businesses.

Mr Slipper interjecting—

Mr Murphy—I have just been given a prompt, and I am very happy to be given a prompt because I believe that the member for Fisher thinks I am talking about a different bill. I want to make the point. He will have an opportunity to contribute to the Customs Tariff Amendment Bill (No. 1) 2005, and it might be useful for him to be aware of that. If the program was ready on time, industry would have had plenty of opportunity to make the necessary adjustments. But now we find it is delayed yet again while extra tests are being carried out. We need to know how much this extra delay and extra testing is going to add to the cost to the long-suffering taxpayer. At some point either the minister or Customs itself has to accept responsibility for this debacle. The cargo management reengineering project has weaved its way from one disaster to another at enormous expense to taxpayers and tremendous uncertainty for business and industry. It is an extraordinary waste of time and money brought about by poor planning and no attention to detail. To my mind the only worse example of project management is the way Senator Hill manages Defence.

Mr Slipper (Fisher) (1.04 pm)—I would like to take at the outset the opportunity to defend the reputation of the Minister for Justice and Customs, who is a good friend and colleague. In my prior manifestation as the Parliamentary Secretary to the Minister for Finance and Administration I used to handle most of the minister’s legislation before the chamber. I have to say that the minister is someone who is diligent. His attention to detail is excellent. On behalf of the government I would really like to reject the remarks made by the member for Lowe in his contribution just a moment ago.

The Bills Digest reveals that this legislation mainly deals with consolidating several tariff proposals. The Customs Tariff Amendment Bill (No. 1) 2005 will make several changes to the Customs Tariff Act 1995—that is, the Customs Tariff Act including changes to the tariffs for oil and gas exploration equipment; the herbicide paraquat dichloride; textiles, clothing and footwear originating from forum island countries; and alcohol and tobacco products originating in the United States. There are some technical amendments also being made to the Customs Tariff Act. I am aware that when the member for Lowe is called to speak on short notice it is somewhat difficult, but the government will no doubt welcome the fact that the opposition is supporting the legislation currently before the chamber.

I could delay the House at length by going through all of the provisions of the non-controversial bill—that is, the Customs Tariff Amendment Bill (No. 1) 2005—but I consider that that would be unnecessary. It is important, though, to recognise that the replacement of item 22 in schedule 4 of the tariff will be recognised and welcomed by industry as it will maximise the recovery of Australia’s petroleum resources. The amendment of chapter 29 of the tariff to insert a new additional note would remove a legislative anomaly whereby the herbicide paraquat dichloride attracted a duty of five per cent if an emetic safety agent that induces vomiting was added. Other proposed amendments are technical or non-controversial.

It has been estimated that on the basis of current imports the proposed amendment to item 22 will cost a mere $A220,000 in duty forgiven. However, the actual duty forgiven...
will depend on the level of activity in the oil and gas exploration industries. The amendments relating to paraquat dichloride—that is, chapter 29—are expected to result in a minimal revenue loss. It is expected that the cost to the government in customs revenue forgone of the extension of the SPARTECA (TCF Provisions) Scheme would be approximately $1.2 million per annum for the first five years of the extended scheme.

Based on import volumes of alcohol and tobacco products from the United States of America in 2004, it is expected that the revenue shortfall in the first 12-month period will be in the vicinity of $6 million if the CPI increases are not applied to US-originating alcohol and tobacco products. In the subsequent 12-month periods, the revenue shortfall would be expected to increase due to the compounding effect of indexation. Honourable members will be interested to know that the other provisions in the bill do not include any financial implications. Despite the effort by the member for Lowe to introduce an element of controversy into this legislation, this is non-controversial legislation which is supported by both sides of the House and deserves a speedy passage.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (1.08 pm)—In summing up the contributions on the Customs Tariff Amendment Bill (No. 1) 2005 I wish to thank both speakers who have contributed to the work of the House. In particular, I thank the member for Fisher for his comprehensive account of the costs, values and implications of these changes for Australian consumers and Australian business. I also wish to thank the member for Lowe, representing the opposition, for his constructive contribution and cooperation on this bill. I must of course take issue with him in relation to his comments on the integrated cargo system and defend the rightful actions of the Minister for Justice and Customs, Senator Ellison.

I note two things. Firstly, I hope that the opposition and the member for Lowe are not quarrelling with activities designed to secure and protect the safeguard measures for Australia’s integrated cargo system, a critical development in the post September 11 era and something about which we make no apology whatsoever. Secondly, I put to the member for Lowe, with regard to his assertion that there will be an overrun beyond 1 July, that he should be careful about simply sourcing his material from the daily newspapers. He may well live to find that his comments are false, ill informed and incorrect and that the work of the Minister for Justice and Customs has been not only exemplary in protecting the security of the Australian port and cargo system but also expeditious. I believe that time will show the minister’s work will be delivered on time, but we shall wait for that to be seen.

I turn to the specific provisions of the Customs Tariff Amendment Bill (No. 1) 2005. There are amendments to the Customs Tariff Act 1995 that do four major things. Firstly, the amendments create a new item 22 in schedule 4 of the tariff with effect from 18 October 2003. The item replaces the existing item 22, which relates to goods for use in oil and gas exploration. The extended coverage of new item 22 reflects changes in technology in the oil and gas industries. In short, it is about making the Australian oil and gas industry more competitive and giving it the opportunity to compete on equal terms within the global economy. That is about exports for Australia, jobs for Australians and quality of life and national income for all Australians.

Secondly, the bill amends chapter 29 of the tariff to allow the chemical paraquat dichloride which contains an emetic added for
safety reasons to be classified under sub-heading 2933.39.00 of that chapter. The inclusion of paraquat dichloride with an emetic provides the same duty outcome of it being free as for paraquat dichloride that contains other allowable safety measures, such as stenching agents, rather than merely an emetic which produces vomiting.

Thirdly, the bill amends item 68 in schedule 4 of the tariff to extend the South Pacific Regional Trade and Economic Cooperation Agreement, or SPARTECA, in relation to textile, clothing and footwear provisions and the scheme under that for seven years to 31 December 2011 from its current legislated end date of 31 December 2004. The scheme, which commenced on 1 March 2001, provides for the duty-free entry of certain textiles, clothing and footwear from forum island countries covered by the SPARTECA arrangements. There will be a potential cost of up to $1.2 million per annum for five years, but I would note that it is not a decrease in current revenue; it is the foregoing of potential revenue which could be gained if we were not to take this measure.

Fourthly, the bill amends the rates of customs duty payable on US-originating alcohol and tobacco products in accordance with the August 2004 and February 2005 consumer price index adjustments. These amendments ensure that rates of duty on US-originating alcohol and tobacco products are consistent with duty rates for the same non-US-originating goods, in accordance with the terms of the Australia-US Free Trade Agreement.

Ultimately, the Customs Tariff Amendment Bill (No. 1) 2005 is about making Australian companies more competitive and about providing Australian consumers with goods at the best available price. It is about reducing imposts on a range of goods. For these reasons, I am delighted to commend the bill to the House and I urge its speedy passage.

Question agreed to.

Bill read a second time.

Third Reading

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (1.13 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CRIMINAL CODE AMENDMENT (SUICIDE RELATED MATERIAL OFFENCES) BILL 2005

Second Reading

Debate resumed from 10 March, on motion by Mr Ruddock:

That this bill be now read a second time.

Mr McCLELLAND (Barton) (1.14 pm)—I am pleased to inform the House that the Australian Labor Party supports the intention and purpose of the Criminal Code Amendment (Suicide Related Material Offences) Bill 2005. The bill was originally derived from the earlier Crimes Legislation Amendment (Telecommunications Offences and Other Measures) Bill 2004, which was subsequently split into two. That part of the bill relating to suicide was separated into a bill of its own, the Criminal Code Amendment (Suicide Related Material Offences) Bill 2004. Obviously, anyone interested in the topic can refer to the earlier debate under the title of that bill for the contribution of members of both sides of the House.

The remainder of the Crimes Legislation Amendment (Telecommunications Offences and Other Measures) Bill 2004, called the No. 2 bill, has already been passed by parliament with the support of both sides of the House and has received royal assent. Those measures which remain in the No. 2 bill
which are now in the act include the regulation of the internet for the protection of children, and measures directed against racial vilification. Again, these are measures supported by both sides of the House.

The anti-suicide measures which are contained in the current bill also passed the House of Representatives with Labor support. In the Senate, the bill was referred to the Senate Legal and Constitutional Legislation Committee with respect to some narrow issues. The committee had called for submissions and had commenced hearings into the bill by the time the 2004 federal election was called and, as a result of the parliament being prorogued for the election, the bill lapsed. Of course a fresh bill is now necessary for the purpose of consideration by the House.

The new bill is essentially the same as the 2004 bill with the exception of new and additional safeguards. The new bill specifically states that a person is not guilty of an offence against the provisions of subsections (1) and (2) of the bill if they are merely using the internet or other electronic communications as a carriage service for the purpose of engaging in public discussion or debate about the topic of euthanasia as opposed to actually promoting suicide or the mechanisms through which to achieve suicide. They are fundamentally different issues. Further, the new subsections (3) and (4) explicitly state, for example, that a person is not guilty of the offence under subsections (1) and (2) if the person did not intend the material concerned to be used by another person to promote a method of committing suicide or provide instruction on a method of committing suicide.

The new protections available under subsections (3) and (4) are a welcome addition to the bill. They protect the freedom of political communication and probably assist in protecting the legislation itself from a potential challenge. We welcome the inclusion of those safeguards, which were foreshadowed during the course of the debate on the 2004 bill. A well-known constitutional lawyer, Professor George Williams, currently at the University of New South Wales, made a suggestion along the lines of that which now appears in the bill in his submission on the 2004 bill. It is pleasing to see the contributions of such experts being recognised in the House in terms of developing the legislation which will ultimately be passed.

Labor indicated that it would pick up amendments along those lines in the 2004 version of the bill. We were concerned to ensure that the offence did not apply to the extent that it would infringe that implied constitutional freedom of political communication. Again, no-one who is interested in promoting the cause of euthanasia—and there are advocates for that cause on both sides of the House; equally there are those who oppose voluntary euthanasia on both sides of the House—should be concerned. It is a legitimate debate to have. Those who seek to agitate or contribute to that debate should in no way feel that this bill sensibly restricts their ability to engage in that debate. The bill is aimed fairly and squarely at preventing electronic communications being used to promote or advance suicide.

Those who are interested in advancing the cause of euthanasia do their case and their argument no service at all, quite frankly, by suggesting that it is appropriate in any way, shape or form to permit electronic communication to be used to promote suicide. It ignores reality not to recognise that the internet, despite the best measures of parents, will be accessed by young people. It ignores reality not to recognise that young males, in particular—although there are obviously a number of suicide tragedies among more mature Australians and also of course young women—might access it. It ignores reality
that, without adult supervision, a young person may, if this legislation were not introduced, have access to material on the internet which could assist them—or, indeed, in a worst-case scenario, encourage them—to commit suicide in circumstances where quite clearly even those who would advocate the cause of euthanasia would say that sensibly any decisions of that magnitude, assuming you supported the argument, should only be taken with the provision of the most extensive and expert counselling available.

For those who advocate the cause of euthanasia to even suggest that it is appropriate for material advocating suicide or methods of committing suicide to be on the internet just ignores the reality of those who potentially would access it and ignores the fact that obviously even someone who was terminally ill would have access to that material without the benefit of counselling that obviously clearly does and should exist in those jurisdictions which permit euthanasia to occur. They are fundamentally two separate arguments and two separate issues. One is the ability for those who advocate the cause of euthanasia to advance their argument for the amendment of legislation. That is a legitimate debate to have—as I have said, both sides of the House have members that do and do not support euthanasia.

But this is fundamentally different: this is about excluding from electronic communication material that promotes suicide or advises in the method for taking one’s life. Those are measures we support. Again, in recognising that the bill appropriately strikes a balance in the additional safeguards that have been introduced, we recognise that the government has picked up the principles relating to protection of the right to political communication enunciated by the High Court in cases such as David Russell Lange v Australian Broadcasting Corporation. Those who have been critical or even alarmed by this bill should recognise that it adopts that freedom of communication and that additional protections to achieve those ends have been incorporated in the bill.

The rest of the bill is unchanged from that of 2004. The bill still contains offences that carry maximum penalties of a fine of $110,000 for an individual and $550,000 for a corporation. They are significant and important measures, but again we are talking about something which has significant and serious repercussions. There would be very few members in the House who would not know personally or have experienced the loss of someone through suicide. We believe that those penalties for the offences of promoting and instructing in suicide—which are the offences this bill, as I have emphasised, is targeted at—are appropriate and we support those measures.

Unfortunately, there are too many suicides. In 2003, the last year for which we have been able to find statistics, there were over 2,300 suicides in Australia. These statistics make very sad reading, and they have been covered in this place in previous debates. We all know that young males, for example—and young females—are extremely prone to making suicide attempts, and they are very much the target audience of the internet and electronic communications this bill is concerned with. Every community, from those in our cities through to those in rural and regional Australia—and we have just had a discussion about particular problems that exist in rural and regional Australia at the bar table—suffers quite profoundly, unfortunately, from the needless loss of life through suicide.

While I have referred to the young, it is not simply a problem of the young; it is a problem that occurs across all age groups. Because it is such a tragedy, Labor will always be prepared to examine and respond to
reasonable measures that the government or anyone else is prepared to introduce but, as with any legislation, the provisions must be carefully examined to ensure that they do not extend beyond an appropriate boundary or indeed, in so extending themselves, expose their provisions to challenge.

For these reasons, Labor voted for the bill to be examined by the Senate Legal and Constitutional Committee, as I have mentioned. That examination has taken place, with over 32 written submissions, together with a public hearing on the bill taking place in Canberra. Representations were made by organisations broadly defined as pro-life and by others broadly defined as pro-euthanasia. Some of the evidence that was tendered to the committee argued that the bill was unnecessary. For example, Electronic Frontiers Australia and Philip Nitschke argued that the bill was unnecessary because internet usage has increased and suicide has fallen. Quite frankly, we doubt whether the two are linked in any way whatsoever. By the logic of that argument, for instance, if everyone had access to the internet then suicide would stop. That is obviously false logic.

In summary, we know that this bill will not, as various submissions have pointed out, stop the phenomenon of suicide—no legislation can do that. However, as members of the Australian parliament we strongly believe in our duty as parliamentarians to defend those who cannot, for whatever reason, defend themselves or who in a particularly vulnerable moment are exposed to material that is inappropriate and, worse than inappropriate, is criminally offensive in terms of encouraging suicide and instructing how to undertake it. Clearly those advocating the cause of euthanasia are still entitled to continue in their advocacy. We believe this bill will not impede that ability in any way, shape or form. The bill will ensure that young people, those suffering from depression and other mental illnesses and those with disabilities have access to the best possible protection that we can provide in terms of reference to counselling facilities.

It is important to reiterate again that those who want to access or distribute information for research or advocacy are not caught in the criminal provisions of this bill. The freedom of political communication that Australians now enjoy will remain unchanged. The legislation—appropriately, we believe—makes it an offence to encourage suicide and to advocate measures to undertake suicide, but it in no way, shape or form impedes reasonable debate on the part of those who would seek to advocate law reform in the area of euthanasia.

Mr KEENAN (Stirling) (1.29 pm)—I also rise to support the Criminal Code Amendment (Suicide Related Material Offences) Bill 2005. I note the member for Barton’s comments and endorse a lot of what he said. The bill contains new offences targeting the use of the internet to distribute information promoting or inciting suicide. These new offences are intended to protect vulnerable individuals from people who use the internet with destructive intent to counsel or incite others to take their own lives. I consider that the bill strikes an appropriate balance between the protection of these vulnerable people and the censorship of information, which is something that, as a government, we should only ever do under the most extreme circumstances.

This bill reflects our community’s growing reliance on telecommunications technology, in particular the internet, as a source of information. It recognises the impact that these new technologies can have on our lives and on the lives of those around us in the community. Everyone in this place is aware of the many purposes for which people use the internet. Some use it to research and
gather information, some use it to pursue hobbies and some use the internet as a means of social contact, through chat rooms and other such mechanisms.

It is of great personal concern to me that, as the influence of the internet on our lives grows, vulnerable people who use it as a means to reach out could fall victim to others who seek to encourage and incite them to harm themselves. So, rather than finding the support they might need through advice or accessing services, a person could in fact find peers and information counselling them to suicide. Most disturbing was a recent report on the ABC’s *AM* program which referred to concerns in Japan about a trend towards suicide pacts arranged over the internet. This report referred to a site that contained messages from people considering suicide. One message was from a 12-year-old. That same site contained messages from people asking for assistance to kill themselves and calling for suicide partners to join them in death. It is horrifying to think that anyone, much less a young child, might accept this offer.

This bill strikes an important balance between protecting these vulnerable people in our community and protecting our right to political free speech, a right that I know is valued in my own electorate of Stirling and one that I believe is vitally important. These new offences have been carefully drafted to avoid criminalising legitimate debate surrounding issues such as euthanasia, law reform and suicide. Specifically, two clarifying provisions have been included in this bill which state that a person does not commit an offence merely because they use a carriage service to either engage in public discussion or debate about euthanasia or suicide or advocate law reform in those areas. These provisions make it clear that the offences in this bill are not intended to cover internet material that advocates law reform on voluntary euthanasia or debates suicide related issues. Nor will they prevent the use of the internet to deal with such topics as suicide prevention, research and other support materials. This information must be readily available and is part of the healthy debate on social issues within our great democracy.

For an offence to be committed under these new provisions, the transmission or the making available of this material must be accompanied by an intention on the part of the person who posts the material to either incite or counsel suicide, or promote or provide instruction on a particular method of committing suicide. Where the material promotes or provides instruction on a method of committing suicide, a person could also be guilty of an offence if they intended that another person use the material to actually commit suicide. Without this intention, no offence can be committed. It is this requirement that I believe strikes the appropriate balance.

These offences complement existing Customs regulations prohibiting the physical importation and exportation of suicide kits and information relating to those kits. The bill is also consistent with state and territory laws which make it an offence to counsel or incite another person to commit suicide. This is an important piece of legislation that will help protect vulnerable members of our community from internet content which has the sole intent of promoting or inciting suicide, and I commend it to the House.

Mr RUDDOCK (Berowra—Attorney-General) (1.34 pm)—in reply—I thank the members of the House who have spoken. I expected that there would be some other members ready to take part in the debate, but one of the things you learn very quickly is that if you do not arrive in time you can often miss the opportunity. I welcome the support that was offered by the member for Bar-
ton for this measure, and I thank the member for Stirling for his supportive comments. I do not think I should add anything more to the debate, and I welcome the support that has been given to the Criminal Code Amendment (Suicide Related Material Offences) Bill 2004.

Question agreed to.

Bill read a second time.

Third Reading

Mr RUDDOCK (Berowra—Attorney-General) (1.35 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (IMPROVEMENTS TO SELF ASSESSMENT) BILL (No. 1) 2005

Second Reading

Debate resumed from 17 March, on motion by Mr Pearce:

That this bill be now read a second time.

Mr RIPOLL (Oxley) (1.36 pm)—I rise to speak on the Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 1) 2005. This bill aims to neutralise benefits that taxpayers could otherwise receive from shortfalls of income tax, so that they do not receive an advantage, in the form of a free loan, over those who assess their income tax correctly. It is divided into a number of parts. It is particularly looking at the shortfall interest charge, the liability in terms of the shortfall interest charge, the amount of shortfall for which interest is charged, and notification by the commissioner. It also deals with a number of other matters, including the remitting of the shortfall interest charge, powers for the commissioner and reasons that the commissioner must give for remitting those certain cases. It also looks at objecting to certain decisions and the remissions of those.

The DEPUTY SPEAKER (Mr Hatton)—The member for Oxley will be happy to know the member for Hunter is on his way.

Mr RIPOLL—That is very nice. Based on my quick assessment of this bill, I would say that Labor will be supporting this bill because it moves to remove from the act a number of inconsistencies and a number of shortfalls in the way that self-assessed tax assessments may be made, particularly where people may have shortfalls in their income tax, and the way they are assessed. It is important that we deal with this issue on two levels—that is, to ensure that individual taxpayers pay the correct amounts charged and that they either are not overcharged or do not in some way get some sort of advantage if they are undercharged and, as the bill describes most aptly, use this method as some form of interest-free loan over a period of time.

As we all know from doing our own tax assessments, it is a complex and very involved process—one that could do with a much closer examination and a closer look at how those processes work. When people are dealing with their own tax affairs, they often comment that we have a very complex system where a huge amount of tax is taken from us, only to be given back in other forms. That complexity in itself causes a number of anomalies in the system. The intent and the ability of this bill to deal with some of those anomalies, to ease the process and to make it a more efficient process for taxpayers are welcome. I certainly welcome the comments of the shadow minister in this area.

The DEPUTY SPEAKER—I thank the member for Oxley for holding the fort. I am sure both sides of the House appreciate that.
Mr John Cobb—It was a great effort!

Mr FITZGIBBON (Hunter) (1.40 pm)—I thank the member for Oxley for the exemplary way he took the opportunity to make an important contribution to this bill at short notice. I note that he did not have a note in front of him—

Mr Ripoll—No!

Mr FITZGIBBON—and was called upon unexpectedly—no fault of the opposition, of course, but due to some failure in the processes and the wheels of government. I am very pleased that I was able to get here just in time to make a contribution before the debate closes.

The member for Oxley made a very good contribution on behalf of the opposition. I do not know that I have a lot more to add. He has given a very good overview of what the bill’s objectives are. The opposition welcomes these reforms. It remains conscious that there are many other taxpayers out there who have been victims of the self-assessment process over the course of the last decade or so. Those victims will not find any relief in this particular bill. When I talk about victims, I mean those who have been the subject of or participants in mass-marketed schemes, for example, and employment benefits arrangements. I am advised that the government, in the not too distant future, will be presenting another bill which seeks to at least partly address these issues. I look forward to making a contribution on that bill at that time.

Mr JOHN COBB (Parkes—Parliamentary Secretary to the Minister for Transport and Regional Services) (1.42 pm)—I rise to sum up the second reading debate on the Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 1) 2005 and the Shortfall Interest Charge (Imposition) Bill. I once heard Dr Henry, who is now the head of Treasury, say that all taxes are good and any avoidance is bad, be it legal or otherwise. Obviously, the government has to look at improvements all the time for self-assessment or anything else. I have never been game to do self-assessment; I have always paid someone else to do my tax and will continue to do so. But from time to time we have to look at these things, and obviously that is what we are doing.

In light of having the Treasurer lay down the budget last night, it is always interesting to think on taxation. Quite obviously no government and no nation can exist in today’s world without it. Recently we have heard the states going on about the GST side of taxation. I find it very interesting that various states, such as New South Wales, feel that they pay too much and do not get it all back. In New South Wales they want everything back; I heard the Premier of New South Wales, Bob Carr, mention that he wants back every bit of GST that New South Wales pays. As a New South Welshman myself, and a very proud one, I say that may be a very laudable object, but all tax, be it self-assessed or otherwise, is there for a purpose.

To say that we have to get back everything we pay negates the whole object of tax, which is to help those in particular need and to try and even things up. New South Wales is no different to individual taxpayers in that those who make more—as New South Wales obviously does—have to put some towards those who are less fortunate. However, I think I should close this debate and provide the matter for the House’s recognition.

Question agreed to.

Bill read a second time.

Third Reading

Mr JOHN COBB (Parkes—Parliamentary Secretary to the Minister for Transport and Regional Services) (1.45 pm)—by leave—I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.

SHORTFALL INTEREST CHARGE (IMPOSITION) BILL 2005
Second Reading
Debate resumed from 17 March, on motion by Mr Brough:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Mr JOHN COBB (Parkes—Parliamentary Secretary to the Minister for Transport and Regional Services) (1.46 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

WORKPLACE RELATIONS AMENDMENT (EXTENDED PROHIBITION OF COMPULSORY UNION FEES) BILL 2005
Second Reading
Debate resumed from 9 February, on motion by Mr Andrews:
That this bill be now read a second time.

(Quorum formed)
Mr STEPHEN SMITH (Perth) (1.50 pm)—I thank members of the House for attending at short notice. Labor opposes the Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005 for the reasons which I will briefly outline. This bill was originally substantively introduced into the House on 11 August 2004. The 2004 bill lapsed with the prorogation of the 40th Parliament with the calling of the last election. It was reintroduced into this parliament on 9 February 2005. As a consequence, the issues which are raised by the bill have, in effect, been substantively considered by the parliament previously. That is doubly the case because the bill extends the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Act 2003, and the issues relating to that piece of legislation were also substantively considered by the parliament on that occasion.

This bill—as I say, a substantive mirror of the 2004 bill—proposes to extend the prohibition of bargaining services fees clauses to state employment agreements to which a constitutional corporation is a party. The bill amends the freedom of association provisions in the Workplace Relations Act 1996 to effect this. The definition of ‘bargaining services’ is amended by the bill to include services provided by an industrial association in relation to a state employment agreement. Under the bill, provisions of a state employment agreement to which a constitutional corporation is a party will be void to the extent to which the provisions require payment of a bargaining services fee. A simpler way of expressing this is to say that the bill proposes to use the corporations power to override state laws that allow enterprise agreements to include bargaining services fees.

Consistent with Labor’s position on the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Act 2003, and consistent with our flagged opposition to this bill in its 2004 guise, Labor oppose the bill. A substantive reason for opposing this bill at this point in time is the context now in which the Commonwealth or the Howard government proposes to use the corporations power to override industrial relations laws of the states. This is a classic example of the government seeking to use the corporations power against the wishes of the states, without consultation with the states, to effectively override a state interest or right in this matter.

CHAMBER
This is particularly pertinent on this occasion because this is the vehicle through which the government proposes to introduce what it calls a unitary system of industrial relations in Australia. That, of course, is a misnomer. To rely upon the corporations power does not produce a unitary system of industrial relations; it produces a substantial extension of Commonwealth coverage—coverage which would be incomplete and complex, which would promote disharmony and which would almost certainly see more than one of the states go to the High Court to challenge the extent of the coverage. Here we see on a minor scale another example of that approach, an approach in which the Howard government—without reference to the states, overriding the states, and without an interest in a harmonious industrial relations system or a harmonious workplace—seeks to get its way, without having a sensible conversation with the states on these matters.

So, consistent with our opposition to the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Act 2003 and consistent with our opposition to the mirror 2004 bill when it was introduced in the previous parliament, Labor oppose this bill. It is a classic case study of this government—without reference to the states, without wanting to have a harmonious conversation with the states about industrial relations matters—relying upon the corporations power to effect an outcome.

While this is on a minor scale, in the course of this session of parliament or after 1 July we will no doubt see the Howard government seek to effect that on a much grander scale—seeking to create what it describes as a unitary system of industrial relations but which in effect will be a substantial extension of Commonwealth power which will only give the Commonwealth an incomplete coverage of industrial relations matters. It will be complex, it will be divisive and, in the end, it will not lead to a more productive or a more cooperative workplace. For the reasons outlined, Labor opposes this bill.

Mr SLIPPER (Fisher) (1.56 pm)—I had not quite expected to be talking on the bill at this time, but I am very pleased to rise in the House to support the Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005. It would not be any secret to those watching or those listening that this government has always had a very strong commitment to the principle of freedom of association. That means that employees should have the right to join or not to join a trade union. I must say that I have always found it to be personally abhorrent that people on the other side of the parliament somehow find it politically acceptable that people on the other side of the parliament somehow find it politically acceptable that people could be conscripted into being members of a trade union.

It is important to appreciate that trade unions, like other bodies in a democratic society, should be free to compete for members, and people in a democracy are of course entitled to join a union if they believe that the union is carrying out appropriate levels of activity on behalf of the membership. It is pretty clear in Australia that people have voted with their feet, because when one looks at the proportion of union membership it seems to be forever declining. That is a judgment by the Australian people that unions are not carrying out the role that historically they have carried out.

I was disappointed to hear the member for Perth oppose this particular legislation. Bargaining agents fees compromise the freedom of association by acting as backdoor compulsory unionism, and they should not be included in any form of industrial instrument. Happily, the Australian Constitution gives power over corporations to the Australian government. As the member for Perth
pointed out, this government proposes to amend, through this bill, the freedom of association provisions of the Workplace Relations Act 1996 to extend the prohibition on bargaining agents fee clauses to state employment agreements to which a constitutional corporation is a party. I find it absolutely amazing that the member for Perth can stand in the chamber and suggest that the government ought not to pursue the full range of its constitutional competence to legislate in this area to protect the rights of individual workers to join or not to join a union.

As part of the justification for his opposition to what the government are seeking to achieve, the member for Perth said that the government were moving without the consent of the state governments. Personally, I believe that that is a matter of monumental irrelevance. Having been returned at the election in October last year, not only does this government have a responsibility to stand up for the program which we took to the Australian people but also we are not going to apologise for supporting the rights of ordinary Australian workers.

One of the reasons that the Labor Party appears to be comprehensively rejected, election after election, is that the Labor Party now seems to be completely out of touch with what the Australian people think. I find it absolutely astounding and unacceptable for the Labor Party, in 2005, to stand and say in this parliament that it is appropriate that people should, through a backdoor form of compulsory unionism, be compelled to join unions through bargaining agents fees becoming compulsory. It obviously will condemn the Australian Labor Party to many years of continued occupancy of the benches opposite the treasury bench in this parliament.

The SPEAKER—Order! It being 2 pm, 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

Budget 2005-06

Mr BEAZLEY (2.00 pm)—My question is to the Prime Minister. How will the Prime Minister spend the extra $65 a week he receives from last night’s budget? Has the Prime Minister asked the member for Wentworth how he might spend his extra $65 a week? And how does the Prime Minister explain his tenfold windfall to the eight out of 10 taxpayers receiving just $6 a week from this unfair budget?

Mr HOWARD—Perhaps I could best answer that question by quoting the current Leader of the Australian Labor Party and what many people believe will be a future leader of the Australian Labor Party. The current leader of the Australian Labor Party—the person who asked me the question—said that many tradespeople were affected by the top tax rates cutting in too soon. He said this in an interview with the Sydney Morning Herald on 3 February 2005. The headline was: ‘Beazley’s ALP to champion the new rich’.

It gets even better, because if you do not want to rely on the authority of the current leader of the Australian Labor Party let me quote the words of Bill Shorten, the National Secretary of the Australian Workers Union, who is apparently lining up some of his factional opponents in Victorian seats to be shoehorned into this place at the next election. This is what Bill Shorten had to say in an article in the Australian on 3 May this year:

Some steelworkers I know at a OneSteel fabrication plant are doing something about Australia’s rotten tax system. Having calculated how much they can earn before paying the top income tax rate of 47c in the dollar, they simply refuse to
work any overtime that pushes them above the limit.

He went on to say:

The top marginal income tax rate thresholds— that is, I say to the Leader of the Opposition, the 47c and 42c thresholds— should be raised to create a fair, productive and competitive tax system.

I could not put it better. But that is only the half of it. The whole basis of the attack by the Leader of the Opposition on the tax cuts announced in the budget last night is his charge that in some way we have made the tax and payment system of this country unfair to low- and middle-income earners. The Leader of the Opposition is posing now as the champion of the low- and middle-income earners of Australia.

Let me remind the Leader of the Opposition about what has happened to low- and middle-income earners under this government. Let me remind him that since coming to office the government has increased total assistance to families by over $6 billion and that the base rate of family assistance has increased from less than $600 a child in January 1996 to almost $1,700 a child—a real increase of over 100 per cent. Let me remind him that even before last night’s budget a single income family on $41,800 a year would pay no net tax. They would pay no net tax on $41,800 a year.

If he does not want to take my word for it, let me remind him of the modelling carried out by Anne Harding at NATSEM, the National Centre for Social and Economic Modelling, that shows that low-income households have enjoyed the strongest growth in private incomes over the period from 1997 to 2004. This research shows that the real disposable income of low-income families grew by an average of $87 a week—a rate of growth similar to that of middle-income families. She concluded that, overall, the bottom 60 per cent of households are net gainers from the welfare and taxation policies of this government. In the face of that record, in the face of his own statement and in the face of the logic argued by a putative leader of the Australian Labor Party, the reaction of the Leader of the Opposition and his attack, on the basis of fairness, on this budget is absolutely staggering. But the Leader of the Opposition is characterised by a capacity to change his position according to the prevailing mood.

I have another piece of field evidence, because as well as opposing the taxation cuts the Leader of the Opposition has also declared that the Labor Party will vote against the removal of the superannuation surcharge. That is a pretty remarkable statement, because do you know what he did when he was last leader? He voted against its introduction. That is an astonishing performance. How is this for consistency and new era leadership from the member for Brand? You vote against the introduction, you vote against any amelioration of it and you vote against its abolition! That is a trifecta of humbug the like of which I have not seen. I rest my case.

Budget 2005-06

Mr JOHNSON (2.07 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the people in my electorate of Ryan and inform the parliament how the budget will keep Australia’s economy strong and will set our nation up for the challenges of the future?

Mr COSTELLO—I thank the honourable member for Ryan. I can inform the people of Ryan that the budget which was brought down last night will keep the Australian economy strong. It is the eighth surplus budget which has been produced by this government. When this government came to office we did not talk about the size of budget surpluses; all of the talk in Australia
was about how large budget deficits were to be. I want the House to cast its mind back to 1996 and think about who was the finance minister who presided over the 1995 budget.

**Government members**—It was Bomber!

**Mr COSTELLO**—At points like this, the member for Brand studiously engages in conversation with his frontbench. It is all a little ‘Who, me?’ act that he puts on in the House of Representatives. ‘Who, me?’ Yes, you! It was you in 1996, as the finance minister, who left the budget with a deficit of two per cent of GDP or $19 billion in today’s terms. As a consequence of the financial management by the Australian Labor Party, Australian government debt in 1996 stood at $96 billion. As a result of the budget which this government brought down last night, that net debt of $96 billion will be reduced by $90 billion. This is the most pro-youth policy that Australia has ever seen, getting the Labor debt monkey off the backs of generations of future Australians and then setting up a future fund to start funding the liabilities of the future.

This country, as we know, is going to undergo demographic shifts and demographic change. We know that the number of people of work force age is hardly going to increase. We know that the number of people of retirement age is going to double. We know that the bills of the next generation are going to be huge if we do not begin to fund them now. This is the government which in 2005 sat down and did something for the future of this country, for the young people of this country and for the people of Ryan and gave them an opportunity for the long term.

**Distinguished Visitors**

**The SPEAKER** (2.10 pm)—I inform the House that we have present in the gallery this afternoon Dr Wahid, Chairman of the People’s Consultative Assembly of the Republic of Indonesia. On behalf of the House I extend to him a very warm welcome.

**Honourable members**—Hear, hear!

**Questions Without Notice**

**Budget 2005-06**

**Mr BEAZLEY** (2.10 pm)—My question is to the Prime Minister. Prime Minister, is it not a fact that your 16th budget delivered a total tax cut this year of more than $400,000 to the members of the Liberal and National parties in this parliament? How can the Prime Minister defend shovelling dollars at his backbench while middle- and low-income Australians will get a tax cut of only $6 a week? Is this why the Prime Minister’s backbench cheered so loudly when they heard about the tax cuts last night?

**Mr HOWARD**—That question is a reminder of the paucity of the leadership that the member for Brand is bringing to the Australian Labor Party at the present time. The members of the federal parliamentary Liberal Party, like all other law-abiding Australians, pay tax. They will be taxed in exactly the same way as anybody else is taxed at an equivalent level of income. I simply remind the Leader of the Opposition how inconsistent his position has become. It was all right when he was freshly returned to the leadership, running around trying to demonstrate that it was a new Beazley in charge of the Australian Labor Party, when he said: Ordinary tradespeople were affected by the top tax rate cutting in too soon, which could even be a cause of the shortage of skilled tradespeople.

In other words, he was arguing common-sense, just as Bill Shorten was arguing common-sense. We need a tax and payments system that looks after the vulnerable. We also need a tax and payments system that encourages and provides incentive to people in the community to work harder and to better themselves. We also need a taxation system that is internationally competitive. We need a
taxation system that will retain the brightest and the best in this country and not see them increasingly go out of this country to other countries. We also need a taxation system that recognises the essential classlessness of this country and we need a taxation system which is not built on the old-fashioned, outdated, discredited politics of envy.

Budget 2005-06

Mr NEVILLE (2.13 pm)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Will the Deputy Prime Minister advise the House of measures in this year’s budget to support communities in rural and regional Australia? What benefits will these measures provide?

Mr ANDERSON—I thank the honourable member for Hinkler for his question. I note that he, of course, represents the port of Gladstone. That is a major export port. Some 12 per cent of Australia’s exports go through that port and about a third of Queensland’s, and we are helping to develop it. That is very important for investment and for jobs. The budget indeed confirms that Queensland, provided only that it signs up to the bilateral for AusLink, will do extraordinarily well, with some $415 million for projects in Gympie, Gladstone, Townsville and Tully. The flood proofing of the highway south of Tully is something that is urgently needed, and that will take place just as soon as Queensland signs up.

I begin by congratulating the Treasurer for looking to the future. The government has looked to the future. This is, in essence, a budget for our children and grandchildren because it looks to the realities of an ageing population and the fact that we need to do the right thing by those who will be future taxpayers. When it comes to measures in the budget of value to regional Australia, the first point I would make is that for the great

Mr ANDERSON—I thank the honourable member for Hinkler for his question. I note that he, of course, represents the port of Gladstone. That is a major export port. Some 12 per cent of Australia’s exports go through that port and about a third of Queensland’s, and we are helping to develop it. That is very important for investment and for jobs. The budget indeed confirms that Queensland, provided only that it signs up to the bilateral for AusLink, will do extraordinarily well, with some $415 million for projects in Gympie, Gladstone, Townsville and Tully. The flood proofing of the highway south of Tully is something that is urgently needed, and that will take place just as soon as Queensland signs up.

I begin by congratulating the Treasurer for looking to the future. The government has looked to the future. This is, in essence, a budget for our children and grandchildren because it looks to the realities of an ageing population and the fact that we need to do the right thing by those who will be future taxpayers. When it comes to measures in the budget of value to regional Australia, the first point I would make is that for the great export industries of agriculture, mining and tourism you need a soundly run economy. And that is what this budget locks in: low inflation, interest rates down, a competitive economy and the winding back of debt. It lets us fund infrastructure.

The Treasurer spoke again of AusLink last night. One powerful illustration of what AusLink is achieving is to be found in the Hunter Valley where, until we took over the Hunter Valley line, capacity constraints on the rail network meant that we could not pump the amount of coal through Port Waratah that the port could undertake. The reforms that we have put in place have already resulted in a 20 per cent improvement in productivity since we took it over in September last year, and we are en route from 85 million tonnes a year to 140 million tonnes capacity over the next five years.

Mr Fitzgibbon—What about the New England Highway?

Mr ANDERSON—I will take that interjection about the New England Highway. We are going to build a link road between the F3 and the New England Highway. I know the member for Paterson is very excited about that. Then there is the $2 billion water fund and the money to ensure that we are able to enact and carry forward the most significant environmental policy achievement in this country for the last couple of decades—the National Water Initiative.

Over and beyond that there are a couple of specifics I would like to mention. We have a real problem with a shortage of doctors and allied health care workers in regional Australia. The budget introduces a $15 million program to help small rural communities build medical centres and clinics to attract doctors on the new basis that many of them work on—they essentially choose not to buy into partnerships in the way that they used to. There is $5.6 million to help subsidise the
costs of en route charges for light aviation to keep those vitally important rural commuting plane services in place.

It would be remiss of me not to mention the drought. I think all of us, I hope on a bipartisan basis, would be very concerned about the outlook at the moment. The critical timing for sowing this year is slipping away from us. An estimated $1 billion has been made available and is going out at the rate of some $4 million a week to help farmers in rural communities cope with drought. This budget puts down proper foundations for the future and—in stark contrast to the ALP, which says, ‘Whenever you spend money in the regions, you’re doing the wrong thing’—confirms our commitment to regional Australia, and extends and improves it.

Budget 2005-06

Mr BEAZLEY (2.18 pm)—My question is again to the Prime Minister and concerns his 16th budget. Is the Prime Minister aware that the eight out of 10 taxpayers who will receive just $6 a week from last night’s budget include nurses, police officers and firefighters in Gippsland; hairdressers and bus drivers on the Central Coast; cleaners and apprentices in Western Sydney; agricultural workers in North Queensland; receptionists and sales assistants in Albany in Western Australia; young soldiers in Darwin; and child-care workers and carers in Central Queensland—to name but a few? How does the Prime Minister explain his own $65 a week windfall to the seven million Australians receiving only $6 a week?

Mr HOWARD—Let me remind the Leader of the Opposition of some of the basic arithmetic of this budget. When all of the tax changes announced by the Treasurer last night are implemented, the Leader of the Opposition has promised that he will block them—all of them. Not only will he block the tax cuts that involve a lift in the threshold; he said this morning that he is going to ask his party in the Senate to vote against cutting tax from 17 per cent to 15 per cent.

The Leader of the Opposition is up here on his third question posing as some kind of pretend friend of the battlers of this country. He is actually saying to the battlers of Australia: ‘As far as I’m concerned, you can’t even have $6 a week.’ That is what the Leader of the Opposition is saying. Let us have none of this phoney indignation from the Leader of the Opposition. The Leader of the Opposition is going to vote them down. He knows perfectly well that all of these tax measures will be rolled into one piece of legislation and, in order for the workers of Australia to enjoy by 1 July this year a reduction from 17 per cent to 15 per cent, the Australian Labor Party will have to support our measures in the Senate because the minor parties have said they will not support them.

So it is in the hands of the Leader of the Opposition between now and when the Senate reconvenes after 1 July. Is he going to vote for or against the $6 a week tax cut that he derides? Is he going to vote for or against a reduction in the bottom rate of tax? Is he going to vote for or against some tax relief to the low- and middle-income earners of Australia? It appears from what he said on radio this morning that he is going to vote against those measures, but he does have time to recant by Thursday night. Maybe pressure from some of the people who sit behind him, who I think have a little more realism in their bodies about this issue, might bring about a change in relation to the Leader of the Opposition.

In relation to the arithmetic of the tax cuts, let me remind the Leader of the Opposition that as a result of the changes the Treasurer announced last night more than 80 per cent of Australians will be on a top marginal tax rate of no more than 30c in the dollar. Only
three per cent of Australian wage and salary earners, income earners and taxpayers will be on a top marginal rate of 47c in the dollar.

I regard that as a reform for all Australians. I regard changes to the tax system that provide greater incentive for steelworkers, greater incentive for people who work in the mining industry, greater incentive for many police officers who work overtime, greater incentive for people who work in the Public Service and greater incentive for many small business men and women who work from home as being good for the future of this country. And so, in his saner moments, did the Leader of the Opposition. The Leader of the Opposition once believed this. He believed it a long time ago. He believed it on 3 February 2005. Way back in February this year that is what the Leader of the Opposition believed and it is still what Bill Shorten, a future leader of the Australian Labor Party, believes. Not only did he lament the fact that many steelworkers he represented were going to get into this top bracket and lose their incentive to work overtime; he also made the telling point that not only did he regard the rate as too high but also as coming in at too low a level compared with the United States at $402,000, Britain at $73,000 and Japan at $216,000, using Australian dollar exchange rates at 16 March. In opposing these measures and engaging in the cheap populism that has characterised the last three questions, the Leader of the Opposition is abandoning any credibility in relation to his own position.

Distinguished Visitors

The Speaker (2.23 pm)—I inform the House that we have present in the gallery this afternoon members of the ninth delegation from the International Youth Co-operation Development Centre of Vietnam who are visiting Australia under the auspices of the Australian Political Exchange Council. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

Questions Without Notice

Budget 2005-06

Mrs Markus (2.24 pm)—My question is addressed to the Treasurer. Would the Treasurer advise the House how the government’s commitment to sound economic management has helped deliver tax cuts to reward the efforts of hardworking Australians?

Mr Costello—I thank the honourable member for Greenway and, I think I can confidently say to the House, the best member for a very long time that Greenway has had representing it in this House. Last night not only did the government balance the budget and make a substantial investment in services but also returned to taxpayers a reduced tax bill in the form of income tax cuts for every Australian. Those tax cuts take two forms. One is a cut to the rates at the lower level and the other is an increase in the thresholds at the upper level. The consequence of those tax cuts is that all Australians get a tax cut but low-income earners get the largest percentage tax cut. A person on $10,000 would get a tax cut of above 15 per cent whereas a person on $100,000 would get a tax cut of under 10 per cent. Those new rates will give incentive to the Australian public in terms of work and effort.

Having established in this place that the government stands for lower taxes, the Leader of the Opposition has been busily establishing that Labor stands for higher taxes. On the AM program this morning the AM reporter asked the Leader of the Opposition whether Labor will vote for the change from 17c in the dollar to 15c in the dollar for very low income earners. ‘What will Labor do?’ she asked. ‘What will Labor do on reducing the 17c rate to 15c?’ she asked the Leader of the Opposition. Get a load of this
answer: ‘We are going to vote against it.’ They are going to vote against a reduction of the lowest tax rate from 17c to 15c. The AM reporter, incredulous, said, ‘You are happy to be seen to vote against the tax cut from 17c in the dollar to 15c in the dollar?’ The answer: ‘No, it is part of a package which delivers an unfair outcome so of course we will not vote for it.’ If you ever wanted proof that Labor stands for higher taxes, there it is.

This bill will be introduced tomorrow. I believe we can facilitate a vote on it this week—we could do it tomorrow if need be. I would like an indication from the members of the Labor Party backbench before we call the vote that there will be no sudden illnesses that call them back to their electorates, no pairing and no overseas trips, because every one of the Labor Party backbench ought to guarantee no illness and no unexplained commitments back in the electorates, then we can bring the vote on and give every single one of them the chance to vote against a reduction in the lowest income tax rate from 17c to 15c. A sudden hush comes over the Labor Party backbench at this point of the proceedings. If we can get the Labor Party whip to guarantee no illness and no unexplained commitments back in the electorates, then we can bring the vote on and give every single one of them the chance to vote against a reduction in the lowest income tax rate from 17c to 15c.

The kind of questioning that you have heard from the Leader of the Opposition in relation to these tax changes reminds me of his last outing on economic policy. His last outing on economic policy for those of us who were in the House was when the government was introducing the GST and abolishing the wholesale sales tax. He campaigned on that for over three years on envy politics—that it would destroy Australia as we knew it, that it would be terrible for poor, that the sky would fall in, that either interest rates would go up or interest rates would go down, that the economy would either overheat or undercool. He promised us the policy which dare not speak its name. His last economic outing was on the policy of rollback.

We do not hear too much about the policy of rollback because nobody in their right mind today would say that we ought to get rid of GST and go back to wholesale sales tax. Do you know what is happening here? This government has to fight for the hard yards. We have to put up with this cheap opportunism. No sooner have our reforms been put in place than the Leader of the Opposition wants to adopt them and make them his own. Let me make this prediction: if these income tax changes go through, the Leader of the Opposition will not be going to the next election demanding that they be reversed. He will not be going to the next election saying that the 15c tax rate ought to go up to 17c. He will not be going to the next election saying that the top threshold ought to come back down from $125,000 to $70,000. The truth is that he is not opposed to this reform. He is a cheap populist who wants to try and play envy politics, which has no place in Australian society.

Budget 2005-06

Mr SWAN (2.30 pm)—My question is to the Prime Minister. Prime Minister, what is fair about giving 300,000 Australian taxpayers a tax cut of $65 per week while more than seven million hardworking Australian taxpayers get only $6 a week? What is fair about giving three per cent of taxpayers a tax cut that is 10 times what eight out of 10 Australians will get? Why give so little to the vast majority of taxpayers and so much to so few?

Mr HOWARD—I thank the member for Lilley for that question. Can I remind him that in this country we operate under a progressive taxation system. We have in the past examined—I certainly did back in the 1980s—the introduction of a flat taxation system. It would work manifestly against the
interests of very low income people because their average tax rates would be far below the level at which any flat tax would be introduced. In those circumstances it is inevitable that two consequences follow. It is inevitable that people on higher incomes pay a lot more in tax, in dollar sums. It is also inevitable that whenever there is an adjustment to the tax rates or to the threshold the dollar gain by higher income earners is greater than by those on lower incomes because they start off by paying a lot more. That is just a simple fact of how the taxation system operates. The member for Lilley knows that. The Leader of the Opposition knows that.

The argument that is being mounted by both the Leader of the Opposition and the member for Lilley is just about the most intellectually dishonest argument I have heard in this place for a long time. But it is hardly surprising, because the Labor Party is led by a person who promised so much to his own colleagues when he returned to the leadership but who, on every occasion he has had over the last three or four months to embrace genuine reform and change in the economic area, has fallen at the hurdle. He made that extraordinary declaration at the Sustaining Prosperity Conference in Melbourne that the cause of industrial relations reform has been accomplished and nothing more needs to be done. He said later on that the lemon had been squeezed dry when it came to industrial relations reform. By his opportunistic rejection of last night’s taxation reforms, he demonstrates very clearly something that I told my party room yesterday, and that is that he is the first political leader in modern history to have acquired reform fatigue while still in opposition.

Budget 2005-06

Mr BAIRD (2.34 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister outline to the House the reforms to Australia’s welfare system that improve incentives to work and increase labour force participation?

Mr ANDREWS—I thank the member for Cook for his question. Last night’s budget introduces a comprehensive reform of Australia’s welfare system for Australians of working age. It does so by tackling the twin goals of lifting work force participation and reducing welfare dependency whilst at the same time maintaining a strong safety net for those who need it. A feature of the reforms is to introduce new obligations for those who have the capacity to do some work. Parents on welfare will generally be required to look for part-time work when their youngest child is aged between six and 15. People with disabilities who apply for welfare and can work part time will be required to seek part-time work. I stress that, when these changes are made, people who are currently on the parenting payment and the disability support pension will remain on those payments.

These measures involve expenditure by this government of some $3.6 billion over the forward estimates period. For example, the government will spend over $2 billion on expanding services to assist people to get back into the work force, including some $681 million for the Job Network, to help people prepare for and find work, and $266 million for child care, to fund an additional 84,300 extra outside school hours care places. I note in passing that there are more extra outside school hours care places being funded in this budget than existed in total under the Labor Party when it was last in government. In addition to that, there are 2½ thousand extra family day care places, and child-care fee assistance for an extra 52,000 families.

In welcoming this budget the CEO of Mission Australia, Mr Patrick McClure, who
has had a great interest in welfare reform in this country, said that the federal government’s welfare reform package will encourage people to return to work. He said:
This is a broad package of incentives which will advance the cause of welfare reform.
The reality is that this government wants to see more Australians in jobs—and, by the way, when they get a job, we think they deserve a tax cut too.

Budget 2005-06
Mr BEAZLEY (2.37 pm)—They won’t get much of one. My question is to the Prime Minister and again concerns his 16th budget. Is the Prime Minister aware that a two-income family on a combined income of $90,000 a year will get as little as $12 a week in tax cuts? Hasn’t this $12 already been wiped out by the last increase in interest rates, which was $48 a month for a family with a $300,000 mortgage and even more for many home buyers in Sydney?

Mr HOWARD—Can I say in reply to the Leader of the Opposition that, if he had his way, they would get nothing.

Tsunami Warning System
Dr WASHER (2.37 pm)—My question is to the Minister for Foreign Affairs. Would the minister advise the House what steps the government is taking to establish a tsunami warning system for the Indian and Pacific oceans.

Mr DOWNER—I thank the honourable member for Moore for his question. One of the important parts of the budget has been the government’s decision to provide funding over four years for the establishment of a capacity to provide warnings of possible tsunamis, to establish a national tsunami warning centre. This is a very important initiative. Everybody in this parliament and around Australia was very struck by the impact of the tsunami back on Boxing Day last year.

We understand the horrific impact of tsunamis. We also understand that even our own country could conceivably be affected.

The $68.9 million we are spending on a tsunami warning centre will be split into three. Some $36.4 million will be for the development of a warning capability for the west coast of Australia, covering the Indian Ocean immediately to the west and north-west of Australia; $21.8 million will be for the establishment of a warning system for the east coast of Australia; and $10.7 million will be for an Australian contribution, integrated with the existing Pacific tsunami warning system, which will facilitate tsunami warnings in the south-west Pacific. As I think all members know, we take our responsibility in the Pacific very seriously. To provide additional support to ensure that those small and often vulnerable countries in the south-west Pacific are not excessively damaged by a tsunami is an important initiative by Australia.

We are taking a lead role in responding to the tragedy of the Indian Ocean tsunami. We have taken a leading role in terms of assistance; we have taken a leading role in terms of aid; we are now taking a leading role in terms of establishing a tsunami warning centre. That is just one of the many extraordinarily valuable contributions, both domestically and internationally, that the Treasurer brought forth in the budget last night.

Budget 2005-06
Mr SWAN (2.40 pm)—My question is to the Prime Minister. Does the Prime Minister agree with Saul Eslake of the ANZ Bank when he says:
There is a real risk now that the RBA will feel the need to lift interest rates again.

Does the Prime Minister also agree with Chris Caton of Bankers Trust when he says:
The fact they have chosen to be relatively expansionary at the margin increases the probability of more interest rate increases?

Mr HOWARD—No, I do not. I do not agree with either of those gentlemen. I sometimes do and I sometimes do not. Let me tell you why I do not agree with them. The first reason is that the surplus is one per cent of GDP, which is a very significant surplus, and the surpluses in the out-years are almost equivalent to that. The other reason is that, importantly, because we have decided that the income from the Future Fund will be re-invested into the corpus of the fund, we have effectively tightened fiscal policy. We are not taking the income of the fund at the bottom line of the budget; we are reinvesting it in the fund. That represents a tightening of fiscal policy. On both of those grounds, I do not agree with either Saul Eslake or Chris Caton.

Cancer Care

Mr VASTA (2.41 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister inform the House how the government is investing in better health by strengthening cancer care.

Mr ABBOTT—I thank the member for Bonner for his question. It is appropriate to remind the House that in last night’s budget there were 98 individual health measures involving a net new spend of $3.3 billion—$3.3 billion on health. I am more than capable of proudly saying that the Howard government is still the best friend that Medicare has ever had. It is an even better friend with an extra $3.3 billion that the Treasurer and the Prime Minister have contributed to health over the forward estimates period.

Let me focus for a moment on the very serious issue of cancer. As the Treasurer pointed out last night, cancer is the principal underlying cause of death in this country. One in three men and one in four women will face the reality of cancer in their lives before the age of 75. The good news is that death rates from cancer have been dropping by 1½ per cent a year over the last decade. Last night, this government committed an additional $190 million for cancer detection, cancer care and cancer research.

Let me highlight a few measures. We committed $43 million to implement our election commitment to phase in a national bowel cancer screening program by 2008. We committed $23 million to implement our election commitment to provide local palliative care grants. Another election commitment was implemented last night: $14 million to establish a new coordinating agency, Cancer Australia. And a very important new initiative was $25 million to try to reduce smoking amongst young people.

I refer all members to the comment of the Cancer Council of Australia that this budget is ‘the most comprehensive set of government-funded cancer control priorities ever announced in a Federal budget’. I thank the Treasurer and I thank the Prime Minister.

Budget 2005-06

Mr BEAZLEY (2.44 pm)—My question is to the Prime Minister and it follows the one he was asked previously by the shadow Treasurer. Will the Prime Minister guarantee that interest rates will not rise as a result of the spending in last night’s budget?

Mr HOWARD—When it comes to interest rates, the only guarantee I give is that they will always be lower under the coalition than under Labor.

Budget 2005-06

Mr BAKER (2.45 pm)—My question is addressed to the Minister for Industry, Tourism and Resources. Would the minister inform the House of the benefits that will flow to the Australian industry as a result of last night’s budget?
Mr IAN MACFARLANE—I thank the member for Braddon for his question and also for his very strong and ongoing interest in industry in his electorate, which I have had the opportunity to visit from time to time. We on this side of the House focus on economic responsibility so, when we have the opportunity, we can give back to the Australian people. Last night this government cut taxes to individuals and to business. One of the many winners in last night’s budget was industry. The three per cent Tariff Concession Scheme was taken away at midnight last night. Industry is immediately better off by $1.3 billion over the next five years. This is a major boost to manufacturing. It will save the makers of electrical goods some $37 million and the makers of textiles some $6 million. Where there is no locally produced equivalent, imported parts on a whole range of items will be three per cent cheaper. Those items range from furniture through to construction equipment and even lawnmowers.

It is worth reflecting on the views of some of the industry organisations. The Tyre Manufacturers Association has hailed the move as ‘much needed tariff relief for Australia’s tyre manufacturers’, and it will assist in ‘safeguarding local manufacturers’. The Australian Industry Group said:

... the government has got down to business in this budget. The removal of the three per cent tax on manufacturing imports will be greatly welcomed.

They said:

All round, a smart effort.

I could not have said it better myself. This government has a history of cutting taxes whenever the economic conditions allow it to do that. But, on the other side of this House, the Labor Party are opposed to tax cuts. They are opposed to tax cuts for individuals and they are opposed to tax cuts for industry. That is a disgrace. They are a disgraceful, opportunistic opposition. This government will continue to pursue tax cuts for individual Australians and for industry.

Budget 2005-06

Mr SWAN (2.48 pm)—My question is to the Prime Minister. Prime Minister, was Ross Gittins, of the Sydney Morning Herald, right when he said:

This budget will go down well enough—but that’s because budgets that put popularity ahead of responsibility always do. Until the wheels fall off. Then it’s all tears and recriminations.

Was Alan Wood, of the Australian, right when he said:

It is a budget of wasted opportunities for more fundamental reform.

The SPEAKER—Before calling the Prime Minister, I remind the member for Lilley that the last two questions were both close to asking for an opinion, but the Prime Minister may choose to answer the question.

Mr HOWARD—I am a regular reader of both of those gentlemen. I read both their articles. I think the budget is both popular and responsible. I think the irresponsibility and the populism is in the Labor Party’s response rather than in the content of the budget. I read the entirety of Alan Woods’s article, and I do not think the quote employed by the member for Lilley does justice to the balance of his article. In particular, he expressed the very strong view that I did a couple of questions ago: that the budget would not exert upward pressure on interest rates.

Terrorism

Mr RANDALL (2.49 pm)—My question is addressed to the Attorney-General. Would the Attorney-General advise the House of the government’s efforts to keep Australians safe from the threat of terrorism at home and in the region?
Mr RUDDOCK—I thank the honourable member for Canning for his question because, coming from Western Australia, as he does, and given Western Australia’s proximity to areas of instability, he appreciates very much the importance of the security of Australia. Yesterday, at an important conference on security and government, the Deputy Director of ASIO said:

There had been at least one actual or disrupted terrorist attack against Australian interests in each year of the past five years.

He cited Bali, the Marriott Hotel incident, the embassy attack in Indonesia, the thwarted terror plot of Frenchman Willie Brigitte and the thwarted plot to attack the Australian High Commission in Singapore. The environment in which we operate necessitates not only the swift, decisive and comprehensive response that the government pursued after September 11—where we have now invested somewhere in the order of $5.6 billion in measures to protect Australia and Australians from the threat of terrorism—but also that this work be regarded by us as an unfinished canvas. That is why in the budget we have included a raft of additional measures totalling more than $1 billion in additional expenditure. That included an extra $150 million for ASIO to boost training and cooperation in the region, to further develop language skills, to improve border control monitoring and to enhance counter-terrorism investigation capability. There is $48 million for agencies within my portfolio, so as to ensure that we can effectively manage the security arrangements when we host APEC. Victorians will be interested in our involvement in the Commonwealth Games in Melbourne through the Protective Security Coordination Centre.

There is a further $694 million to boost the capacity of the Australian Federal Police, particularly here in Australia and throughout the region. The Australian Federal Police will continue its excellent cooperation work with more than half a million dollars allocated to the Regional Assistance Mission to the Solomon Islands, and regional cooperation will be enhanced with the further commitment of $7.6 million over two years to strengthen the AFP’s capacity to be able to detect and deter the movement of terrorists throughout the region. These measures, and many others outlined in the budget, demonstrate clearly the government’s determination to build on our security arrangements and to maintain the safest environment possible for all Australians.

DISTINGUISHED VISITORS

The SPEAKER (2.53 pm)—I inform the House that we have present in the gallery this afternoon the balance of the members of the ninth delegation from the International Youth Cooperation Development Centre in Vietnam, who are visiting Australia under the auspices of the Australian Political Exchange Council. On behalf of the House I extend a very warm welcome to their members.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget 2005-06

Mr GIBBONS (2.53 pm)—My question is directed to the Treasurer. Has the Treasurer used this budget to design a retirement package for the Prime Minister? When will the Treasurer show some bottle and have a go?

Honourable members interjecting—

The SPEAKER—The Treasurer may choose to answer that question.

Mr COSTELLO—If I were designing a retirement fund, I would be designing it for the member for Bendigo because it would be in the public interest to get him out this place.
Mr CAUSLEY (2.54 pm)—My question is directed to the Minister for Agriculture, Fisheries and Forestry. Would the minister update the House as to how the federal budget will help Australia’s farmers and provide high standards of border security for our agricultural sector?

Mr TRUSS—I thank the member for Page for his question. This budget provides a major boost to Australia’s border security and quarantine arrangements—in fact, close to $1 billion of extra funding is being provided for our quarantine service and for the Customs Service to undertake their very important activities in keeping this country free of pests and diseases and in curbing illegal fishing activities. This funding is in addition to the base funding that is provided to those organisations to run their day-to-day activities. There is around $560 million over the next four years to maintain the increased quarantine intervention that has been occurring since the outbreak of foot-and-mouth disease in the United Kingdom. This will mean that we will continue to be able to inspect all the mail that comes into Australia, all the containers that come into this country and around 90 per cent of the passengers who arrive at our airports.

In addition, there is close to $40 million to establish Biosecurity Australia as an independent agency, as we indicated during the election campaign that we would do; and over $300 million to undertake increased activities to endeavour to stamp out illegal foreign fishing in northern and southern waters. These are particularly important initiatives because of our concerns not only about quarantine issues associated with the illegal foreign fishing effort but about our capacity to manage those scarce stocks and to ensure that fishing occurs in a sustainable way.

In addition, I am sure the honourable member will be particularly pleased to note that there is $144 million in the budget to maintain the 40 per cent subsidy on export inspection charges for our primary products. That will certainly help to encourage our exports into those difficult markets around the world.

This contrasts markedly with the situation that would have occurred had Labor been in government. We know that at the last election they made no financial commitment at all to maintain the increased quarantine initiative—in fact, they were actually going to take money out of the quarantine service and give it to their new ‘coastguide’ arrangements. This would effectively have torn the heart out of the intervention arrangements that have meant so much to protecting this country from pests and diseases. Remember, under Labor only five per cent of international mail was checked, practically no containers were checked and only about 25 per cent of passengers could expect their baggage to be checked at the airport. That is the kind of standard that Labor would have delivered. The funding in this budget guarantees a high standard of border protection for Australia and an effective quarantine service that will do its job in keeping this country free of pests and diseases.

Mr KATTER (2.58 pm)—My question without notice is to the Treasurer. Is the Treasurer aware that Northern Australia lacks a baseload power station to process the now $4,000 million of ore being mined from the Carpentaria mineral province? Is he further aware that, in the driest continent on earth, with drought again raging, there is an absence of any development of the Gulf country’s massive water resources? Is he aware of the necessity to link Mount Isa with the Adelaide-Darwin line to facilitate the
export of fresh farm and produce to Asia? In light of these facts, the critically worsening balance of payments and the state government’s failure to act, would the Treasurer designate some senior officers to take special responsibility to provide infrastructure initiatives essential for economic growth?

Mr Swan interjecting—

Mr COSTELLO—The member for Lilley interjects, but I will say this for the member for Kennedy: at least he has the guts to get up and ask a question. The member for Lilley has not actually got to his feet to ask a question.

In answer to the member for Kennedy, in relation to baseload power in Northern Australia I am aware that there are many industries, particularly in the north of Western Australia, where private investors actually build their own electricity generators. That is what happens with many of the mines in north-west Australia. Where the owner of the mines or the owner of the infrastructure does not build their own infrastructure, quite commonly state government takes responsibility. After all, the states are responsible for electricity generation. Is the best thing for the Commonwealth government to do to pick up all of the responsibilities for the failure of the Beattie government? Would it encourage the Beattie government to get more responsible if, by walking out of the field, the Commonwealth took over its obligations?

In relation to water, can I say that the federal government has a National Water Initiative of $2 billion which is directed towards improving water. Regarding branch lines from Mount Isa to Adelaide and Darwin, I am not sure whether such a proposal has an economic case that would show that such a line would be profitable. If somebody does a feasibility study, I think it would be well worth having a look at such a thing, but I am not aware of any feasibility study that has been done that shows the advantages.

Can I say this: obviously Northern Australia, particularly in relation to minerals development, makes an enormous contribution to our country. The member for Kennedy will have heard me speaking on the subject of infrastructure, particularly in relation to Dallymple Bay and North Queensland, and the importance of improving things. I welcome the fact that the Queensland Competition Authority has now brought down its decision. I believe that may lead to more investment. It will be private investment; it will be good investment for Australia and will help in Australia’s export of mineral commodities.

Budget 2005-06

Mr RICHARDSON (3.01 pm)—My question is addressed to the Treasurer. Will the Treasurer inform the House how the budget will boost Australia’s growth and future economic prospects? Is the Treasurer aware of any alternative prospects?

Mr COSTELLO—I thank the honourable member for his question. I also thank him for showing an interest in the budget, which was released last night, because this is a budget which is for Australia’s future. This is a budget which will keep unemployment low. This is a budget which will keep inflation low. This is a budget which will keep net debt low. This is a budget which will improve funding for future generations. As question time finishes on the day after the budget, this opposition frontbench has distinguished itself by failing to ask a question of the Treasurer in relation to his budget. The intellectual attack on the budget with a question to the Treasurer was led by the member for Bendigo.

Opposition members interjecting—

The SPEAKER—Order! The House will come to order!

CHAMBER
Mr COSTELLO—As is common on the day after a budget, the matter of public importance will be on the budget. Today the attack on the budget through the MPI will be led by the member for Hunter—not by the Leader of the Opposition or the member for Lilley. The member for Lilley goes around counting his press appearances and claiming that he has done 100 press appearances this year. He needs to separate these into category A and category B: category A, where the press turned up, and category B, where they did not. Of that 100, a very large number are where his staff member puts a dictaphone in front of his mouth, transcribes and puts it out as a press conference. Category A and category B—ceaseless activity, but to no effect.

This is the day after the budget and the member for Lilley asks no question of the Treasurer. The intellectual charge comes from the member for Bendigo and the MPI comes from the member for Hunter, and why? Because the collective intelligence between those three is greater than that of the Leader of the Opposition. That is the truth of the matter. There is no Labor attack on this budget other than cheap opportunism, because this is a budget for Australia’s future.

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

QUESTIONS TO THE SPEAKER
Questions in Writing
Mr MURPHY (3.04 pm)—Mr Speaker, two questions appeared in my name on the Notice Paper on 8 March 2005, Nos 726 and 727. It is more than 60 days since those questions first appeared and I would be grateful if you would follow the matter up.

The SPEAKER—Under standing order 105(b), I will take appropriate action.

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The SPEAKER—Under standing order 105(b), I will take appropriate action.

DOCUMENTS
Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.05 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following document:

Australian Radiation Protection and Nuclear Safety Agency—Quarterly report of the Chief Executive Officer for period 1 October to 30 December 2004.

Debate (on motion by Ms Gillard) adjourned.

BUSINESS
Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.05 pm)—I move:

That standing order 31 (Automatic adjournment of the House) be suspended for the sitting on Thursday, 12 May 2005.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE
Budget 2005-06

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

The decision of the Government to waste the opportunity to invest in economic and social reform in order to implement unfair tax and welfare policies.

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 FITZGIBBON (Hunter) (3.06 pm)—I note that the Treasurer scurried out of the House as he accused the shadow Treasurer of delegating this matter of public importance
to the member for Hunter, who will speak on behalf of the opposition today. The fact is that the shadow Treasurer is a very busy person today, fielding calls from many constituents and journalists who cannot make any sense of the Treasurer’s last budget in this place—and the Treasurer tries to make something of the member for Hunter taking up the debate on behalf of the opposition! I tell you what, Mr Deputy Speaker, I think I am a perfectly good person to be taking up the debate on behalf of the opposition, because I represent one of those rural and regional constituencies which has been dunned by Peter Costello’s 10th budget. I represent the people that the National Party fail to represent in this place each time they are dunned—each time a Commonwealth budget is delivered and The Nationals ignore their natural constituency.

The starter’s gun has fired. The debate over Peter Costello’s 10th and last budget has begun. Over the next few weeks or so those of us with the honour of serving in this place will be devoting much of our time to debating the merits or otherwise of that budget. We will disagree on many things, but there is also a range of things—six matters at least—on which there will be no disagreement whatsoever. The first is that we have an ageing population in this country and a national savings shortfall. The second is that we have an infrastructure crisis. The third is that this country is desperately in need of a tax reform project. The fourth is that a range of economic variables are placing upward pressure on interest rates in this country. The fifth is that we are experiencing a skills crisis. The sixth is that there are too many people on welfare in this country today, particularly too many people on DSP, when we are facing work force shortages. Those people deserve to be extended a warm and helping hand. What the government should have done in this budget was extend to them a helping hand in the form of measures that would be an investment in them, that would be life-enriching to these people and that would build their self-esteem.

Given that there is general agreement on all of these six matters, one would have thought that something might have been done about them last night. We might have expected the Treasurer to deliver a plan on the savings shortfall. We might have expected him to produce a real tax reform agenda. We might have expected him to tackle our infrastructure and skills needs. We might have expected him to turn down the temperature on the interest rate cooker rather than turn it up. And he should have extended a helping hand to those who live modest lifestyles because of their dependence. It is not by choice but because of circumstances that they live modest lifestyles.

The Treasurer chose to do none of those things. He passed up what may have been a one-off opportunity to deliver real social and economic reform in this country. He chose to do something very different. He chose to put a smile on the faces of those who get a vote in the Liberal Party party room. Those people were his focus last night—not struggling families in the Australian community and people facing higher petrol prices, higher private health insurance costs and higher interest rate charges, but those who hold in their hands the Treasurer’s destiny in this place.

The Treasurer challenged us in question time today on his inherently unfair tax plan. He was taunting us to oppose that tax plan, warning that he would be bringing it into this place tomorrow and giving us an opportunity to vote against it. I say to the Treasurer: ‘Bring it on’. This is an unfair tax package and Labor will oppose it. It is a package which delivers $22 billion squandered mostly on only 10 per cent of Australian tax-
payers. There is $80 a week for those who get a vote in the government party room and just $6 a week for struggling families on low to middle incomes. The fairness or otherwise of last night’s tax cuts will be the key focus of the budget debate over the next few weeks. Labor will be sending a very clear and unambiguous message—that is, we believe these tax cuts are unfair and should be rejected by the parliament.

The Treasurer can extend all the taunts he likes. We will be challenging the government to take their tax package back to the party room, to redesign it to try to make it fair and equitable and to give a boost to the Australian economy. It would give a real lift to low- and middle-income families, address the problems of effective marginal tax rates and produce an efficiency dividend et cetera. If the Treasurer does so, we will be more than happy to support it. Genuine tax reform is about lowering tax rates and broadening the tax base. It is about knocking out loopholes, concessions, exemptions and deductions—most of which are exploited by upper-income earners. That has an adverse effect on not only the equity of the tax system but also economic efficiency, patterns of investment and so on.

What this government has thrown away on across-the-board tax cuts over the past two years could have funded massive life-changing tax reform. As this debate progresses over the next few weeks, the Australian taxpayer will no doubt become confused. The government will be out there spending its tax package and people will be wondering how the views of the major parties could differ so much on the effects of this unfair package. To them I say: ‘Just look at who they are on the other side of this place and who they represent.’ I ask those taxpayers on low to middle incomes to think about those people in black ties and flash dinner suits that coloured the public galleries in this place last night and ask themselves: ‘Why are the government hosting those people with black ties and lavish suits? Are they any friend of ours?’ They will come to the conclusion that they certainly are not—nor are the people who graced the Wentworth Hotel on election night, drinking the finest of champagnes and wines and celebrating with the Prime Minister. At the same time, on their million-dollar salaries, they were complaining about the top marginal tax rate.

The tragedy of the Treasurer’s $22 billion tax package lies not only in its unfairness but in the absence of real reform. It carries huge opportunity costs in national savings, infrastructure and skills development, and of course it has the potential to raise interest rates in this country. I want to touch on the last matter first. Having already presided over increases in petrol prices and private health insurance premium charges, and at least one increase in interest rates, why would a government, in its first year of a new parliamentary term—a term won largely on the back of a promise on interest rates—turn to such a big spending spree in the form of tax cuts? Why would it risk additional pressure on the family budget, a family budget already under considerable strain? The answer lies in who they are, what they stand for and what they want. This is a budget framed not in the national interest but rather in the interests of those who designed it. How else could you explain the total absence of a plan on national savings? How else could you explain the total absence of a plan on infrastructure and skills?

I think I may have the answer on national savings. In its last period of office, Labor created a savings vehicle in this country which is the envy of the rest of the world, but it is stuck at nine per cent. We all know that in the face of an ageing population it is inadequate. The Treasurer has had a decade to build on Labor’s initiative but he is either too
ideologically constrained, too lazy or too proud to do so. His so-called future fund is no more than a liabilities offset fund, shifting the burden of Commonwealth debt from future generations to a group of taxpayers who want their savings capacity enhanced, not diminished. There is, and there will remain to be, only one future fund in this country. It is called occupational superannuation. If the highest taxing Treasurer in the nation’s history was so flush with money, he should have considered opportunities to pay a dividend in savings rather than cash.

While I think I have found an answer to the savings issue, for the life of me I cannot make any sense of the decision to completely ignore the infrastructure crisis in this country. I have heard the Assistant Treasurer talking on many occasions in here about the infrastructure inadequacies of his own electorate, yet there was not one mention of these issues in Peter Costello’s last budget. The Deputy Prime Minister has labelled our infrastructure challenge as one of the major challenges facing the nation. On many occasions he has told the media that our ailing stock of infrastructure is an issue we must remedy now. The Minister for Industry, Tourism and Resources was warning just two years ago of blackouts during the Commonwealth Games next year if we did not get a significant increase in investment in the electricity sector, something that has not occurred two years on. The Deputy Leader of the National Party, a member of the expenditure review committee, told the *Australian*’s Steve Lewis that tax cuts for those at the high end of the scale were not a priority and that an investment in rural communities was far more important.

Much has been said since the last election about the government’s imminent majority in the Senate, but the government will not enjoy a majority in the Senate post 1 July without the support of National Party senators. I urge those National Party senators not to blindly follow their Tory cousins. I challenge members of the National Party both in this place and in the Senate to stand up to the Treasurer and the Prime Minister and demand some action in their natural constituency. Mr Deputy Speaker Causley, that extends to the sale of Telstra, a sale which you have no doubt in your mind will be of great detriment to those living in rural and regional Australia.

I urge the senators to show some courage and demand that the infrastructure needs of their electorates be addressed. It is not as if they are not backed by some rigorous intellectual argument on their side. There is no shortage of reputable organisations and bodies prepared to back the case for an increase in infrastructure investment. They need only turn to the monetary statements of the Reserve Bank, the OECD, the IMF and a plethora of economists and peak body organisations, like CEDA, which has described our stock of infrastructure as being in ‘serious need of repair’.

The Treasurer’s last budget was a lost opportunity, an opportunity squandered in the interests of the Treasurer’s political survival. This is a point made by no shortage of economic and political commentators last night and of course again today, and some of those quotes were shared with the House in question time today. For the past 10 years this government has lazily fed off the reforms of the former Labor government throughout the eighties and nineties. It appears incapable of laying down a plan for the nation, as incapable as it appears to be of organising an orderly leadership succession plan. But its laziness extends to incompetence. The government’s $66 billion pre-election spending spree is now a $103 billion spending spree. The government is pouring petrol on the flames of consumer spending, increasing the risk of rate rises. Precious little of the $103
billion is for investment in Australia’s future productive capacity. Its failure, over the last nine years and in this budget, to invest in Australia’s productive capacity is causing spending by Australians to smash up against capacity constraints.

Twenty years ago, the previous Labor government recognised the folly of Australia being overly reliant on primary and commodity exports. We diversified the economy and our export base towards sophisticated manufactured goods and services. We invested in skills and education, moving Australia from the lucky country to the clever country. But now, 20 years on, the Howard government, by failing to invest in skills and infrastructure, is turning Australia back to relying on primary and commodity exports. We are enjoying the best terms of trade in 50 years but the party will come to an end at some time. The opportunity has been lost. This is a wasted opportunity. This is an unfair budget. Labor would have welcomed serious welfare reforms, which the member for Sydney will be talking about. We reject the unfair approaches in the budget. (Time expired)

Mr BROUGH (Longman—Minister for Revenue and Assistant Treasurer) (3.21 pm)—When the notification of the MPI came in today I thought I was moving in a parallel universe. Last night, when we were all focused on the budget and the Labor Party were all stuck in a hole and getting rid of their leader, I thought: ‘Wow! The member for Hunter is now the Leader of the Opposition and their chief economic spokesperson.’ Then I thought, ‘No, that can’t possibly be right,’ but then I came into the House today and here in the first question time after the budget we did not get one question from the member for Lilley, the shadow Treasurer, to the Treasurer on a serious economic matter—not one. This has got to be the first time in history. I looked back, as a matter of political history, to find out what had happened after the budget in the last eight or nine years. In 1997 the then shadow Treasurer, Mr Evans, was the man who gave the MPI. In 1998 it was the same again. In 1999 there was a new shadow Treasurer and he led the charge. In 2000 Simon Crean was back for another go. In 2001, there he was again as shadow Treasurer. Then Bob McMullan came in as the shadow Treasurer and he was here to do it in 2002. He took up the challenge again in 2003, and then Simon Crean was back as shadow Treasurer in 2004.

What has made 2005 different? We now have the member for Hunter leading the charge on economic management for the Labor Party. I reckon the reason is that the member for Hunter did not vote for the member for Brand in the leadership challenge. He was telling the public in October that he was going to go to the next election with Mark Latham as his leader. We all know that the former member for Werriwa is gone and that that little charade is behind us and that the Labor Party is now so bereft of ideas that, overnight, instead of looking at the budget and what it is going to do for the country, they had to make a snap decision. I do not know who did what, but ultimately someone got out there and my guess is that the member for Lilley, Mr Scare-'Em-Up, got in there and said: ‘Here’s a chance to have a bit of wedge politics. Here’s a chance to get out there and say it’s them and us. Let’s go back to class warfare. Let’s tell them that this is a nasty budget.’

The fact is that this budget delivers a tax cut to every tax-paying Australian. That is something that every person on this side of the House is immensely proud of. We all recall what happened the last time the Labor Party talked about tax cuts in this place. They actually legislated for them, and I know you will remember this, Mr Deputy Speaker Causley. They legislated for them,
they duped the public and then they delivered an absolute fat zero. In fact, they did worse than that. Not only did they not give people tax cuts but they increased sales tax, which has now been abolished. They ripped money off people and did not give them a cent.

Put that into contrast with where we are today. Today we have a budget which has delivered tax cuts for every tax-paying member of the Australian public, and that is a wonderful thing. We have not had to borrow money to do it. In fact, we have left an $8.9 billion cash surplus in doing so. That is important because that goes to delivering certainty for business and for mortgage holders that their interest rates are going to have the most downward pressure placed on them that the government can possibly manage by ensuring that the savings of the federal government are maintained.

We had the member for Hunter up here saying that the future fund was somehow a fraud. I say to the member for Hunter that the single largest liability on the balance sheet of the federal government today is a $91 billion liability for unfunded superannuation. That is something that both sides of politics have left unfunded, but it has taken the guts and determination of the Howard-Costello government to finally make the decision to say, ‘We’re not going to leave a burden on the next generation; we’re going to deal with it today.’ We took $16 billion—we did not have to borrow it—and we have now isolated that to put it up against future liabilities so my children, the children of those who sit opposite and those in the gallery will not have to pick up the tab because we did not have the gumption to make the tough decisions. But the Labor Party, both in this place today and earlier when I debated Senator Sherry in another place in this building—

Mr Fitzgibbon—Breakfast, I think it was.

Mr BROUGH—Yes, breakfast. Thank you very much. It has been a long day. He said that he did not think it was appropriate that the funds that would be earned from that capital should be churned back into the future fund but that they should be used for other measures. This is typical Labor policy, because the Labor Party say that they think they should be able to get their hands on the super funds of Australians and spend those in the way that they see fit. I remind the member for Hunter and all those who sit opposite that the superannuation of Australians is their money. It is not the Liberal Party’s money and it is not the Labor Party’s money; it is those individuals’ money. We believe that you should protect their right to build that income and to use that income into the future, and they can be assured they will be able to do that with a Howard-Costello government.

I also remind the member for Hunter that just a few short months ago we went to an election. If you want to talk about the future, let me remind you of your superannuation policy. The Labor Party took a superannuation policy to the Australian public to get rid of the super co-contribution and to rip $3.8 billion out of superannuation, Australia’s retirement incomes—in other words, to make people more dependent on welfare into the future and not only put a greater burden onto the next generation but diminish the living standards of our older generation. That is something that we deplore. That is why we have the super co-contribution. That is why we have removed the surcharge at a cost of $2.5 billion over the forward estimates. We are encouraging Australians to do something for themselves and we are giving them the incentives to do so.

I noticed in the MPI that the member for Hunter talks about welfare and welfare pol-
icy. On this side of the House we talk about work policy. We are about getting Australians into work because we believe the best form of welfare is work. Do not let the government be handing money over to you. Give people the capacity, the incentive and the opportunities so they can get jobs for themselves and be able to be a role model for their families and go forward being proud of their contribution to this great country.

We believe that over the next few years we are going to be able to get 190,000 Australians, whom the Labor Party would leave destitute on disability support pensions and parenting allowances, back into work. It will be the best thing for their health, their wellbeing and their financial welfare, and also they are going to be able to do something positive for themselves rather than rely on others. This government is about the individual as well as the collective. It is about putting money into these people: $2 billion over the next four years in real services, real education, real training and real opportunities.

Is the budget going to be any better off over the next four years as a result of this? No. This investment in Australia’s greatest asset—our people—will cost the budget for the next eight years. We do not believe we are actually going to break even for eight years. This is not about the dollar value; it is about building our people. We say that they are worth more than the Labor Party would say that they are. By doing this, we will be pulling people off welfare and saying that initially they will be on unemployment benefits. What does that mean? It means that we run the risk of having the headline unemployment rate go up. And we are not afraid of that because we are prepared to tackle the tough challenges of the Australian economy in the best interests of the nation going forward and of the individual—and that is important.

Let us turn to the tax cuts. It seems to me that those who sit opposite do not want Australians to aspire to do any better. They want them to remain at whatever level they are now. As a businessman said to me last night—and it was repeated from a different perspective here in the House today—’When workers turn around and say, ‘I’m not going to do a couple of hours overtime because I do not want to give the government 42c or 47c in the dollar,’ they lose the incentive to do that bit extra for their business, for themselves and for the country.’ But, if raising these thresholds encourages people to spend some more time in the workplace and improve their own wealth, which will improve their superannuation and their lifestyle today, they are doing something for themselves, they are getting to keep more, and that is a good thing.

There should be no cringe factor about Australians feeling proud and wanting to earn higher incomes. We welcome that on this side of the House. We know that when the Labor Party was in government real wages went backwards. That real wages have continued to go up and that more Australians are in work than at any other time in our history is very, very positive. They are achievements that we are rightly proud of and that we are going to continue to build on.

This is not the first time that the Howard government has tried to introduce welfare reform. Those who sit opposite have in the past blocked our attempts to give a chance to Australians to get off welfare. They rejected them in the Senate on numerous occasions. So from 1 July, when we have the numbers in the Senate, I am confident for the first time that those people will be taken into the fold. They will be told they are not going to be left hung out to dry as the Labor Party did to them in the 1990s. They will be told that they are going to be worthy members of the Australian economy as well as the Australian
nation. We are not going to squander the opportunity to give these 190,000 people, initially, the chance to build a better family life and a better nation. After all, that is what politics is about.

It does not matter whether you live in Wagga Wagga, Timbuktu, Sydney or my home town of Caboolture; everyone in this great country deserves an opportunity. This government is providing those opportunities. More people are getting work and more people are keeping money in their pockets and making decisions for themselves. More people have pride in the fact that they can provide stronger role models to their families because they are not turning up at the dole office. And isn’t that a wonderful thing?

There was a demonstration from the other side last night, when tax cuts were mentioned during the budget speech, when their heads were shaking as though we were doing some terrible thing. And when we said we were going to introduce work as welfare because work is the best form of welfare they shook their heads again. It is no wonder that the member for Hunter had to be up here today, because these are terrible indictments of a policy-bereft opposition. As the Prime Minister said, when the Leader of the Opposition gets policy fatigue in opposition it is a sad day for democracy. But that is where we are today.

People in my electorate are interested in interest rates, and rightly so. We have new suburbs springing up and new families making new futures for themselves. By ensuring that one per cent of GDP is locked away this year as surplus—and the forward estimates are suggesting we will have pretty much the same—and by maintaining inflation at around two per cent across the forward estimates, by ensuring the economy will grow by three per cent and by ensuring that employment will continue to grow, we are creating a better future for Australia. That is the reason I got into politics. That is the reason that everybody on this side of the House got into politics.

I happen to know that the member for Groom is particularly proud of an initiative of his in the budget because it is going to remove $1.3 billion from the backs of businesses so that manufacturers will be able to create more jobs and grow opportunities so that when we do free trade deals—as we have done with the US and as we are now looking at doing with China—we can compete. It is not good enough for us to just keep splitting up the pie. We have to grow the pie. We have to grow the pie by expanding our opportunities in so many fields—and we are doing just that. We need Australians to be able to share in the successes of the individual and the nation. This budget will deliver that in spades.

We are not only paying off the legacy of the bad economic management of the Leader of the Opposition when he was the Minister for Finance and left us with $96 billion of debt but also ensuring that we are not leaving the next generation with the biggest liability on our balance sheet—that is, the unfunded superannuation. I am particularly proud of that. It means that we can honour our commitments, secure our future, keep downward pressure on interest rates, provide incentives to individuals and business, and drive our economy further. The real question at question time today and again during this MPI is: where’s Wayne? Where is Wayne? He has gone missing.

Mr BROUGH—The member for Lilley could not come into this place. The man who wants to take the mantle as Treasurer of this country could not show up and take the ar-
arguments up to the government because he has no arguments. The fact is that he is yesterday’s man, as is the member for Brand. It is time the Labor Party went back to the drawing board and started again. I commend this budget to the House and I commend it to the Australian public because it will build a better future for our nation.

Ms PLIBERSEK (Sydney) (3.36 pm)—It is curious to hear the Minister for Revenue and Assistant Treasurer talking about us going back to the drawing board when apparently this is the back-to-the-future budget. It is a long time since I have heard about growing the pie and incentivising individuals. It may have been Ronald Reagan’s enthusiastic talk about growing the pie that I am reminded of. ‘Growing the pie’ and ‘trickling down’ are the things we associate with Reagan era economics. It is bizarre to hear it again in 2005 in Australia.

This is a budget of wasted opportunities. It delivers so much for so few and so little to so many. We see so much for so few particularly in relation to welfare reform. The government had an opportunity in this budget to deliver real reform in the area of welfare to work. Instead, what we see is welfare to welfare, tax cuts for the rich and cuts to benefits for the poorest Australians. We see so little for so many in tax cuts for the wealthiest Australians, particularly in relation to the superannuation surcharge.

This budget of wasted opportunities is about punishment when it comes to welfare recipients, not support. I believe most welfare recipients would much rather be working. They would rather have extra money in their pockets. They would rather have the contact that work brings and the ability to talk to other adults during the day than be surrounded by children 24 hours a day, seven days a week—all of the benefits that work brings over the long term, not just pay in the pocket this week but superannuation on retirement. The life-long benefits of work are very attractive to most Australians. So why is it that some are not working? Is it perhaps that all of us at times in our lives need support from the community we live in? Is it perhaps that these people have caring responsibilities?

I heard the Minister for Revenue and Assistant Treasurer talk about how we are going to make these people play a role in and make a contribution to the Australian community. Since when is being a mother caring for children not a contribution to Australian community life? Perhaps another reason that some people may not be working is that they cannot find work. The minister finds this concept difficult to grasp, but the majority of people on sole parent benefit are not on it for long. The majority of people on sole parent benefit also have an education only up to year 10. In the society in which we live, it is pretty hard to get a job with a year 10 education. What does this budget have to offer people who have only a year 10 education? Does it invest in training for those people? No. Does it invest in further education for those people? No. In fact, changes to the Jobs, Education and Training program make it more difficult for single parents looking for an education to get child care while they are being educated. This budget does not do anything about the fact that the vast majority of sole parents on welfare are not trained for the jobs available. We have massive skills shortages in over 40 areas in Australia today and this government’s solution is to import an extra almost 180,000 skilled workers. We have people desperate to work, they would love to be working, but they do not have the skills necessary in the new economy or they do not have access to child care. This government’s response, rather than putting money into child care or into training those people, is to import more skilled workers.
The government will argue that the money they have invested in out of school hours care solves the problem of child care. That is the great lie of this budget. There were all sorts of leaks for weeks before the budget about how there will be a massive investment in child care. That is the greatest wasted opportunity in this budget. Out of school hours care of course is necessary and Labor welcomes any increase. The problem is that there are already a reputed 35,000 people waiting for out of school hours care. I say 'reputed'. I do not have the exact figures because the Minister for Family and Community Services, Senator Patterson, will not release the last child-care census done in 2004. It has been many months now since we last asked about the child-care census and we were told that the data was being cleaned. Senator Patterson accuses Labor of not having up-to-date figures on child-care shortages. We do not have those figures because she will not release them. She collected them in 2004; we have not seen them. So we have a reputed shortage of 35,000 places in long day care—that is, parents already waiting for long day care for their children.

The Treasurer says that he wants to see 190,000 sole parents move from welfare to work over the next few years, which means that we will need 190,000 extra out of school hours care places. The number of out of school hours care places does not go even halfway to meeting the number of parents that this Treasurer wants to see moving into the work force. What does that mean? If parents are going to be losing benefits, if they are going to be losing even $20 a week because they knock back job offers, kids will be going home to empty houses. We will have another generation of latchkey kids because this Treasurer insists that, whether or not parents have child care, they should be moving back into the work force.

Another great wasted opportunity in this budget is long day care. With all of the leaking about how the extra child-care places were going to solve the problems for parents kept out of the work force, I really expected that there would be extra long day care places. There is nothing in this budget that would provide a single extra long day care place for Australian children. There is nothing for children under five when it comes to child-care places and, even more critically, nothing for children under two. We all know that the great shortages in Australia at the moment are in long day care for under-fives, particularly for under-twins.

So there is a child-care lottery. If you are lucky enough to get out of school hours care for your children, you might be able to go back to work, having been kept out of the work force. If you cannot get out of school hours care, that is just tough: you are still going to have to meet all of the requirements and responsibilities to look for work once your children are of school age, whether or not you have child care.

The other incredible unfairness and harshness in this budget, of course, applies to people on disability support pensions. We are seeing the setting up of a two-tiered system where those people on disability support pensions prior to 1 July 2006 will not have a part-time work obligation—they will be periodically reviewed, every two to five years—but those who start receiving a pension after 1 July 2006 will end up having to look for part-time work. Anyone who is assessed as having the capability of working 15 hours a week will be moved to enhanced Newstart—a disability dole which will require them to meet Job Search activities. Those people will be $77 a fortnight worse off when they move to that.

This government has brought down a budget that skews tax cuts to the wealthiest
in Australia and attacks the poorest. There is so little in this budget for so many Australians and so much in this budget for so few. And it is the few across the chamber who were cheering last night who will do particularly well.

Mr ROBB (Goldstein) (3.46 pm)—The quality of the argument mounted against this budget by the Labor Party has been a disgrace. The points made by the Leader of the Opposition and the shadow Treasurer in the media over the last 24 hours, and the arguments mounted in this House this afternoon as a matter of public importance about tax and welfare policies, have been pathetic. The grab bag of cliches, the appeals to envy, the misrepresentations, the absence of any central argument or point of criticism and the resort to blanket rejection of many budget proposals all tell you much about the state of the Labor Party today. Their paucity of argument, the absence of any viable alternative policy positions and their knee-jerk rejection of many sound policies are an abrogation of their responsibility to the electorate.

This is a budget that does the job. It is a budget that will keep the economy strong. Only in this way do we have the wherewithal to properly meet the health, education, welfare, defence and environmental needs of Australia. Labor simply do not understand this. From the two speakers this afternoon we heard again their narrow focus on spending the money, not on creating it. That is their obsession. They have not done the work.

It is a budget that will encourage business to continue to invest strongly in new infrastructure, in new productive capacity and in creating more and more jobs—business investment that underpins the quality of life enjoyed by Australians and business investment that provides jobs, income and peace of mind to millions of Australians. We have a 28-year low in unemployment. The benefit of that to everyday Australians in terms of their quality of life and peace of mind is enormous. This is not understood by those on the other side. That performance on unemployment must be protected at all costs. Labor do not understand.

The member for Hunter said here this afternoon that the budget made no mention of infrastructure. He does not understand. This budget is all about ensuring that business continues to invest strongly, and much of that strong investment is in infrastructure. The mining industry alone—and the member for Hunter should understand this from his previous shadow ministry responsibilities—is currently investing billions in new infrastructure. The government’s prime responsibility is to maintain the underlying strength of the economy and to grow trade opportunities to ensure that businesses continue to invest and grow that investment. This is the job we had to do last night. This is what has been delivered by the government. This is what has not been understood and has been totally ignored by our opponents.

It is a budget that maintains budget surpluses, keeping pressure off interest rates. This is the most important thing to Australian families. This is how this budget in part should be measured: how has it maintained the strength of the economy and how has it taken pressure off interest rates? The budget surpluses, predicted many years out, do just that.

It is a budget that provides greater incentive to working Australians through serious tax cuts. In this way it is also going to help productivity and business investment, and in turn it is going to keep pressure off interest rates. The facts are that the highest percentage of tax cuts goes to low-income workers. It is true that the nominal amount for people
on higher incomes will be higher, but this is because they pay a lot more tax. People earning higher incomes pay a lot more tax and will continue to pay a lot more tax after these changes, because we have a progressive tax system. When you add in family tax benefits, there are many low-income earners who pay no tax. In fact, people on $41,000 a year, and all those below that, pay no net tax. Sixty per cent of all families are net gainers from the family tax benefits. So it was not an unfair tax announcement last night. It is a set of policies that gives priorities to families. It is demonstrably fair, it is demonstrably good and it will be demonstrably well received by the Australian population.

What have we heard from the other side? Confusion. We have the absurd situation where the Leader of the Opposition said some time ago that the top rate of tax cuts in too soon and now he seeks to blindly oppose and reject this set of proposals. These are things that he supported not so long ago. The National Secretary of the Australian Workers Union has said:

The top marginal income tax rate thresholds should be raised to create a fair, productive and competitive tax system.

He knows what is in the interests of the steelworkers whom he represents. This is not just a leafy suburb issue, as those on the other side of the House would purport. There are shearers in this country who stop shearing when they get to the top marginal tax rate. It is not worth their while to bend their backs and be more productive if the tax rates are too high.

This is an issue which affects many everyday workers in this country. This initiative is very sound and very constructive, and what do we see on the other side? Again, we see blanket rejection and confusion in points of view from the leaders of the Labor Party. It reflects the fact that Labor have no policy.

Labor have not done the work on this issue and we are seeing the result of that today. The laziness, the abrogation of responsibility and the policy vacuum have created a situation where the Labor Party move a motion about unfair taxes six hours after they have declared that they will vote against the cut in the 17 per cent tax rate to 15 per cent. How absurd is that? They move a motion today which is all about unfair taxes only hours after they have decided to oppose a proposal by the government to reduce the marginal tax rate of 17 per cent to 15 per cent. There is total confusion and it reflects the sad state of Labor today.

It is a budget that virtually pays off the $96 billion debt run up by the previous Labor government. In 1996-97 the interest on that was nearly $8 billion. At that time the Labor Party spent the same amount of money on hospitals and schools. They had a debt and they had interest which amounted to the same amount of money spent on hospitals and schools. Labor’s commitment to debt when they were in office was as great as their commitment to hospitals and schools combined—and they have the temerity to stand up here today and criticise the strategy and the initiatives undertaken by this government. This budget will virtually pay off that $96 billion debt and, in so doing, provide nearly $5.7 billion more in income each and every year for this government to spend on working Australians. It does amount to an investment in economic and social reforms, quite contrary to the proposition that they are trying to put before us today.

It is a budget that makes an initial investment of nearly $16 billion in a future savings fund. In the future it is estimated that the same number of taxpayers as we have today will be asked to support double the number of people who have retired. This is an initiative that looks to the future. This is a very important initiative and one that is totally
misunderstood by the Labor Party. Their lack of policy, their laziness, their abrogation of responsibility and their cheap opportunistic policy approach have meant that they do not have the sense of responsibility to come into this House and properly support this important initiative for the future.

It is a budget which encourages more Australians to move from welfare to work—a major structural change. It is a budget which recognises that the prosperity and quality of life enjoyed by Australians depend critically on sustaining growth in our economy. Labor want to spend it before it is generated. We have seen it again today in their response. It is a pathetic response. It denotes a lack of policy work. I commend this budget to the House and I reject totally the proposition that we have before us in this motion.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! The discussion is now concluded.

MAIN COMMITTEE
Employment, Workplace Relations and Workforce Participation Committee
Reference
Mr BARTLETT (Macquarie) (3.56 pm)—by leave—I move:
That the following order of the day, committee and delegation reports, be referred to the Main Committee for debate: Employment, Workplace Relations and Workforce Participation—Standing Committee—Working for Australia’s future: Increasing participation in the workforce—Report—Motion to take note of document: Resumption of debate.

Question agreed to.

PAYMENT SYSTEMS (REGULATION) AMENDMENT BILL 2005
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading
Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (3.57 pm)—by leave—I move:
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

HIGHER EDUCATION LEGISLATION AMENDMENT (2005 MEASURES No. 2) BILL 2005
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading
Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (3.58 pm)—by leave—I move:
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ADVISORY COUNCIL ON AUSTRALIAN ARCHIVES
Appointment
Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (3.59 pm)—by leave—I move:
That, in accordance with the provisions of section 10 of the Archives Act 1983, this House appoints Mr Somlyay as a member of the Advisory Council on Australian Archives for a period of three years.

Question agreed to.
COMMITTEES

Selection Committee

Report

The DEPUTY SPEAKER (Hon. IR Causley) (3.59 pm)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members’ business on Monday, 23 May 2005. The report will be printed in today’s Hansard and the items accorded priority for debate will be published in the Notice Paper for the next sitting.

The report read as follows—

Report relating to the consideration of committee and delegation reports and private Members’ business on Monday, 23 May 2005

Pursuant to standing order 222, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 23 May 2005. The order of precedence and the allotments of time determined by the Committee are as follows:

COMMITTEE AND DELEGATION REPORTS

Presentation and statements

1 ECONOMICS, FINANCE AND PUBLIC ADMINISTRATION—STANDING COMMITTEE:

Review of the Reserve Bank of Australia Annual Report 2004 (First report)

The Committee determined that statements on the report may be made—all statements to conclude by 12.40 p.m.

Speech time limits —

Each Membe —5 minutes.

[Proposed Members speaking = 2 x 5 mins]

PRIVATE MEMBERS’ BUSINESS

Order of precedence

Notices

1 Mr Michael Ferguson to present a Bill for an Act to amend the Flags Act 1953 to enable the flying of the Australian National Flag in a heritage place without unnecessary encumbrance. (Flags Amendment (Flying the Australian National Flag in a Heritage Place) Bill 2005) (Notice given 10 May 2005.)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 41.

2 Mr Cadman to move:

That this House:

(1) recognises the 30th anniversary of the arrival in Australia on 27 April 1976, the beginning of the flow of refugee families;

(2) pays tribute to the courage, determination and commitment to freedom and democracy of those escaping the takeover of South Vietnam by the forces of the North;

(3) expresses its appreciation to all those who came from Vietnam, men, women and children, for their contribution to Australia, the economy, our culture and our values; and

(4) further pays tribute to the compassion and hospitality of the Australian people who so readily accepted the new arrivals. (Notice given 10 May 2005.)

Time allotted—30 minutes.

Speech time limits —

Mover of motion—5 minutes.

First Government Member speaking—5 minutes.

Other Members—5 minutes each.

[Proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

3 Mr Bowen to move:

That this House calls on the Australian Government to make representations to the newly elected Transitional Government of Iraq to ensure that the Assyrian, Chaldaen, Syriac and Mandean peoples of Iraq:

(1) will be constitutionally guaranteed the right to freely exercise their customs, religion, language and traditions;

(2) are given the same protection by law enforcement and international security forces as other ethnic groups; and
(3) will be entitled to proper representation and participation in all levels of government. (Notice given 7 March 2005.)

Time allotted—remaining private Members' business time prior to 1.45 p.m.

Speech time limits —
Mover of motion — 5 minutes.
First Government Member speaking — 5 minutes.
Other Members — 5 minutes each.

[Proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

4 Mr Bartlett to move:
That this House:

(1) notes the role of the housing sector in job generation and the traditional role that investment properties play in people's retirement incomes;

(2) recognises the extraordinary deeds of John Simpson Kirkpatrick who demonstrated courage above and beyond the call of duty when he and his donkeys rescued injured soldiers from the battle fields in Gallipoli;

(3) calls for the Government to award a posthumous Victoria Cross to 'Simpson' in this year of the 90th anniversary of Gallipoli and in accordance with the wishes of his WW1 Commanding Officers and the many thousands of Australians both young and old who demand this recognition for his acts of bravery;

(4) believes it is a travesty of justice that he has been denied the award of the Victoria Cross for all these years; and

(5) notes that all Australians would strongly support the posthumous awarding of this honour. (Notice given 7 March 2005.)

Time allotted—remaining private Members' business time.

Speech time limits —
Mover of motion — 5 minutes.
First Opposition Member speaking — 5 minutes.
Other Members — 5 minutes each.

[Proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

Public Works Committee Reference

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration (4.00 pm)—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: CSIRO Entomology Bioscience Laboratory at Black Mountain, Canberra, ACT.

This new facility will, firstly, replace existing unsatisfactory support facilities; secondly, enable the demolition of three existing obsolete minor buildings not suitable for contemporary research; and, finally, enable
the further rationalisation of the entomology precinct at the CSIRO Black Mountain laboratories. The estimated cost of the proposed works is $14.5 million, exclusive of GST. Subject to parliamentary approval, tenders are planned to be called early next year, with completion of construction by early 2007. I commend the motion to the House.

Question agreed to.

Public Works Committee Reference

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration (4.01 pm)—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: Reserve Bank of Australia business resumption site at Baulkham Hills in Sydney, NSW.

The Reserve Bank of Australia proposes to construct a business resumption site at the Norwest Business Park near Baulkham Hills, New South Wales. The facility will provide systems and work space backup for the Reserve Bank’s critical operations, which include Australia’s real-time Interbank Settlements System, the Reserve Bank’s banking operations on behalf of the Australian government and its financial market operations, including domestic liquidity management and foreign exchange operations.

The need for the facility has arisen from the Reserve Bank’s recent review of its disaster recovery and business continuity arrangements and the options available to it. The facility will provide a high degree of resilience in the event that access or services are not available at the Reserve Bank’s head office building. The estimated out-turn cost of the proposed works is $38 million. Subject to parliamentary approval, it is planned to commence contract documentation in July this year and complete the works around mid-2007. I commend the motion to the House.

Question agreed to.

Public Works Committee Reference

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration (4.03 pm)—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: Holsworthy program—Special operations working accommodation and base redevelopment stage 1, Holsworthy, NSW.

The Department of Defence proposes to undertake a program of works within Holsworthy Barracks to support the implementation of the government’s initiatives to enhance the nation’s counter-terrorist and special operations capabilities. In October 2001, the government directed the establishment of additional counter-terrorist capabilities, which included the establishment of a second tactical assault group to be based in Sydney and the establishment of a capability to respond to chemical, biological or radiological incidents or threats. On 19 December 2002, the Prime Minister further announced the establishment of special operations command to streamline command arrangements. The program, if approved, will construct facilities which will support the following capabilities: the establishment of Army’s full-time commando capability, the establishment of the Tactical Assault Group East, the establishment of the Incident Response Regiment, the establishment of Special Operations Command, and the first stage of the redevelopment of the Holsworthy Barracks precinct. The budget for this project is $207.7 million. Subject to parliamentary approval, it is intended to commence works in early 2006,
with completion of works progressively to late 2009. I commend the motion to the House.

Question agreed to.

Public Works Committee Reference

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration (4.04 pm)—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: Redevelopment of Kokoda Barracks, Canungra, Qld.

The Department of Defence proposes to redevelop Kokoda Barracks in the Canungra military area at Canungra, Queensland. The proposed redevelopment of Kokoda Barracks will address dysfunctional and substandard office support and training facilities; rationalise messing arrangements; improve living-in accommodation; upgrade the engineering services infrastructure; correct occupational health and safety issues in training facilities, accommodation, workshops and field training areas; and dispose of high-maintenance, redundant facilities. The works will ensure that Kokoda Barracks and the wider Canungra military area can operate effectively as a training base over a 30-year planning horizon and carry on its principal role as a base for Army career development, defence intelligence training and sub-unit battle training. The estimated out-turn cost of the proposed works is $86.7 million. Subject to parliamentary review, construction could commence late this year and be completed by December 2007. I commend the motion to the House.

Question agreed to.

Public Works Committee Reference

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration (4.06 pm)—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: Upgrade patrol boat facilities, Darwin Naval Base, NT.

The Department of Defence proposes to upgrade the patrol boat facilities at the Darwin Naval Base in Darwin, Northern Territory. The proposed upgrade of patrol boat facilities will provide infrastructure for the operation of eight of the new larger Armidale class patrol boats from Darwin Naval Base, provide accommodation for the crews who will be on standby to operate the boats, provide upgraded accommodation for the Darwin Naval Base Port Services Organisation, which is responsible for the safe operation of vessels within the naval base, and upgrade the relevant elements of the engineering services infrastructure. The works will ensure that the new Armidale class patrol boats can operate effectively from Darwin Naval Base for the anticipated life of the new vessels. The estimated out-turn cost of the proposed works is $19.17 million. Subject to parliamentary review, construction could commence in early 2006 and be completed by December 2006. I commend the motion to the House.

Question agreed to.

WORKPLACE RELATIONS AMENDMENT (EXTENDED PROHIBITION OF COMPULSORY UNION FEES) BILL 2005

Second Reading

Debate resumed.

Mr SLIPPER (Fisher) (4.08 pm)—As I was saying before I was interrupted by ques-
tion time earlier, this government very strongly supports the principle of an individual worker being able to join or not join a trade union. We believe in freedom of association and we are quite appalled, as is the Australian community, at the opposition to the Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005.

The Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Act 2003 prohibited bargaining agents fee clauses in federal agreements and addressed conduct designed to compel persons to pay bargaining agents fees. This legislation has been proven to be very workable and very desirable. Consequently, this bill now extends the prohibition on bargaining agents fee clauses in federal agreements to state employment agreements to which a constitutional corporation is a party. And as I said earlier, this relies on the Australian government’s corporation power contained in the Australian Constitution.

Bargaining agents fee clauses do create an incentive for employees to take out or retain union membership. This is inconsistent with the freedom of association as provided for in the Workplace Relations Act. The government is not going to apologise for introducing this legislation. The need for this legislation is shown on the basis of recent decisions by state industrial relations commissions in New South Wales, Western Australia and South Australia, which have determined that bargaining agents fee clauses can be included in state enterprise agreements.

We do find that unions often participate in contortions of ordinary logic and attempts have been made by unions to state that compulsory union fees somehow happen to be acceptable as an example of the ‘user pays’ principle. This is just an absolute nonsense and a distortion of that principle. Compulsory fees for an unsolicited and often unsubstantiated service do not constitute user pays. We do have a situation where, unless this law is passed by parliament and becomes part of the legislation of this nation, there will be an environment where unions will continue to seek to certify agreements under the state system which do contain bargaining agents fee clauses. This is a particularly worthwhile piece of legislation. It is something that all members ought to be supporting because it is simply enshrining in the law the right of freedom of association. Everyone accepts that there is a right to join a union but, equally, there ought to be a right not to join a union. It is entirely unacceptable for there to be compulsory unionism by stealth.

The government has a strong proven record and a commitment to freedom of association and the right of employees to choose whether to join or not to join a union. Bargaining agents fees are compulsory unionism by stealth and should not be included in any form of industrial agreement. The reintroduction of this particular bill before the House demonstrates the Australian government’s ongoing commitment to upholding freedom of association rights and our willingness to act to protect those rights. I do commend this legislation to the House.

Mr BRENDAN O’CONNOR (Gorton) (4.12 pm)—I listened intently to the words of the previous speaker in relation to this bill, the Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005. The member for Fisher indicated that the compulsory union fee, as he described it, was in fact an attempt to impose union membership upon employees. This area of law has had some history. The last time I spoke on a similar matter in this place was on 11 February 2003 when the first bill in relation to this matter was introduced that week, the Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Bill
2002. I indicated then, as did other members in this place, that when you set up a system of collective bargaining in this country, when you move away from central wage fixing—central employment conditions fixing, if you like—you then have to allow the parties to negotiate matters for themselves.

The rhetorical comments by the Minister for Employment and Workplace Relations, the Prime Minister, other frontbenchers and other members of the government in relation to collective bargaining are all about removing the third party if that is the wish of the employees and are all about ensuring that the parties to a particular matter at the workplace determine conditions of employment—that is, the parties determine what is a condition of employment and what is not. There has been a devolution not just since 1996 but, indeed, preceding 1996, towards enterprise bargaining.

A manifestation of that devolution has been a claim by employees in the workplace that, if they indeed pay a fee to a registered organisation under the Workplace Relations Act and that organisation negotiates on their behalf, there should be a capacity for an employer or employers and employees to reach agreement on a term that would allow for all employees to pay a particular fee—not necessarily to be a member of an organisation; that would be in breach of the freedom to associate. The nub of this matter has been whether employees at a workplace when they are negotiating a collective agreement—a section 170LJ agreement rather than a non-union agreement—can determine for themselves, without interference by this government, whether indeed they can agree upon a fee for those non-union members. The argument is: if the union or unions are charged with the responsibility of negotiating the agreement on behalf of those employees, why is it that those people who do not pay a fee to the union get away with effectively free riding on other employees? That is the nub of the issue at the workplace level.

As we know, there has been an enormous amount of case law recently in relation to this particular matter. Indeed the High Court found last year in the Electrolux case that this form of provision was unlawful, or ultra vires of the Workplace Relations Act, and it has effectively not allowed those provisions to continue. The act to which I referred earlier, as did the minister, has allowed for the commission to strike out provisions—that is, those provisions that are found in registered agreements pursuant to Commonwealth law are struck out of collective agreements. Today is not about whether we should be proscribing a provision under Commonwealth law to allow employees and an employer or employers to reach agreement on a provision to charge employees a fee. As the shadow minister said, today’s bill is about whether in fact the Commonwealth, without discussing the matter with the state governments of this nation, should be able to extend its powers in the area of industrial relations to override state laws and effectively impose its will upon other jurisdictions.

I think most people, at least if you went back a few years, would see the Prime Minister as a states’ rights politician. He certainly was someone who believed in Federation. If you looked through most of his musings on these matters, you would see that he had—it would appear, at least until recently—a respect for the rights of state governments under this federal system. However, since the last election will soon bring about a change in the composition of the Senate, it would appear that the Prime Minister now has very centralist ambitions. Indeed it seems now that he has no consideration as to whether in fact matters between state and federal governments should be worked on collaboratively. He has no concern, it would appear, that he is riding roughshod over state laws.
This bill is not about the merits of bargaining fees. We have had that debate, and for better or worse the bill introduced in 2002-03 in the last parliamentary term resolved that matter in relation to Commonwealth law. This bill is about whether the Commonwealth, without speaking to state governments, should be able to impose, by virtue of the use of the corporations power of the Constitution, its will upon another jurisdiction. That is the issue here. I think most people would say, ‘Well, a government should actually enter into discussions with another jurisdiction if it seeks to impose its will upon their area of law.’

I think introducing this bill today is somewhat of a distraction. We sit here and talk about the merits of bargaining fees or so-called compulsory union fees, but that is not the nub of the issue we face today. Today we should be discussing whether this government should be collaborating with state governments, working together to solve problems in this nation, not attacking their rights to regulate employees under their system. That is the issue that should be debated here today by those members on the other side—but, of course, it will not be. Given that the matter was in effect resolved in the last parliament, this is a rather innocuous bill to introduce the day after the budget—a budget that effectively allows for the top three per cent of people to receive tax cuts 10 times greater than those of eight out of 10 employees in the workplace. The introduction of this bill effectively means that, instead of discussing that issue, we are here talking about a rather esoteric bill—instead of what we should be doing in relation to getting a fair distribution of wealth in this nation, being reasonable and fair for middle- and low-income earners. I do not think the budget has properly solved those problems. This bill really is an example of a government seeking to encroach upon states and state governments. That is effectively what this bill is about. I think people should have regard to the intentions of the Prime Minister and this government in relation to that.

As we know, this is the first of many bills in relation to workplace relations that will be introduced into this place. I think there were 15 or 16 bills in the last parliament which were introduced into this place but failed to get through the Senate. We know that this government now has the capacity—it will certainly have the capacity after July 1—to impose enormous changes upon the industrial relations system. We have already heard the minister talk about removing the powers of the Industrial Relations Commission to regulate the national minimum wage in this country—after a century of allowing an independent body to determine the minimum wage. It is not a very high minimum wage. People say that it is a very high wage, but I would ask the members opposite to actually try to live on the minimum wage. They would find it very difficult to do. The fact is that we have a minister in this government intending to change fundamentally the way in which the minimum wage in this country will be determined. I think that will be a major problem for many employees in this country.

Mr Barresi—Rubbish.

Mr BRENDAN O’CONNOR—That is the reality. As the member for Deakin knows only too well—we do not always agree, but I certainly know that in this area he has a knowledge that he shares with the House—it is certain that we will see a decline in the minimum wage. We know, for example, that the government has intervened in every national wage case since 1996 and has opposed any increases the commission has handed down in its decisions. In fact, if the government had its way with all of those submissions, workers in this country on the lowest
minimum rate would be $44 per week worse off. They would be $44 per week worse off if the government’s submissions had been incorporated into the decisions of the Industrial Relations Commission. That is the reality.

Effectively, if this government takes away the authority of the Industrial Relations Commission to hand down decisions on the minimum wage rate of this nation, I am confident, unfortunately, that low paid workers in this country will be much worse off. The submissions that the government, over its history, has made to the national wage case is clear evidence of that; on every occasion it has opposed the handing down of decisions on those quite minimal and moderate wage increases.

By the way, while I am talking about that matter, I think it is awfully unfair of the government also to attack the professionalism and expertise of the officers of the Industrial Relations Commission, many of whom they appointed themselves. In fact, I think all but one of them came from the employers’ side of the industrial relations arena. So it is a furphy to say that the Industrial Relations Commission does not have the expertise or, indeed, the obligation to give regard to economic matters when it hands down a decision on the national minimum wage case; it is untrue. Many senior commissioners of the Industrial Relations Commission have academic qualifications and have experience in industrial relations and economics and, indeed, they do have—in fact, must have—regard to economic factors before handing down a national minimum wage case decision.

Mr Barresi—What about this bill? Speak on the bill.

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Deakin will have an opportunity to reply when he is given the call.

Mr BRENDAN O’CONNOR—The member for Deakin asks me to refer to the bill before us. I just want to put on record the context in which we find ourselves. Instead of discussing the fundamental issues of the budget or, with the spate of industrial legislation posed by the Minister for Employment and Workplace Relations, the fundamental issues that will confront working people in this country, we are talking about a rather esoteric bill in terms of Commonwealth laws, except for the efforts by this government to encroach upon states’ rights without having any discussion with state governments.

The member for Deakin is a reasonable man. I am sure that, when he gets on his feet, he will say that it would be better for governments to collaborate on issues of complexity in order to find solutions to this nation’s problems. Whether dealing with health matters or industrial relations matters, it would be far better for state governments and federal governments to collaborate on solving our nation’s problems. The community is sick to death of politicians blaming one tier of government and not taking responsibility—suggesting, ‘It is their problem, not ours,’ or trying to blame others rather than working together to find solutions.

If a solution is needed to a problem that exists with the implementation of this legislation, it seems to me that the first point of call is to attempt to reach agreement amongst the governments that will be affected by this legislation. But there has been no effort by this government to sit down and discuss all sorts of matters that are problematic in the area of industrial relations. Instead, we have a centralistic Prime Minister who would make Joseph Stalin blush in terms of his ambitions and claims on power. Effectively, the Prime Minister seeks to encroach upon state laws without negotiating with the state governments.
This is the first bill on this matter that I have seen in this parliamentary term, but I am sure there will be many more unless the government considers it appropriate to seek solutions by collaboration and not by confrontation and running roughshod over the state governments of this nation. It is a funny thing to see a Prime Minister who certainly believed in the rights and powers of state governments turning into a very centralistic Prime Minister.

With this bill it is also important to point out that, if it is passed, it will not fix the whole problem. It is true that we disagree about the nature of the bill, but the fact is that it cannot cover all employees in this nation. We know that those who are employed by unincorporated bodies will not be covered by this legislation. So, even if this bill is passed by the parliaments and enacted into law, we know it will not cover perhaps between 15 and 20 per cent of employees because there is a question as to whether the corporations power would apply to those particular employers who will not be identified as a corporation. This legislation will not solve that problem.

On these matters, I suggest it would be far better for the government to consider sitting down with state governments and reaching an accommodation in areas where the Commonwealth and the states can agree—and I am not suggesting that will always be easy. I also warn this government not to consider that things will not turn around. At the moment things look pretty rosy for the government with the composition of the Commonwealth parliament. But it is very ambitious for a government to try to turn history on its head and to have no regard for states’ rights and no interest in collaborating with state governments on the corporations power and as to whether there should be a capacity to have bargaining agency fees in workplaces in this country.

So what we have here is a bill that, in effect, has no impact on Commonwealth law because the matter, in terms of Commonwealth law, has effectively been resolved. Instead of looking to consider other problems in its jurisdiction, this government seeks to impose itself upon state jurisdictions without any effort to collaborate, reconcile differences or find a point of common interest and determine a matter not only for those people employed by corporations but indeed for all employees in this nation. If the government were genuinely concerned about fixing up anomalies and reconciling inconsistencies it would know that it needs the state governments on board to cover all employees. That is the reality.

I think that, by introducing this bill on the day after the budget, the government is showing contempt for this House. This chamber should be talking about issues that are far more important, such as health and education services in this nation, who should be getting tax cuts and when the Treasurer is going to challenge the Prime Minister. These are the issues I think the nation wants to know about. Instead, this esoteric and innocuous bill has been put into this place to bore many of us witless—

Mr Barresi interjecting—

Mr Brendan O’Connor—And I am sure the member for Deakin will help us along the way. I ask the government not to continue with this silliness and to sit down and talk to the state governments. I am sure that they can reconcile some of their differences in a proper way. (Time expired)

Mr Barresi (Deakin) (4.32 pm)—I rise to support the Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005 because it underlines one of the most important tenets of the government: freedom of association. As a government, we must not lose sight of what the
Workplace Relations Act sets out to achieve. I remind the member for Gorton that the Minister for Employment and Workplace Relations said in his second reading speech:

The Workplace Relations Act 1996 reflects the principle of freedom of association with broad legislative recognition of the freedom for employees to join, or not to join an industrial association.

I like the member for Gorton. He is the deputy chair of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, which I chair. We get on very well and there is a lot of cooperation. But, as the member for Gorton would know, cooperation requires two parties. He is imploring this government to sit down with the states to discuss, negotiate and collaborate. I say to the member for Gorton: it requires two to do it. The state industrial relations ministers keep walking away from the discussion each time these industrial relations issues are raised. I understand there is a COAG meeting coming up very soon. Perhaps it would be a great test for the state premiers, when they sit down with the Prime Minister and the Minister for Employment and Workplace Relations, to put into practice exactly what the member for Gorton is asking for. But we do not see any cooperation from the state jurisdictions. In fact, what we see is obstruction and hindrance. The member for Gorton says 15 to 20 per cent of employees will not be covered by this legislation, so what he does agree on is that 80 to 85 per cent of them will be covered. If this jurisdiction has the ability to help those employees then we will do so in our own way. So I look forward to such cooperation and collaboration taking place at future ministerial meetings.

It is interesting to observe that over the past nine years the government have faced numerous obstacles in reforming industrial relations. The Workplace Relations Act 1996 was one of the signature achievements of the government’s first term. The ALP are still wounded by our industrial relations achievements, while at the same time claiming that no more reform is needed. What they are basically saying about what we have been able to achieve is: ‘That’s it; we have squeezed the lemon’—as has been pointed out by the Leader of the Opposition—‘and no more reform is required.’ We cannot give up on reform—reform is necessary. This applies whether it be in taxation, education, health or industrial relations. Reform is important, and any government that gives up on reform might as well give up on being in government. Ever since Federation, reform in industrial relations has been painfully slow. That slow progress is in no small part due to the fact that we have a complex matrix of state and federal government systems, awards and industrial relations commissions. It is due to this situation that this bill is now necessary.

The member for Gorton, in his speech on this bill, spoke for about 10 minutes on the role of the Industrial Relations Commission. It is important to debate the role of a very important institution, 105 years on, whatever that role may be. I look forward to that debate in due course.

Getting back to this bill, bargaining agent fees compromise the essence of freedom of association. Imposing on a non-union employee an obligation to pay a fee for services they do not request is tantamount to back-door compulsory unionism. This issue was last debated by the parliament in 2002-03 in an attempt to put a stop to such compulsory unionism through bargaining fees. While the bill was passed in the Senate with the support of the Australian Democrats, it was limited to bargaining fees in the federal sphere. What we are proposing to do, through the bill before the House, is to extend the prohibition on bargaining agent fee clauses to
state employment agreements to which a constitutional corporation is a party. As I mentioned, if that means 80 to 85 per cent of employees in Australia are covered, that is a great advance on what we have today. We cannot walk away from our responsibilities to make sure that members of the work force who do not want to be a member of a union or be compelled to be a member of a union and who want to engage in voluntary associations are able to do so.

Back in 2003, and presumably in the context of this debate, the Australian Labor Party was putting the interests of its union backers ahead of the interests of workers. The non-union sector is by far the most significant grouping of employees in Australia as it represents a staggering 77 per cent of the work force. That is 77 per cent of the work force that is not unionised. The group is more significant in the private sector, where it encompasses up to 83 per cent of the work force. In layman’s terms, what we are finding is that Australian workers are voting with their feet. They are walking out on compulsory unionism and, where there is choice, they are walking away from that choice—the choice of joining that union. That is a problem for the union movement—not for the government or the Australian worker but for the union movement. It is a problem for them to make themselves attractive to the Australian work force in a non-compulsory way.

Bargaining service fees are an attempt by the union movement to pull this large group into their net. Over the period of the existence of the Workplace Relations Act, there has been a dramatic increase in the provisions in certified agreements, requiring the payment of these fees by non-union members. The fees, which are purportedly charged for services rendered during enterprise bargaining, are higher than union membership fees. This cannot be justified. It is merely a facade to coerce non-union workers into the union movement by stealth. What it really amounts to is a stealth-like move on the hip pocket of employees.

The prohibition of compulsory service fees through the previous act has been successful in tackling bargaining agent fee clauses in federal agreements. As the minister informed the House, the act removed bargaining fee provisions from 10 certified agreements in January and February of 2004. There has also been a positive flow-on effect from this, with the Office of the Employment Advocate making 572 applications to the Industrial Relations Commission on the issue.

The case for this bill is clear and compelling. ‘Voluntary’ means just that—voluntary. It would be remiss of any political representative to defend a union’s right to financially penalise a non-union member. As I mentioned to the House the last time this issue was debated, there is trade practices legislation that prevents regular businesses from providing unsolicited services and then demanding a payment. Why should this principle not apply to the enterprise bargaining sphere as well?

Contrary to the endless rhetoric of the Labor Party, this government does not deny the right of a trade union to exist. Unions are representative bodies within society. Their purposes should not greatly differ from other community groups in representing those who choose to be represented. Local churches, guilds, societies and other organisations in my electorate of Deakin do not have the right to charge non-members for services that they deliver. They are free to request such a fee from the community, but they do not have a mechanism such as an EBA by which to impose it.

The union movement conveniently hide behind an endorsement of the user-pays prin-
ciple. By doing so, they are merely distorting the truth in this false claim. A user-pays system involves the cooperation and mutual endorsement of two willing parties. If an employee chooses not to join a union, that is their choice and that should be respected. If a union has written permission through an EBA to enforce a bargaining service fee, this is not user pays. It is even worse if the fee is greater than the cost of a union membership. What they are then doing is using the higher margin on those who are not members of a union, to compel them to join. ‘If you join us, we will bargain for you at a much lower rate.’ Again, it is a compulsion to try to get employees to join the union movement. It is not about bargaining and ensuring there is fair bargaining; it is all about building up their flagging numbers.

The most realistic view of bargaining service fees is that they are just a de facto way of compelling workers to join a union. This is an outrageous situation and clearly contradicts the user-pays arrangement. The key motivating factor for the union movement remains the same as it has always been: they are concerned about their membership and they are concerned about the fact that they now have only somewhere between 20 and 23 per cent coverage of the Australian workforce. This places dire financial constraints on them. It has dire implications and places dire constraints on their power base and their ability to influence public opinion and the community in Australia.

If unions wish to boost their dismal numbers in this country, the most sensible way to do it, and the moral way to do it, is to persuade people that they offer a valuable and worthwhile service, to prove that there is value in joining the union movement, that you get something for it—rather than just doing it by stealth. The provision of a bargaining service fee is a cast back to the dark old days of compulsory unionism. I am sure each of us in this place would know of a person who has had to endure difficulty in the workplace due to their decision not to join a union. This difficulty does not lie only in physical and verbal intimidation by union representatives; various forms of intimidation have taken place. I can recall a young 15-year-old and 16-year-old part-time worker at Coles being told that they had to join the Shop, Distributive and Allied Employees Association. If they chose not to, they were obliged to donate the fee to a nominated charity.

On a personal level, my very first job after university—my first graduate position—was with the Victorian Railways. Back in those days we had highly unionised public railways in Victoria, and there were stoppages and strikes at the drop of a hat. I was one of the few employees that made the then difficult decision to not join the relevant railways union. Taking that decision in such an environment was courageous, if I can be so bold. It was viewed almost as conscientious objection, if not industrial heresy. Thankfully those days are largely behind us although, unfortunately, in industries such as the construction industry, coercion and intimidation are still apparent today.

The key point of distinction in this bill is the need to extend protection to those workers who are currently on state employment agreements. The states and territories have a peak legislative role in these agreements. The only exception is Victoria, where successive state governments have deferred their industrial relations powers to the Commonwealth. I am pleased that in my home state—even with the erratic and ineffective do-nothing Bracks Labor government—this IR deferral has been maintained. I share the call for a genuine and consultative move towards a unified national industrial relations system.
The number of employees on state employment agreements varies from state to state. At present, approximately 40 per cent of workers in New South Wales are covered by state awards and state EBAs. Nationally this group represents a considerable percentage of the workforce that is susceptible to being drawn back into the compulsory fee net. It would be remiss of this government to not ensure choice, where choice is possible, for workers on state agreements. The government must legislate to prohibit the inclusion of bargaining agent fee clauses in state agreements. If this vital progress is not achieved, we could witness a major exodus of unions to the various state industrial relations systems. This is a major worry for industrial relations right across Australia and will further complicate a system that is still in need of structural simplification. It would be a great shame for businesses if unions had carte blanche power to increase regulatory burden as part of their backdoor grab for power.

The bill does not merely deal with hypothetical situations, but to a certain degree I wish it did. It is concerning that state industrial relations commissions are permitting bargaining agents fee clauses to be included in agreements under state legislation. That is why there is a need to debate this bill today and to pass the legislation through the House and through the Senate. Only the coalition is committed to safeguarding the freedom of workers throughout Australia. I would like the House to cast back to the debate in 2002 on this very issue. The Labor member for Blaxland, when referring to workers who chose not to join unions, clearly stated the position:

... it is right and proper that a sensible bargaining services fee be imposed on those people and that it be able to be taken out by automatic payroll deduction.

The intent is clear. A similar observation was made by the Greens Senator Nettle in the proceeding Senate debate. On that occasion Labor and the Greens simplified the argument and missed a key point. The bill is not designed to prohibit bargaining fees. Far from it. The underlying factor is that unions should be held accountable for the services that they deliver. An employee who is satisfied with the service of the union should be more than entitled to pay a fee to the union to act on their behalf. By making the fees compulsory, enterprise agreements are taking the right of choice away from workers and removing the accountability measure from the union.

In the limited time that I have left, it would be remiss of me not to relate this debate to the need for large scale reform of the industrial relations sector. The current IR system is antiquated. It is out of touch with the needs of Australian employees and their employers. There is need for further reform. We cannot give up on reform just because the Leader of the Opposition believes that no reform is required. We must not give up on it. This would be antiquated and out of touch with the needs of Australian employees and their employers, particularly when we take into account the six state and territory jurisdictions and the stifling legislation and industrial relations regimes they have in place. It is reforms such as the bill before us that can lead Australia to even greater economic prosperity and productivity improvements.

Issues such as bargaining fee clauses highlight the need for a more centralised system. If the state governments refuse to be part of the process, the time has come for the federal government to carry the torch of greater IR reform. It is pointless in the long term if a large proportion of our reform continues to be indirectly undone at state government and state industrial relations commission levels. This bill represents another fundamental step
that this government is taking to safeguard the right of individual freedom in the workplace. Sadly, the members of the Australian Labor Party have provided Australia with the greatest obstacle to a fairer system. I implore the opposition to seriously consider embracing the rights of workers, and to consider supporting this bill. Regardless of their stance on this issue, this bill is of great importance to the fundamental freedom of workers. I commend the bill to the House.

Mr KATTER (Kennedy) (4.50 pm)—I oppose the Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2004. I think the government very sorely lacks anyone with experience in industrial matters. Nobody on that side understands the workplace. They have never worked in a workplace with people we used to traditionally describe as working class, although we may use other words to describe them now. You either have collective bargaining or individual contracts; there is no in-between. The biggest employer in Australia is Woolworths. Individual contracts would require a 17-year-old checkout girl to go to the boss and ask, 'Please, can I have a pay rise?' This is simply not the real world. This is simply fantasy land. That is not going to happen.

If the boss unilaterally decides to reduce all the checkout girls' wages by $10 a week or whatever, or stratifies them and puts some on an existing wage and some on less, the only option that leaves the individual worker is to paddle their own canoe and to front up to their boss and say, 'I want a pay rise.' My experience in the workplace was that, if you did that, you were regarded as a malcontent and it was not very long before you got your marching orders. It is rather an intriguing proposition that the government puts forward that it is a free marketplace so you can walk up the street and get a job. Either John Quiggin, who won the economics prize for Australia, is correct, and we have a real unemployment rate of about 16 or 17 per cent, or the government is right in claiming that there is an unemployment rate of four or five per cent. I would put my money on John Quiggin. I would do that because clearly the Treasurer is well aware that all that has happened in Australia is that we have moved people out of the unemployment rolls and onto the disability rolls. Anyone who read his speeches associated with the budget, even in a most cursory manner, would realise that he of all people is supremely conscious of the fact that there is huge unemployment in the land—it just goes by the different name of 'disability.'

To be very specific, the last time I saw the figures—albeit a couple of years ago now—the Treasurer claimed that there had been a reduction of 400,000 in the unemployed. I went to the disability figures, having read numerous papers, most prominently John Quiggin's, and I discovered that there had been an increase over and above the normal increase in disability pensioners of 396,000. You could not have asked for a more compelling argument that all that happened was that people simply moved from the unemployment rolls to the disability rolls. I do not think that any thinking person in this place would think anything else.

So the proposition is that, if the little girl does not like her new salary of 200 bucks a week, she can go up the road. Try that out! If you work for Woolworths, there is only one supermarket up the road and that is Coles. If they do the same thing, which I think the two great retail giants tend to do all the time, your chances of getting a start there are very small indeed. They have 82 per cent of the market between the pair of them. We have a lot of conscious parallelism in what is so-called competition.
The proposition for the little checkout girl at Woolworths applies maybe to the plant operator at one of the mining companies in the many areas that I represent, or the sugar mill plant operator, whose skills are in a particular area. If he loses his job at that mill, he cannot simply pack up and sell his house and go to the next town. That is not an easy thing to do. It can often result in divorce and the loss of your family as well as your job. Many times, in the jobs that I worked in, which were mainly in the mining industry, terribly dangerous situations arose. If you did not have the ability to collectively bargain and you started complaining about those dangerous situations, you most certainly ran the risk of simply being shown the door, getting a pink slip on the way out and possibly having ‘not to be re-employed’ on your file. But if you could go to your union rep then you had the protection of those arrangements behind you. You did not have to confront your boss, which is a nigh on impossible thing to do. It is just not the real world for an employee to confront their boss, particularly today when it is so enormously difficult to secure a job. To those on the government benches who think it is easy: I have a huge number of people who cannot get jobs; maybe they would like to find them jobs. I doubt that. I am not saying that there are not some malingerers on the rolls.

If you destroy the right to collectively bargain, and everybody is paddling their own canoe, then the wage structures will collapse and people will be paid very little. The bulk of our economy is now foreign owned. I refer specifically to the fact that the six major mining companies were all Australian owned 15 years ago; they are all foreign owned now. So, if less money goes to the workers, then more money goes overseas to swell the profits made by those companies. I emphasise that I am not against profits—I am a very strong profit man; very positive in that area—but, if you are looking at the common interests of Australia and Australians, you would say that those interests were better served by the employee getting a bigger sum of money, if you are asking those people to do all this work. Let us not beat around the bush: we are talking about trade unions here. There is no benefit for me in saying that the trade unions are very strong supporters of the Labor Party—they spend a lot of money each election trying to get rid of me and replace me with a Labor Party member of parliament.

Mr Billson interjecting—

Mr KATTER—Rather fruitlessly, but it was mild compared with what your mob spent last time, Parliamentary Secretary.

The DEPUTY SPEAKER (Mr Jenkins)—Order! I take it that you were referring your remarks through the chair.

Mr KATTER—Yes, sorry. There was an interjection by way of a smile that he gave me, so I felt compelled to answer it.

The DEPUTY SPEAKER—I suggest that the member ignore the smiles and other interjections.

Mr KATTER—What I am saying is that I do not speak out of personal interest here. I do not have any personal interest in it. If I did, I would be answering the question the other way because a percentage of trade union money goes to the Labor Party, as everybody here is well aware. And I am not saying that unions are good. I would have many people in my electorate who are very decent people in the workplace but who are very hostile to unions because they have been let down or betrayed by their union representation.

It may be that unions are a necessary evil, but, whatever the case, if you think there is an alternative to collective bargaining, I would like to see what your machinery is. If
you are telling me that an individual employee can front up to his boss and say that he wants a pay rise and then have a good relationship with his employer, then I am telling you that you do not live in the real world. Or, if there is a danger at your workplace and you front up to your employer and say, ‘The situation is dangerous; you need to be looking at it,’ I suspect you will be in a lot of trouble. You will be in a lot worse trouble if you go to the workplace health and safety officer and complain, but, if you go to your trade union representative and do it that way, then you will not run into this problem. If you do it on a collective bargaining basis, then there is an opportunity for all Australians to enjoy and participate in the prosperity which I hope will flow through from our mining sector in Australia.

If you do not have an understanding of collective bargaining, then that prosperity will not flow through to the workers. The trickle-down effect may work if we had negligible unemployment, but we most certainly do not. I will not re-canvass the subject which I discussed earlier. If you are going to bargain collectively, then somebody has to do your bargaining for you. It costs a lot of money to do that work, and that is why it is necessary to impose a charge on workers. If they are going to enjoy the benefits of their income—their wage structure and wage levels—then, like in all other things, there is a price to be paid. There is no such thing as a free lunch.

Mr Secker interjecting—

Mr KATTER—You laugh and sneer. If union representatives out there have done the work in making the representation, pleading the cause and putting the case, thereby preventing the ugly scenario of an individual having to front up and ask for money from his employer, then they should be compensated. It seems to me intrinsically unfair that people can benefit from the system but do not have to pay. I do not think that the gentleman sneering over there would honestly go out there and take advantage of that wage structure that he is enjoying and then not pay the people that were responsible for delivering that wage structure to him.

Mr Secker—I can look after myself, Bob.

Mr KATTER—I am sure that you can. That is one of the problems here. There are a very small number of people—I take the interjection from the honourable member; he may well be one of them—maybe five per cent of this parliament, who have actually looked after themselves. I also have looked after myself, and looked after myself very successfully in the world, I might add. But I do not forget the days when I worked for somebody else. That is the problem here: those people who have effectively looked after themselves have never served their time working for somebody else in hard and dangerous situations where you desperately need some form of collective bargaining or at least somebody to look after your interests so that you do not have to do it yourself.

Let me not speak in general terms. We had a dangerous situation at work. I made a complaint to my shop steward of behalf of five other blokes, who said, ‘You do the talking.’ The steward was acting in a staff position, so that was not very successful. I said I would see the union organiser in town; my workmates said it was not a good idea. I saw him and he actually dobbed me in to my employer, but if I had gone directly to my employer, the result would have been the same. I was in a lot of trouble then, but I escaped. I still held my job there by the skin of my teeth, but the point is that you do not complain. That is not part of the system as it works out there. If you do, you will get yourself into an awful lot of trouble. I found that to be very true.
I told my own son when he started work, ‘You’ll take out a union ticket.’ He said, ‘I won’t.’ I said, ‘Yes, you will,’ and he said, ‘I won’t,’ and he rather smugly observed that part of the money would go to the ALP to work against me at the next election. I said to him, ‘Do you think’—I named the owner of the company he worked for at the time—‘woke up one morning and thought, “Geez, I like little Robbie Katter; I think I’ll pay him $38,000 a year?”’ Does the honourable member who is sneering and sniggering at me really believe that a corporation based in London thinks that? No, that is not how $38,000 a year got into my son’s pocket, my pocket or any other worker’s pocket. Someone had to stand on a picket line, have his head staved in, have ‘Never to be re-employed’ printed across his file and have his family go hungry. That is how you get $38,000 a year. If you do not believe it, you honestly do not know much about Australian history or about the history of any other country on the planet—that is all I would say. If you think that men who made those sacrifices should not be compensated in any way but should all do it for free because they are Santa Claus, then you believe in the tooth fairy. It is only fair and just that, if they are doing the work that has to be done by somebody, there should be some compensation paid.

We spoke about Bjelke-Petersen. I was a member of the cabinet that did what the Leader of the Opposition referred to as a fairly nasty thing—that was his reference—to those workers at the time. So I do not come here as any great friend of a particular class or the union movement. There was a brutal situation and we had to act. I am not like the people on the far side of the chamber. I was a person who was spat at and had stones thrown at him because we acted on that. I do not hesitate to say that I found it a very difficult decision to make. I spoke to the state president about it at very great length. I found it very difficult, but it was my decision to make.

A lot of other people in the National Party did not back the Premier, either in the cabinet or outside, but I was one who did. So I am not going to be hypocritical and come in here and say that I am backing this and I have always been on the side of the worker, because I have not. In that situation, the lights were turned off and they were dictating terms to us. Either we rolled over and accepted a situation where they were going to dictate the terms of employment to us unilaterally and arbitrarily, where we would not have any say and where the terms were outrageous and ridiculous and could not have been countenanced by any government, or we stood up to them. And if we stood up to them, it was going to be a damned ugly scenario.

I am one of those people who stood up and took the ugly scenario. History will have to judge whether we did the right thing or the wrong thing, but I would emphasise that these were emergency services and that the legislation was restricted to emergency services. Three people died as a result of that confrontation. The lights were out for some 14,000 people for nearly two weeks. I would like the union movement to suggest to me what else we could have done in that situation, except to back down and let them run the whole show. That was not acceptable to us.

There were bans on the units at Collinsville power station. Some of the people who voted for me were hurt in this great confrontation as the power station was in my electorate. We had not had full production from that power station in almost six or seven years because of one ban or another. There are times when union power goes too far. But what is happening now is that more power is
being taken off the unions than should be. This bill is taking the pendulum a little bit too far in the other direction.

Mr SECKER (Barker) (5.08 pm)—It is my great pleasure to speak today in support of the Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005. But it behoves me to note that the member for Kennedy does not even know that he has contradicted his own argument by bringing up the Queensland power station issue. By his own admission, those workers were doing the wrong thing, yet he is saying to those who did not want to be part of that union that they should have been charged for that action even if it was wrong. Where is the fairness in that? There is a real contradiction in the argument of the member for Kennedy.

In seeking to amend the Workplace Relations Act, the government is looking to protect the interests of both employers and employees alike. We have always been concerned about the issues that affect the work environment of the nation’s employers and employees and we have been trying to make advancements in this legislative area which I believe would make our industrial relations area much more workable for both parties.

Since coming to government in 1996, we have been continually pushing to provide Australians with a national workplace relations system that accurately reflects the reality of a modern national economy. The changes we have made have seen great improvements in Australia’s work force and economy. Michael Chaney, for example, in a recent speech to Australia’s Sustaining Prosperity forum, said that the benefits of changes to the workplace relations system were estimated to be equivalent to $4,200 in additional income per person, per year, in the year 2004 alone. This is a pretty amazing statistic. I am sure that, if we took this amount from the hip pockets of Australian workers, they would have said something about it.

Chaney also estimated that the average unemployment rate would be sitting around 8.1 per cent at present if it were not for the workplace relations reforms brought in by this government. Instead, we are enjoying an unemployment rate of 5.1 per cent, the lowest in 28 years, and 1.3 million more jobs in Australia. It is worth noting that Mr Chaney is referring to reforms put in place by this government over the last nine years—reforms which the Labor Party have continually opposed. You can bet your last dollar that, despite the obvious benefits that workplace relations reform have delivered to the Australian worker, the Labor Party will continue to fight us every inch of the way.

Perhaps those sitting opposite need a refresher course in just what it is we set out to achieve through those reforms and what it is that we have achieved since 1996. Firstly, we have seen some 13 per cent growth in real wages. This is a very significant increase and, compared to Labor’s two per cent growth in 13 years, it is a far better record. Since 1996, the incidence of workplace strikes has dropped dramatically—in fact, it is currently at its lowest level ever. We are enjoying higher productivity, which is reflected in the strength of the economy, and workplaces across the nation have initiated family-friendly work practices, which are helping Australians to balance the demands of work and family on a daily basis and nurturing workplace satisfaction.

Finally, as we are all aware, the Howard government has delivered a low inflation, low interest rate environment. These points correlate with a reason for making workplace relations reform a high priority of this government. We have achieved what we said we
could; we have achieved what the Labor Party said we could not.

The Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005 before the House today looks to strengthen this government’s commitment to the principle of freedom of association. We have always upheld this principle as one of the foundation elements of workplace relations in Australia. The amendments to the freedom of association provision under the Workplace Relations Act 1996 proposed by the government seek to extend the prohibition of bargaining agents fee clauses to state employment agreements to which a constitutional corporation is a party.

This prohibition of bargaining agents fees is already in place through federal agreements following the passing of the Workplace Relations (Prohibition of Compulsory Union Fees) Act 2002 on 9 May 2003—almost two years ago to the day. And I think I spoke on that legislation as well. These amendments have successfully prohibited bargaining agents fee clauses in federal agreements and have also addressed conduct designed to compel persons to pay bargaining agents fees.

In essence, when this bill was put before the House it looked to protect workers from being coerced into joining unions and to protect the rights of those who choose to join a union, amongst other things. This bill, as one would expect, was fervently opposed by the Labor Party at the time. Apparently Labor were unable to see that, by protecting workers’ freedom of association and trusting in their judgment, we were seeking to provide an environment which would nurture happy workers. As we well know, a happy worker is a productive worker and a productive worker is good for our economy. Fortunately, this bill was passed in 2003 and not one person here could argue that we are not better off as a nation because of the changes. The changes were good for Australian workers, good for Australian employers and good for the Australian economy. However, the Labor Party could not see that—all they could see was power and money. Unfortunately, the Labor Party have not learnt from history and again we find they are opposing the amendments proposed in this bill. What an unfortunate case of history repeating itself.

The Workplace Relations (Prohibition of Compulsory Union Fees) Act 2002, since it came into being in 2003, has served to protect Australians’ freedom of association. This freedom gives every worker and employer in Australia the right to establish and join organisations of their own choosing. It also gives them the right not to join. However, under state workplace relations laws we are finding that this freedom is being violated, and we are here again today to protect this principle for every individual in Australia, regardless or where they work or live, by extending this prohibition to state agreements. The New South Wales, Western Australian and South Australian industrial relations commissions have determined that bargaining agent fee clauses can be included in agreements under state legislation. This is a direct violation of freedom of association.

Bargaining agent fees are a brazen attempt to force non-union members to be union members. Unions and the opposition justify these fees by stating that unions act on behalf of all union and non-union workers. They claim that, to prevent non-union workers from freeloaders, a fee needs to be charged. That is very much the argument of the member for Kennedy. I do not believe the Labor Party, the member for Kennedy or the unions give enough credit to Australian workers. Individuals make a conscious decision to either join or not join a union. It would seem fairly obvious that when they choose not to join they understand that they will not pay
union fees, they will not be involved with union discussion and they will not expect the union to act on their behalf. If the union does act on behalf of the employee body as a whole, one can only assume that those non-union members were not privy to union discussions, did not put their thoughts or preferences forward and were therefore not represented by the union. I therefore fail to see how a union can claim to represent the interests of non-union members and then justify charging a bargaining agent fee.

The unions call this bargaining agent fee the user-pays principle. That is really drawing a long bow. I suppose the unions consider they are providing a service to the non-union worker—and well they may be, but they also may not be, as we saw with the Queensland power board dispute some years ago. However, they are not representing that individual’s interests. More to the point, can anyone in the House tell me the last time an electrician showed up at your home unrequested because he thought there was something wrong with your wiring, fixed the so-called problem and then left you an exorbitant bill for his services, which were neither requested nor solicited by you? I certainly cannot. That is because such an act would be illegal. It would be considered a scam and we would not stand for it, just as these bargaining agent fees are another scam.

Of course those individuals who are members of the union do not have to pay the bargaining agent fee—so where is the freedom there? This fee is quite often several hundred dollars and more than it would cost a worker to become a union member. I think this smells a lot like compulsory unionism by another name. Which individual in their right mind is going to pay a bargaining agent fee which is more expensive than the cost of becoming a union member? It is quite obvious that these so-called bargaining agent fees are nothing more than an attempt by the unions to boost membership. This is perhaps not surprising as union membership has been on a steady decline in recent years, with unions accounting for only 23 per cent of the work force and some 17 per cent of private sector workers. This simply highlights the underhanded and devious reasoning for charging these exorbitant fees.

If unions have a genuine service and benefit to offer workers, they should have no trouble recruiting union members. Like all other groups and organisations that are membership based, unions must recruit through genuinely persuading workers and demonstrating the advantages of becoming a member. The Workplace Relations Act 1996 gives unions opportunities to go into workplaces and recruit new members. What we will not stand for is this backdoor compulsory unionism. It goes against the principles of freedom of association and the foundation of the Workplace Relations Act.

Workplace relations is a subject that is of great importance in Australia today. It ensures our workers have safe and healthy workplaces, it ensures they are fairly remunerated and it provides each and every employee and employer with an avenue of recourse. The Workplace Relations Act serves the interests of both employers and workers of the Australian workforce. Those sitting opposite will tell us that these amendments will result in union members financially carrying non-union members, will increase workplace disputes and will leave Australian workers without representation. This could not be further from the truth. They will ensure that those non-union members will not be providing income to unions, will not be forced to join a union and will not be misrepresented by a union. If the Labor Party were to consider this particular bill on its merits, without external influence from the unions on which they are so dependent, they would concede that the amendments serve to im-
prove the Workplace Relations Act for employee and employer alike. Labor are yet to take into consideration that nearly four out of five employees in this country make the choice not to be a member of a union. We are talking about individuals who make an informed, intentional and conscious decision to not join a union. To my way of thinking, they are therefore stating that they do not need or want unions in their place of work.

For many years now the Labor Party have consistently displayed their lack of confidence in Australia’s employees by encouraging them—and often forcing them—to become members of unions, and this user-pays principle is just another method of compulsory unionism. The truth of the matter is that Labor, as we all know, are too close to the unions, and their arguments simply mirror the arguments of the unions. There is nothing to differentiate them and there never has been.

When you consider that trade unions have donated more than $47 million to the Australian Labor Party since the 1995-96 financial year, it would be easy to get to thinking that the Labor Party is not looking for what benefits the Australian employee. The prospect of losing millions of dollars gives the unions great influence over the Labor Party, and this fear of losing campaign funding has turned the Labor Party into a union lap-dog. It is so blinded by this fear that it is unable to see the positive effect these amendments will have in Australian workplaces.

States are not consistent with this change and therefore unions will use state industrial relations systems to certify agreements to avoid this problem. Professor George Williams has supported the extension of federal jurisdiction over workplace relations with regard to termination of employment and his reasoning is most definitely relevant to the amendments we are putting forward today. He stated:

… it is clearly the responsibility of the federal Parliament to enact laws for national needs. Our economy does not consist of discreet and insular sectors of commerce within each State or even within Australia, but exists within a world of global markets that creates competition and interdependence with the economies of other nations.

The Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005 is being put forward today to protect employees and employers respectively to ensure unions do not certify agreements under state law to avoid the more stringent and appropriate laws the federal government upholds. State workplace relations does not function exclusive of the federal workplace relations and, thus, there needs to be some uniformity to assist employers and to protect employees. Australian businesses need clarity and simplicity in workplace relations law and we are trying to achieve that by bringing the states into line with the federal act on this issue of bargaining fees.

We can all appreciate how complex these matters are and must be to ensure all parties are represented. But it is important to note just how hard it must be for employers and employees to get their heads around not one but multiple industrial relations acts. This is just an unnecessary burden on business. The workplace relations amendment bill 2005 will see any employment agreement made under the state system that has a bargaining agent fee clause being deemed void. This will end the loopholes being created through the conflicting state and federal industrial relations laws which are currently being abused by unions to bolster union membership.

As we are all aware, not every member of the Australian workforce is a member of a union, even though the Labor Party, in its
wisdom, has in the past tried to make this a reality. In fact, only one in five Australian workers is a member of a union, and this government respects the choice of the Australian people. Our workplace relations amendment bill 2005 reflects this. The employers’ rights as well as those of the employees must be considered when discussing this issue. Yes, employees do have the right to be a member of a union, and we uphold this right, but the employer—and, for that matter, other employees—can also reasonably expect that their workplace will not be regularly disrupted by unions.

This bill supports the government’s position that those workplaces operating under the federal system should not be subject to inconsistent elements of state systems. This bill needs to be passed in this House as it will provide employers and employees with one set of rules to follow and end the loopholes that the conflicting state and federal laws provide. It will provide employers with peace of mind and ensure unions act in a manner that is acceptable and beneficial to workers and employers.

We have in recent years put forward bills in the area of workplace relations that the Labor party, in their wisdom, have vehemently opposed, and unfortunately this bill is no different. The Labor Party should not only support these amendments but applaud the government, as this bill serves only to ensure unions act responsibly in their undertakings while protecting every individual’s right of freedom of association.

In my first speech in this chamber one of the clear points that I put forward was my belief in freedom of association, freedom of the individual and freedom of speech. I think they are very important tenets that we should always cherish. All in all, I think the Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005 is yet another step towards a better industrial relations system which will be of great benefit to both employers and employees. I commend this bill to the House.

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (5.28 pm)—in reply—The Workplace Relations Amendment (Extended Prohibition of Compulsory Union Fees) Bill 2005 was first introduced in the 40th Parliament. The bill lapsed with the dissolution of that parliament. The government is reintroducing this bill in line with the continued commitments to the elimination of bargaining fees in industrial agreements. As other speakers in this debate have noted, the government’s commitment to the principle of freedom of association is a cornerstone of workplace relations frameworks and is providing for more productive and more prosperous workplaces.

The Workplace Relations Act 1996 reflects the principle of freedom of association, with broad legislative recognition of the freedom for employees to join or to not join an industrial association. This bill will amend the freedom of association provisions to provide that a bargaining agent fee clause in a state employment agreement to which a constitutional corporation is a party is void. This will apply to agreements entered into on or after the commencement of the amendments made by this bill. The bill will also extend the prohibition on conduct related to the payment of such fees to the widest possible constitutional extent to protect employees from coercion or misleading conduct relating to their liability to pay such a fee. I thank the various members who have contributed to the debate and I commend the bill to the House.

Question agreed to.

Bill read a second time.
Third Reading

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (5.30 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

BUSINESS

Rearrangement

Mr BILLSON (Dunkley—Parliamentary Secretary (Foreign Affairs and Trade)) (5.30 pm)—I move:

That business intervening before order of the day No. 8, government business, be postponed until a later hour this day.

Question agreed to.

SEX DISCRIMINATION AMENDMENT (TEACHING PROFESSION) BILL 2004

Second Reading

Debate resumed from 14 March, on motion by Mr Ruddock:

That this bill be now read a second time.

Mr KERR (Denison) (5.31 pm)—Parliament is replete with instances where we confront questions requiring solutions. It is very rare for us to debate proposals where we have solutions requiring questions. The Sex Discrimination Amendment (Teaching Profession) Bill 2004 we have before us today proposes a solution to a question that has already been answered. It is unnecessary legislation, it is divisive legislation and it exists in a trail of detritus from an attempt to wedge the then Leader of the Opposition following his ascension to office and his commitment to articulate the concerns that he had about the need to provide effective role modelling and mentorship for young men.

The genesis of the problem which generated this legislation was the concern by the Catholic Education Office that it was unable to recruit sufficient male teachers to implement its objective of providing a balance of male and female teachers in the school system. It was a legitimate concern because most people would share the view that it is in the interests of students that there be both male and female role models in the teaching profession, and at that time the Catholic Education Office sought to increase the number of males, believing that its intake of teachers was not reflective of its larger objectives.

However, the need for this legislation simply went away. Given the large community debate its initial approach generated—that was, to propose exclusive scholarships for young men wishing to enter the teaching profession and teach in the Catholic system—the Catholic Education Office opened a dialogue with the federal Human Rights Commissioner, Dr Sev Ozdowski, and a solution was reached amicable to both the Catholic Education Office and the systemic Catholic schools and compliant with antidiscrimination legislation. That solution was that the Catholic Education Office would offer a range of scholarships equally to men and women so that, in the course of doing so, they would improve the intake of males but without discriminating against women who wished to take up teaching.

The Catholic Education Office and the school system are happy with that outcome and it is consistent with existing federal antidiscrimination laws, yet this legislation comes before us in this House notwithstanding that the problem which generated it no longer exists. This legislation proposes to allow schools to discriminate in the appointment of teachers—that is, to prefer males to females in the selection of teachers. It is an unnecessary proposal and it ignores
the fundamental reason that the teaching profession has this issue confronting it. The fundamental reason the teaching profession has this issue confronting it has nothing to do with discrimination. There is no discrimination that prevents men from entering the teaching profession. Entry is as accessible to a male as it is to a female. The reality is that teaching as a profession has been systematically lessened in value in the eyes of the Australian community and, by default, has become a low-wage area of employment and, like many other low-wage areas of employment, become dominated by the entry of females.

Just as engineering is a profession which has an imbalance of males in its entry, teaching has an imbalance of females in its entry, but the underlying cause of that imbalance has nothing to do with the existence of any framework relating to discrimination. If we wish to address the imbalance then we have to look at making the teaching profession what it ought to be—that is, the most honoured of professions amongst our ranks. Mr Deputy Speaker Quick, I need not preach to you. You had a distinguished record, before your entry to this parliament, as a member of the teaching profession, rising to the position of principal in some of the schools where social problems were most acute. You would be very aware of the need for effective male role models in primary education and in secondary education. Certainly, you are aware of the problems that arise in broken families where social problems exist and you are aware that there needs to be a range of experience in the staff of schools so that all the issues that confront young people, male and female, can be addressed by the staff of those schools. Teaching is not simply the imparting of knowledge. Teaching is not simply an awareness of the curriculum and a capacity to articulate the curriculum. Teaching also involves, at its highest, a sense of the transmission of values, and accountability and responsibility to the larger community, in the teaching of young people.

This legislation does not address the root cause of the difficulties in finding high-quality male entrants to the teaching profession—not at all. Why does it linger before this parliament? I suppose to identify the reason for that you have to go back to the genesis of the legislation, why it came about. When Mark Latham became Leader of the Australian Labor Party he touched a raw nerve. He started to speak about a number of issues which were acutely important to the Australian community but not normally the subject of political debate. He talked about reading to young people. He talked about the vulnerability of young males and their need for mentoring. He talked about some of the issues which confront ordinary families on a routine and daily basis but which have not had the general day-to-day attention of this parliament. We focus far more on larger, more abstract issues than on issues that confront families at the hearth or the dinner table. Inevitably, in dealing with challenges as they grow, young people start to explore their own identity and later move through adolescence and wish to separate themselves from their parents, as they must. In a rapidly changing society, their family may find themselves not fitting in all that well—Mum and Dad might not have a job—and they might not have opportunities immediately in front of them as to how they will enter the work force.

There is no doubt that many of the traditional occupations that men of my generation saw as available to them no longer exist—the sorts of things that were readily available to students I went to school with at Claremont Primary and Claremont High School—manual trades and physical work, things which brought dignity and substantial wages to a person who entered trades or the un-
skilled labour force. Many of those jobs have simply gone and there is a sense amongst many young men that the opportunities in front of them are far fewer than in the past. That is a real appreciation of their circumstances. If you are a physically talented, capable person but have limited intellectual skills, then as a young male the opportunities for fulfilment that used to come by being able to throw yourself into tasks which are regarded as extremely socially valuable—working in manual trades or industrial processes—are no longer so readily accessible. A good example in my electorate is an electrolytic zinc plant which used to employ in the order of 1,300. I am not sure of the exact numbers now, but a much more productive factory employs only several hundred people. That example has been replicated time after time in many industries. The tasks that required manual labour, hard and honourable physical work have been replaced by sophisticated technology and machines. Many of the basic opportunities that used to exist for those who were less intellectually advantaged but physically skilled have gone.

We now know that we need to increase periods in education to open up new opportunities. Notwithstanding those new opportunities opening up, there is a sense of alienation among many young people and a sense of lack of opportunity and of banging their head against a brick wall on some occasions. We do not have to be particularly sophisticated social scientists to understand the cause of some of the concerns. We do not have to dig deep into our souls. We have only to look at the changes that have happened in our own lifetime, changes which of course cause some sense of disturbance and lack of confidence among young men. To a certain degree, we also have to recognise that, as we have removed barriers and discrimination against young women and have given them positive encouragement to undertake career paths in areas which were previously exclusively open to men, they have done very well. That is one of the positives of these changes—that we have a society where, irrespective of gender, opportunities have opened up.

Mr Hockey—There’s still a way to go.

Mr Kerr—The minister says there is still a way to go, but I do not think anyone would indicate that there has not been enormous social change. When I was young the practice in the Public Service in my state and I think at the Commonwealth level when a woman married was that she could no longer be a permanent employee.

Mr Bevis—They were sacked.

Mr Kerr—They were sacked. It was only a few decades ago that superannuation entitlements were opened up to women. The number of female entrants into medicine and law was only in handfuls. Now in the law faculty there are more female entrants than male. In medicine I think the numbers are roughly equal. Opportunities for young women have opened up and women have grasped them. In many ways, women feel empowered by these changes, as they should and as we should be pleased they have.

Looking at school performances, I have gone to a number of high schools and primary schools where at award ceremonies you see a range of young women coming forward to accept the prizes for best performance in a number of areas and overwhelmingly in greater numbers than young men. That was never the case when I went to school because women were not expected to perform at that level. At a subconscious level they thought their task was not to enter the workforce. A handful of course did, and they always acted with confidence. Perhaps they had families who were encouraging, but they were the exceptions.
When you see the changes that are emerging in our society—for example, the changes in this parliament—you see that we still have not completed the journey, but young women have every reason to believe that these changes have been overwhelmingly positive in their direction. The transformation in our industry and the transformation in the way in which young men are recognised and valued has not been overwhelmingly positive because it has substantially eliminated those paths to earnings and respect which in my generation, when I was at school, were open to people who left school without completing high levels of educational attainment. So we are confronted by these issues, and certainly it is important that schools do build into their thinking ways in which they do not leave young men behind. We do need the sorts of mentoring programs that Mark Latham spoke of. We do need teachers with a range of understandings that go not merely to the conveying of information but to providing role models for people.

Certainly one of the things I know from my own experience is that it is not so much what you learn in school that matters but the spirit of learning that you might acquire and the excitement about learning that you might acquire from one or two teachers who touch your imagination and touch the sense of challenge. Perhaps some students go through school without ever experiencing that. I mean no slight on the rest of my teachers when I say that there were only two or three who inspired me. Others might have been inspired, encouraged or had their imaginations touched by other teachers, but for me there were two or three teachers whom I will be eternally grateful to because they opened my eyes to the possibilities that were in front of me and the chances that I could take. They opened my imagination to the future and to appreciating the opportunities that I might be able to seize. The names and faces of those teachers are still before me as I speak tonight.

To come back to this legislation: we do not want to go backwards. We do not need this legislation. We do not want to have new exceptions built into our framework of law which has been structured so that we do not have systemic discrimination in favour of men or women in our employment practices. We do not need it to obtain the outcome. This legislation was put up quite simply as a political objective because the then Leader of the Opposition articulated concerns about young men in the developmental stage of their life. The Catholic systemic movement articulated a need to recruit more men. Nobody applied themselves at that stage to a creative solution—they looked immediately to a legislative solution. Because of public concern, the Catholic school system found a creative solution which conforms to the anti-discrimination legislation. They are happy with that outcome. Yet we still have this bill before us. We should chuck it away. Why bat on when you have solved the problem? You do not need the legislation. We do not need to entrench discriminatory practice again through our parliament.

I do not think anybody, even on the government side, really says that this should be the thin edge of the wedge where we start to bring back discriminatory access on the basis of gender to other professions where women outrank men. For example, there are now more female entrants than men into the law profession. Are we going to say that we will suddenly have discriminatory entry policies into university so that we get more men back into the legal profession? Are we going to have discriminatory practices so that we get more male nurses? Are we going to have these kinds of things? Surely not. If, however, over time we have lost our sense of valuing the teaching profession such that it is a default profession for people who cannot...
think of other career goals and we allow it to become a low-wage, low-prestige outcome, then we are doing something terribly wrong. I know there has been a lot of attention paid in debate recently to the government’s education policy. We now have to have flags in front of our schools before they can gain Commonwealth funding. We have to have all kinds of symbolism—

Mr Hockey—Fair enough. What’s wrong with that?

Mr Kerr—The symbolism, my friend, is offensive if you do not inhabit a school environment which values the role of the teaching profession within it. The wage rates and the way in which we speak of the teaching profession too often illustrate a lack of respect. The number of times I have heard more or less slanderous descriptions—(Time expired)

Mr Slipper (Fisher) (5.51 pm)—The ALP is being a little inconsistent with respect to the Sex Discrimination Amendment (Teaching Profession) Bill 2004. I think that most of us as we travel around the various primary and secondary schools in our electorates would be concerned at the ever-diminishing number of male teachers. I suspect that the member for Brisbane would agree with me that it is a concern that we do not have an adequate number of male primary school teachers—

Mr Bevis—Yes, we need more male teachers.

Mr Slipper—I thank him for agreeing with me. The member for Denison is a person whom I greatly respect. I know that he spoke from the heart with a great deal of passion and a great deal of commitment. He mentioned in the course of his speech that it was inappropriate that there be discrimination in favour of men or women with respect to teaching. I think he may have even extended that conclusion to saying that maybe we ought not to have any discrimination in favour of men or women in the workplace.

The Australian Labor Party have a policy of positive discrimination in favour of women in preselections, and they have quotas with respect to women members of parliament. Someone even told me that in New South Wales women actually get a loading on a preselection figure. If one had a man and a woman standing for preselection for the Australian Labor Party in a seat in New South Wales, before the result is declared women are given a loading on the actual number of votes they get. So at times you might find that the ALP candidate is a woman who did not receive as many votes as did a competitor male candidate for preselection. I do not support what the Australian Labor Party do in that area. But I think that it is, if not hypocritical, certainly inconsistent for the member for Denison to argue with respect to an occupation of great importance such as primary school teaching or teaching in general that the government ought not to take very strong measures to encourage an influx of males into that profession.

When most of us went to school there were a considerably higher number of males who were proudly teachers. My partner Inge’s two brothers, Jon and Michael Hall, both men in their 30s, have recently undertaken teacher training and they are currently studying at the University of Southern Queensland to become teachers in Queensland. I commend them for this step. What the government wants to do is encourage more men to become teachers. It does not want to find an ideological solution to what is a very practical problem. The government is particularly concerned about the steady decline in the number of male teachers and male role models, particularly in primary schools, and the possible effect that this decline may have on the learning and development of both boys and girls in our schools.
The member for Denison would no doubt share my concern at the diminishing number of male teachers in schools. He may even have expressed that concern in the course of his speech. This government is taking a very firm and definite stand and leading by example with the offering of a number of male-only scholarships to redress the imbalance of male teachers in the system. This government believes that it is important to increase the number of male teachers in the profession in order to provide male and female students with more male role models in schools, thereby more appropriately representing the community and the structure of society.

Mr Deputy Speaker Quick, I share the praise of the member for Denison of your talents as a teacher. I know that you were well regarded in that profession and I certainly would endorse the remarks that he made. I have a high respect for you personally. You also would agree that we need more teachers of the male gender, particularly in primary schools. This government is taking a positive step forward to ensure that this occurs.

Let us look at some facts. It is well known that between 1993 and 2003 the proportion of male teachers decreased from 25.6 per cent to 20.9 per cent in primary schools and from 48.9 per cent to 44.7 per cent in secondary schools. Clearly, this represents a very significant drop in the potential for socialisation and role-modelling functions that teachers necessarily provide to children in their early developmental years. The $1 million that the government is providing to pay for 500 scholarships valued at $2,000 for male first-year primary school teacher education students in 2005 is a positive step forward.

The Minister for Education, Science and Training ought to be applauded for his sentiment that the most important influence in the lives of our children, apart from their parents, is their teachers. If the children of Australia are to be taught only or predominantly by one gender then certainly we risk creating a future where young children feel perhaps inadequately prepared for their future life and participation in a society where there are roughly even numbers of men and women. It is important to recognise that even an additional 500 male teachers in primary schools will have the potential to impact positively on the lives of around 21,500 primary school boys over the course of five years.

The opposition claims that this is a quick fix. Of course it is a quick fix because the fix needs to be quick because the urgency is great. The opposition may well argue that this government measure is discriminating against women. However, the purpose of the amendment is to redress an imbalance between men and women in the teaching profession. The opposition may argue that the amendments will not result in training the best teachers. However, the amendment is about encouraging more and better quality male applicants into teaching. Nobody is denying that the women of the teaching profession do a wonderful job. I applaud their role. In my own electorate we now have many female school principals and they carry out very worthwhile positions in encouraging the learning capacities of young children. However, there is a desperate need for more men in the teaching profession and the Sex Discrimination Amendment (Teaching Profession) Bill 2004 aims to fix up this imbalance. In other words, as a government we have looked at a problem and asked, ‘How are we going to solve this problem?’ The problem must be solved because the greater interests of Australia’s students and younger population dictate that we have to have more male teachers and thus this bill seeks to bring about a practical solution to a problem which is getting worse by the year.
The opposition will argue—as the member for Denison did—many political points against this excellent proposal. But it really is time the opposition stopped arguing and playing politics and started thinking about what is best for the education and learning outcomes of our school kids and their future. The bill is a very simple bill. It is a bill which does not take a lot of reading. It is not difficult to digest. It simply says that we have a problem with respect to the number of male teachers, it is a problem which must be fixed and it is a problem which must be fixed now.

The passage of the bill will facilitate measures for meeting the urgent need to fix up the imbalance in the numbers of male and female schoolteachers and the effect of that imbalance on the education of male school students in particular. This, of course, is not the government’s only initiative with respect to improving educational outcomes for both male and female students in Australia. We also have the $159.2 million Australian Government Quality Teacher Program. This includes the provision of $27 million over six years to 2008 for boys’ education, including over $19 million for the Success for Boys initiative, through which grants will be provided to 1,600 schools to implement projects focusing particularly on opportunities for boys to benefit from positive male role models, and around $8 million already committed for initiatives such as the Boys’ Education Lighthouse Schools initiative and research into significant areas of education relevant to boys’ education.

The fact that the Human Rights and Equal Opportunity Commission has the power to examine the operation of the legislation will permit a review of its operation from time to time. We do not intend that this legislation should be seen as, in effect, an ideological outcome, but we are not going to apologise for thinking of a creative solution to help redress the imbalance in the number of male and female teachers. This bill is strongly supported in the community. This legislation will become law and the beneficiaries will be the students, both male and female, in Australia. It is not too late for the opposition to recant on their opposition to the bill. It is positive legislation, it will improve educational outcomes and it is about time the opposition took a reasonable approach to what is a very great problem in Australia’s schools. I commend the bill to the House.

Mr BEVIS (Brisbane) (6.01 pm)—I think the member for Fisher spoke one piece of sense, which is that we need more male teachers in our schools. We need more male teachers not just in our primary schools but in all of our educational institutions and, indeed, in some of the higher education institutions. I am somewhat amused by the member for Fisher’s reflection that there were more men in schools when we went to school than there are now. That may be right; I am not quite sure. I have never seen the statistics, though my childhood memories probably agree with that assessment. Of course, one of the reasons there were more men in schools in those days was that the women got sacked if they dared to get married. Women were not allowed to be employed if they were married. And not only did they find themselves sacked in large numbers for being married; they also were denied access to things like superannuation. This is not ancient history either. This prevailed in states around Australia through until the mid-1970s. It is hard to think that just 30 years ago women were in that position in a highly skilled area of the work force where their qualifications were equal to or better than those of their male counterparts. But that made no difference, because there was discrimination against women as a matter of policy.

Governments of all political persuasions have grappled with the issue of gender im-
balance amongst teachers for at least a generation—and, I suspect, for longer. What we have here, though, is not a solution to the problem but a gimmick—a stunt. This legislation we are debating does not fix the issue of providing role models—good quality teachers—male and female. The government originally claimed that the genesis for the Sex Discrimination Amendment (Teaching Profession) Bill 2004 was a request from the Catholic Education Office to offer 12 male-only scholarships. They sought an exemption from HREOC for that and it was denied them. In fact, the Catholic Education Office did not ask the government to introduce a bill to do these things. For reasons best known to themselves, the government decided they would jump in and legislate to provide for discrimination on the basis of gender when it came to offering teacher scholarships. In the end, the Catholic Education Office that did not ask for that intervention found an eminently sensible alternative solution, which was to offer 12 female scholarships along with the 12 male scholarships that they had wished to offer. That was a sensible outcome. I am sure it posed no burden to the Catholic Education Office, and it ensured that the Sex Discrimination Act was not breached. Given that the Catholic Education Office are a major employer of many thousands of teachers, I suspect that offering 24 scholarships was something they would have taken in their stride.

We should not lightly tamper with the principles of the Sex Discrimination Act. That act has been through this parliament and was basically supported by both sides of politics for good reason. We should not be discriminating in employment situations on the basis of someone’s gender unless there are clear and strong reasons. The act does make some provision for exemptions. It provides a mechanism for people who believe they should have an exemption to have their case heard. That is a fair and sensible system. Indeed, that is the system the Catholic Education Office pursued when they wanted to offer male-only scholarships.

The problem about male numbers in the teaching service is far more complex and deep than this simplistic gimmick—this stunt—that the government has brought back into the parliament to try and introduce discrimination in favour of males in the teaching service. I spent a few years as a teacher and many more years as an official of the teachers union. I remember going to what was then a teachers college, in 1972, on a scholarship. Pretty much as things are now, demand and supply dictated the entry point for a lot of these things. In order to get males into the teaching service, they were offered scholarships with secondary school results that were well below the level generally accepted for tertiary education and well below the level at which they were offered for women.

To put that into context, the year in which I completed year 12 was 1971—a few years ago, Joe. In 1971, to get to the University of Queensland to do a standard degree you needed what was then called 24 points. To get into teachers college you needed about 20. If you were a male, you could get into teachers college on 17 points. People who had 17 points had failed a number of subjects in secondary school, but they were offered a scholarship because the government—the conservative National Party government at the time—thought, ‘We want more teachers, so what we’ll do is offer them scholarships.’ We will have a discriminatory regime where men get a leg up. Why? Because they are men. Not because they would be better teachers, not because they had demonstrated an academic ability that justified their entry into tertiary education but simply on a sex discriminatory basis: because they were men,
they had an advantage. Here we are, 34 years later, and this dopey government wants to reintroduce that principle as a way of addressing the problem of gender imbalance amongst teachers in our schools. That is an extremely foolish and retrograde step.

I should say that one of the other intricacies of that system was that the teaching area that had the highest entry requirement of any was physical education. It not only had the highest entry requirement—and that had nothing to do with the level of skill required to do the job, ultimately; it was purely supply and demand—but also required people in the final 300 to be interviewed to select the 50 who were going to do the course. The selection processes we have adopted over the years seldom reflect what we actually need in the teaching service. They are either a result of sex discriminatory practices, which we should have put behind us by now, or the result of supply and demand, which is not always the best way of making the decisions in these matters.

Against that background, the government think that they will solve a problem that does not exist. The Catholic Education Office have not asked for this; they have fixed their concerns. The government think that they will solve a problem that does not exist by starting to dismantle the Sex Discrimination Act.

This issue of role models and boys education is something that this House of Representatives has looked at on a couple of occasions. The House of Representatives Standing Committee on Education and Training looked at this in the 40th Parliament. Its predecessor committee, the Standing Committee on Employment, Education and Workplace Relations, looked at it in the 39th Parliament. A number of people on the government benches were on those committees in those two parliaments. They actually looked into this issue of the gender problems at school that went to the question of teacher education. The member for Forde, Kay Elson, Teresa Gambaro in Petrie, Michael Johnson from Ryan, Margaret May from McPherson, Phil Barresi from Deakin, Alan Cadman from Mitchell and even Dr Brendan Nelson, the member for Bradfield, served on the committees in one or other of those parliaments when they conducted the inquiry into boys education.

The committee delivered a report, *Boys: Getting it right*. It made 24 recommendations for action that needed to be taken to fix this problem. Not one of those suggested, much less recommended, that we should impinge on the Sex Discrimination Act, return to the days of 1971 and put in place sex discriminatory measures to assist males to get into the work force. The committee made one recommendation, recommendation 20, that dealt directly with teacher training. It said:

The Committee recommends that the Commonwealth provide a substantial number of HECS-free scholarships for equal numbers of males and females to undertake teacher training.

That was a recommendation of the government’s own committee. Remember that this is a committee on which Liberal and National Party members are in the majority. It is a government committee with a government majority and it recommended not the course of action that the government is pursuing today but a far more sensible course of action: to offer equal HECS-free scholarships—attract more males into the service, but do it without discriminating against people simply on the basis of whether they have an X or a Y chromosome.

This is silly policy by the Howard government—retrograde policy. It is not surprising that it is retrograde, coming from the Howard government. But the members of the Liberal Party whose names I just read out,
who participated in an inquiry on this, are going to front up and vote for a proposal that they investigated and did not support. It will be interesting to see how they justify that to their constituency.

There are many reasons why men are not attracted to the profession or do not remain in the profession. Studies have been done on this by employing authorities and by teacher unions. The answers are out there. The government does not want to address the issues because it involves money and it involves a change of attitude. This is the easy way around it: ‘Rather than fix the problem, let’s cast aside a fundamental principle of equality; just put in place a few cheap, nasty scholarships and that will overcome the concerns’—the concerns that the government seems to have on this matter. It does not do that.

One of the things that people need to comprehend is that it is not just about getting people into the teaching service: it is about retaining them. A whole generation of people in the teaching service have been there for a short time and transited out. The teaching service is now an ageing teaching service. For a generation, most of the people who have gone into teaching decided they did not want to stay there. You can offer them a scholarship, and that will get them in the door—even if it is a dopey scholarship like the scholarships that the government is proposing—but it will not keep them there. Retention is an issue that needs to be addressed. In answering the problems of retention, we will also start to address some of the underlying reasons why people do not enter the service.

People should understand the implications of the ageing population that is now the teaching service. The ABS’s own data show that workers in education and health are amongst the oldest workers in Australia. In 2004, when the average age of all Australian workers was 38.6 years, the average age of workers in the education sector was 43.4, the oldest of any industry sector. Education has the oldest age profile of any industry sector in our community. Offering a few scholarships to men does not fix that problem. Offering a few scholarships to men at best will get a handful of extra teachers in the classroom in a revolving door while they transit through to do something else. Unless the questions of concern that confront all teachers—male and female—are properly addressed, this issue will continue to be a thorn in the community’s side.

What are some of those issues? There are issues about career paths and about balancing the realities of service in education, which often involve dislocation, transfer, moving around the state with your family and other personal responsibilities. Critically, they also involve remuneration. They involve questions about how much society values educators, how much we pay them, physical support for them and how the leaders of this country verbal them. When the Prime Minister and others hop up and start attacking the largest employment sector in education, which is the government sector of education, as they have done—

Mr Hockey—he went to a government school.

Mr Bavis—that is true. Of course, the Prime Minister did go to a government school, unlike around one-third of the cabinet who went to those big category 1 schools that the cabinet and the government have made sure get most of the money. The point I was referring to was not the skewed funding—although I would be happy to have a debate about that, which I have done on a few occasions in this parliament—but the way this government has shifted funds from needy schools—state and non-state, private
and church—to the wealthier schools, which is a genuine crime many people object to. To compound that problem, the Prime Minister and others on the government benches have sought to demonise government schools as being value free, downgrading the worth of government schools.

If you value the work of educators and teachers, if you want to attract teachers, attract people into the profession and retain them, you do not go around badmouthing and verbalising them as this government did—as the Prime Minister did—for a couple of years prior to the last election. It is all well and good to front up at the odd school function or to say, ‘I went to one of those schools,’ but the fact of life is that funds have been diverted from them, resources have been taken from them and they have been attacked as being institutions that have not provided sound education for the people. All of those things can be substantiated, Joe. You are the minister at the table, mate. Do you want to extend the debate? We can certainly get into it.

The DEPUTY SPEAKER (Mr Quick)—Order! Please refer to members by their title.

Mr Hockey interjecting—

Mr BEVIS—I am happy to take up your offer, Minister. If you move a change in the daily program, I will gladly accommodate you. The simple fact of life is that, at every turn, the government has sought to diminish the role of teachers, the role of the largest section within our schooling system, but then it wonders why people do not want to make a career in the education system.

The government are trying to open TAFE colleges—which are an important part of the education process—that will be run by the Commonwealth. There is no doubt in my mind that, as part of the deal, teachers will be required to work there on individual contracts. The fact is that teachers are not alone in this. Most Australians do not want individual contracts, which is why the take-up rate is the lowest of any form of employment. Of all of the means by which a person can be employed in this country, the vehicle which is used by fewer workers than any other vehicle is individual contracts. But the government have a political agenda and an industrial relations agenda. If the government are concerned about education, why are they telling teachers whom they are about to employ directly—which the Commonwealth has tended not to do—for the first time: ‘We want you to work in our new TAFE colleges that we are constructing, buying, building or leasing,’—or however they are going to construct the arrangements—’but, to do it, you have to work to an industrial relations instrument that nobody in this country wants except us.’

Mr Hockey interjecting—

Mr BEVIS—Joe, I am afraid it happens to be an instrument—

The DEPUTY SPEAKER—Order! I remind the member for Brisbane to refer to people by their title.

Mr BEVIS—Indeed. I apologise, Mr Deputy Speaker. The Minister for Human Services, who is at the table, should go past the tabloid press releases that come across his office and look at the data. He will discover that, of all of the instruments that people can work under, AWAs are used by fewer people—and that is after this government and previous conservative state governments have forced workers onto them. Even with all of your efforts, fewer people work under them than anything else, yet you will tell teachers that they have to work under one. If you are concerned about attracting people, retaining them and having the best people, why will you force them onto conditions and industrial instruments that they, along with every other worker in this country, do not...
want? If you are fair dinkum about dealing with this problem, sit down and talk to the employing authorities, the state governments, the Catholic Education Office, the private schools and school administrations. Talk to the teacher unions that represent them. Look at the work they have done over decades to address this issue, but do not try to turn the clock back to 1972 and pretend that the only way that you can increase the number of men in the work force in schools is by shredding the Sex Discrimination Act and introducing a benefit for men that is not available to women. That will not produce the result.

This is not a debate about educating boys or how many men there are in teaching roles; this is a debate about the importance of education for boys and girls—for all of them—because role models for boys and girls are both male and female. That seems to be something this government has forgotten. You are about to turn the clock back and make a very bad mistake by going down this path but, as you have done in so many areas, I am sure you will press ahead with all of the prejudice that you have behind you rather than looking at the case that has been advanced by the people in the sector who, just about to a person, have opposed it.

Mr LAMING (Bowman) (6.22 pm)—In debates like this, which often boil down to a complete fear of anything that looks even slightly discriminatory, it is often useful to go back and have a look at the record of what has occurred in the past. That is something that I intend to do this evening. But let us remember why we are here today debating the Sex Discrimination Amendment (Teaching Profession) Bill 2004, a very important bill. We are here because we represent our communities and our electorates and we are looking after their interests—the interests of parents and the interests of children, who are the future generation. Our concern as elected representatives should be to make sure that they have every opportunity to a balanced educational experience. I think most people in the community—and this is reflected in the government report Boys: getting it right—would say that would include having role models of both genders in the early years. But walk into a primary school today and you will find a very different picture. There are hardworking teachers but, in many cases, only one in six teachers are male—probably the worst ratio is right here in the ACT where only one in 20 teachers in child care are male.

It is parents themselves who are concerned about and are driving this legislation. You can understand them having the words echoing in their ears from the king of rock and roll—they would like a little less conversation, a little more action. This is about taking action now to make sure that we do not have this fight every time we try to address imbalances in inputs. In this profession in particular we have effectively seen a tilt where we have had a real fall away in the number of males applying to do teaching. I want to unravel that a bit later and talk about why that is happening, but I do want to say this: this is not a case of increased opportunities for women to enter the teaching profession. If it were, we would have net increased numbers of applicants and rising entry rates to study teaching in university. That is not happening. It is not as the member for Denison describes; it is in fact the reverse. We have seen a fall away in entry levels for teaching in many cases. In particular, we have seen a haemorrhaging of the number of male applicants. That is the problem specifically addressed by this legislation. I hope that is clear. This is not a case of increased opportunities for women, because we have by and large won that battle. We have had fantastic results, both legislatively and sociopolitically, over the last generation. This
is about a particular problem that pertains to teaching. That has been borne out in the *Boys: getting it right* report, to which I will allude later.

I am not going to stand up here today and say that opponents of this legislation do not have a perfectly reasonable argument for having concerns about having to entrench legislation to ensure that, in this case, male scholarships can be offered. Let us keep in mind that the empirical evidence to suggest that exposure to male and female genders in early education is not entirely there just yet. I think that is quite right: in many cases that evidence is not there just yet. But remember that empirical evidence is only one slice of the cake. You also have a community expectation. It is an expectation that you can walk into a school and know that your kids are going to be receiving a balanced educational experience and that there are going to be some males somewhere in the school grounds. We are getting to the stage in the ACT where those ratios are entirely skewed. I think it is inadequate for us here to wait another generation or two and rely on a series of resource packs on an AEU web site to eventually increase the number of males who choose to do teaching.

On the contrary, I believe really good policy is targeted right at that point where young Australians decide to do teaching. A grant like this is effectively a signal saying that we are not going to be laissez faire about who goes into teaching; we are going to actually ensure that we have some balanced inputs as far as male and female representation in that profession goes. Of course it is not going to completely fix the problem and make the ratio 50-50. But I think it is entirely appropriate that, for such an important profession as teaching, we are going to say that we would like it to be at least a ratio of no worse than two or three to one. We have slipped to five or six to one, and that is a problem that needs to be addressed.

This legislation today does not defend itself on the grounds of empirical evidence. Social scientists cannot yet say that the lack of male teachers is leading to harmful social outcomes without doubt. They are not yet saying that, but are we in this chamber going to wait until that data is irrefutably available? That would be completely irresponsible. We need to act now before that evidence is at hand, before we have missed the boat. I think Australian families will expect us to do so.

I alluded to the 2003 report entitled *Boys: getting it right*. There is significant public concern. I know that a number of recommendations came out of that report. I appreciate that one of those was having HECS discounts and an equal number of scholarships. That is fine. We do not stand here today and say, ‘This is the only solution to the problem.’ What we are saying is that there has been a continued and historical preference for pro-female action in a large range of areas, many of which we have supported completely and some of which we have found a little bit over the top. But the moment it cut the other way, up went the hackles, down came the Human Rights and Equal Opportunity Commission and it became just too hard to do because it was a male based scholarship. I do not need to read out these lists of situations where positive discrimination runs the other way, but I will have a couple of fantastic examples a little later.

I do not think we should be sitting and talking and paralysing ourselves for a generation. Instead, we should be looking for the causes and addressing those, but not saying that is the reason for never introducing any form of scholarship to encourage young males to consider teaching as a profession. What we cannot afford to do—and social scientists would agree with this—is find our-
selves reinforcing a male-female ratio in schools as low as that in child care, with the large number of single parent families that we have at the moment, and finding a situation where there are no male role models for many young Australians until they are eight, nine or 10 years of age. I do not want to wait until we see detrimental educational outcomes. I think it is important to act now, keeping in mind that the number of male entrants to primary school teaching has fallen by 20 per cent in a decade. It is a specific problem that we are seeking to address today with legislation.

Scholarships will not address every need here, of course. I have emphasised already that it is an important signal, though, that we think that inputs should be balanced. This bill takes a fairly positive view about the role of men in the teaching profession. Most importantly, it is a cost-effective intervention. I know that the member for Brisbane has had an enormous amount of experience in teaching. He was extremely supportive of the idea that we should have a nice, warm solution so that we do not offend anyone in the Human Rights and Equal Opportunity Commission and that we should have an equal number of scholarships. That does not really fix the problem, does it? You would simply have those scholarships consumed by those who were going to apply for teaching anyway, with an equal number of them availing themselves of scholarships. We could keep offering more and more scholarships, and simply more and more teaching applicants would be there with a scholarship. But there would be nothing that actually alters the ratio, and it is the ratio that we are trying to address.

When that ratio is addressed, of course, you can withdraw those scholarships. Problem solved. We are not talking about paying male teachers more in their profession—of course not. This is a timely, single-point intervention that is likely to be effective because the moment when a young male asks, ‘Do I choose teaching or do I just shift across and do social studies or a business degree,’ is the moment when the government is saying, ‘We value your choice to do teaching.’ We are hoping that enough young males will choose to do that and alter that ratio. It is timely and it is cost effective.

A concern was raised by the member for Brisbane: what if retention rates fall away? Of course retention is a concern, but we are talking about $2,000 scholarships. If someone enters the teaching profession and gives it a go and even drops out halfway, I think we have gained something there for an enormously small cost. Compared to, say, the cost of increasing teacher salaries across the board, which amounts to millions and millions of dollars, this is a relatively tiny signal that is well timed, and it will be effective. I think you are misreading the situation. It is important not to misread it but to actually identify exactly what we are trying to do when designing policy. I would not call this a discriminatory bill. It could be discriminatory if one had to pay more once one became a teacher, but this is not like that. It is assisting at the point at which one makes a decision to take up teaching as a profession.

It is also important to consider why males choose not to do teaching. That is often missed. As we go through the lists that have been provided in some of the reports—there is an interesting list in Boys: getting it right—there are some gender specific concerns in teaching that will never be addressed just by offering more scholarships. One of the irrefutable concerns is simply the standing of teaching amongst males and the perception that it is ‘a woman’s work’. We see that in other areas, and I would like to speak from personal experience in obstetrics and gynaecology. There is the same sense: it is a highly regarded profession but one that males tend to shy away from for a number of
reasons. There are those suspicious glances that you get, ‘Why are you doing this profession; it’s female dominated.’ There are the jibes from your friends when you are going through training—‘What made you choose obstetrics and gynaecology?’—and those jokes at cocktail parties. That goes on as a subtle and unrelenting but low-grade pressure that, for me, was completely relieved when I went into a different part of medicine. It disappeared entirely. Male teachers face this every day in early education, so I do not have a problem with the government saying, ‘No, we value that choice to do teaching.’ The community needs more male teachers and this is a targeted intervention to ensure that occurs.

The problem was not so much that Catholic Education Sydney wanted some male scholarships, because there is a litany of pro-female legislation and policies on university campuses and unions around the country—obviously, a few eyebrows were raised. The problem came when HREOC decided to interpret the letter of the law that really was out of touch with community expectations. They stepped up and, for the first time for male scholarships, simply said, ‘No; we would be quite happy if you offered the equivalent number of female scholarships, which makes us all feel warm and comfortable but does not fix the problem.’ But they were not happy with a simple provision of 12 male scholarships.

Universities nationwide offer these scholarships in academic areas. I know that many of you would be aware of that and many of you have been beneficiaries of them. Maternity leave returnees can benefit from those sorts of positive policies as well, and we do not have a problem with that. We even have advantages for females returning to work at a mature age. The Metro Tasmania bus service actually received an exemption from the Human Rights and Equal Opportunity Commission, which is extraordinary, to employ female-only bus drivers because there was some passenger preference for female drivers. There was no problem with that, according to HREOC.

I am starting to highlight the potential double standard that has existed for a long time and did not raise any eyebrows, so we let it roll along. All of a sudden it just could not cut the other way. It is this sudden insistence of the Human Rights and Equal Opportunity Commission for compelling evidence that male scholarships will actually address ‘the underlying causes of the gender imbalance’. So it is okay to do something that is slightly discriminatory if it addresses the underlying cause of the gender imbalance. None of these positive discriminatory policies of the last generation ever addressed the underlying cause of the imbalance. By definition, the positive discrimination for women in preselection for the Labor Party never addresses the underlying cause; it just skims in with a solution—a ratio, a preference. It does not in any way address it, yet that is what the equal opportunity commission expected of Catholic Education Sydney. I think that demand was most unreasonable and a very high bar. You cannot simply have it both ways.

HREOC also found that the reasons for low male teaching ratios were varied and complex—I think that is fair to say—and that they were once again supportive of a less discriminatory approach, which is not effective policy intervention at all. It is just more scholarships on both sides. That does not help the ratio. Another proposed solution was a pay rise, which, I have argued, was simply financially ineffective because of the enormous amount that would have been spent to, again, leave the problem little different.

But it gets worse. If we look at state governments and see what they have been doing for a long time, it is quite instructive because
there are examples of long and ongoing activity within gender units to ensure that these balances are achieved all the time—and it has not raised any eyebrows at all. Let me quote what I would hardly describe as a piece of intellectual illumination. It is a comment from the Victorian government gender education unit:

What if they—

that is, male teachers—

don’t have the professional development, skills and training to engage boys in issues of gender, and reinforce undesirable notions of dominant masculinity?

What a confusing contribution to the fact that we just want to have reasonably balanced work forces in education and particularly in primary schools. Action to address sexual discrimination—the gender ratios, opportunities in business and careers, and the resources that we provide to the university centres for gender equity—is all okay, but the whole world faces doom and gloom if we begin to entrench within legislation the opportunity for scholarships to be offered that cut the other way.

The Sex Discrimination Amendment (Teaching Profession) Bill 2004 before us today is only a tiny eddy that runs against a flood of what has been feminist largesse for a generation to ensure that balances were achieved in a whole range of areas in which no action at all has been taken by the Human Rights and Equal Opportunity Commission. My belief is that it is perfectly reasonable, once ratios fall to around five to one, that universities should be at liberty to offer these gender based scholarships. But to actually get a reasonable benefit would take around 2,500 more male teachers each year. Keep in mind that this initiative offers a small number of scholarships, around 500, that make a very important contribution. But it is a only a quarter of what will be required to achieve a balance of two to one, female to male ratio.

The concern is that teaching applicants will merely pocket the bonus, saying, ‘Okay, I was going to apply for teaching anyway and, luckily, here was a scholarship that I was able to avail myself of.’ I have pointed out that it is the policy signal that is important, that the government will not remain laissez faire when it comes to inputs. If we step back and look at the broader platform of technical education, we see an attempt to better integrate the private sector and industry with training. So it is completely reasonable that we are thinking about the kinds of inputs that we want in education and ensuring that undergraduate degrees are reflecting that balance and meeting the work force needs.

There may well be a time when we have to say that increasing male ratios will involve offering scholarships—and what I am describing is a potential extension of what we are debating tonight—to males who are already halfway through their degrees in areas other than teaching. We may have to ask: ‘Why don’t some of you consider swapping across, making a transition and picking up a teaching degree?’ They could complete their primary degree and have a teaching qualification. To encourage males to do that we need to have scholarships available and perhaps even link the size of the scholarship to their undergraduate scores so that we know that we are attracting diligent, talented applicants into teaching rather than simply those who are the most cash responsive. That would be a positive thing. We have already seen from the intake system of postgraduate medicine people with broader experiences taking on a medical profession. So, too, we should see this in teaching. People have taken degrees in their area of career choice. Halfway through their degree, they may well
receive an incentive to switch across and become teachers.

It is important to seek further evidence about the social impacts of teaching inputs. But it is wrong to block small and meaningful measures, such as those contained in the bill before us tonight, which I believe head in the right direction. Addressing the underlying causes is always going to be important but, for many males, taking on teaching is still a very tough decision and too many of them decide not to at a critical point when a scholarship might well be a very effective intervention. I felt that the member for Brisbane's concerns about the effectiveness of a low cost scholarship right at the time of decision making and retention issues missed the point that a well-targeted and fairly generous scholarship early in a career is very effective.

Of course, gaining comfort from having an equal number of male and female degrees is simply not going to fix the ratio issue. There was a recommendation for HECS-reduced or HECS-free places for both genders, but that will not make a difference. In summary, historically we have had plenty of examples of where we have worked towards having balanced inputs and ensuring that both genders can avail themselves of opportunities. This has been achieved in the main, but not in the case of primary school teaching. What we have here is an immutable legislative intervention—a small but very strong incentive for those choosing teaching as a profession. It is wrong to write it off as a gimmick or a stunt; it is wrong to seek comfort in simply offering an equal number of scholarships to both sexes. It seems that, as long as it does not offend and it remains completely ineffectual, it is going to be okay.

It is for that reason that I support the intention of this bill. Where we have completely unbalanced inputs, as in primary teaching, the bill will allow small interventions to occur in future so that we will not have to fight every time to ensure that balanced teaching inputs are achieved.

Ms Bird (Cunningham) (6.41 pm)—I say to the member for Bowman that I particularly enjoyed his digression into the obstetrics issue. I have been inundated by female obstetricians. My ability to access them is just amazing. Perhaps he would like to suggest a bill to support more females becoming obstetricians. Many of us who have benefited from the feminist explosion over the last 30 years would certainly appreciate that. No doubt we would be able to give him a long list of places where there is not a single one available—he might like to direct them there.

I am pleased to have the opportunity to speak on the Sex Discrimination Amendment (Teaching Profession) Bill 2004 today—although, to be honest, it feels a bit ludicrous to be debating this legislation. The situation that caused the supposed need for the bill has been resolved. Indeed, scholarships were offered in the way that has been indicated—12 male, 12 female—and, most sadly, while all the female scholarships were taken up, the male scholarships were not.

I put it on the record that I have a vested interest in this legislation. I have a 21-year-old son who started a degree in science teaching this year. While that gives me some personal interest, it also gives me a fairly good insight into what is affecting young males entering the teaching profession or, in this case, not doing so. My main problem with this bill is that it does not address the problem at all. It is the wrong tool being used to fix what is, I believe, a dubiously expressed problem. I believe that the government is wedded to this piece of legislation simply because it has been rejected twice before. The government now seeks to make
Besides being a secondary teacher by training, I am also the mother of two teenage boys—although one is now out of his teenage years—and as such I well know the challenges many parents face daily in keeping their sons engaged with the school process, particularly during the teenage years. While talking about these challenges to many parents whom I have got to know through my boys, I have quite honestly never heard the concern expressed that the problem was that they did not think there were enough male teachers in the schools. Rather, the main problem that you often hear described is that they feel the curriculum is such that boys often believe—and I have heard this on too many occasions already—it is irrelevant to their future life expectations. They are bored with the structure and format of lessons. And on occasions there is an incapacity by some teachers to fully engage boys in the classroom.

All of these factors contribute to boys generally achieving poorer educational outcomes than girls. On average, boys do not perform as well as girls in a range of literacy skills, including reading and writing, speaking and listening. Boys are more likely to leave school earlier than girls and less likely to complete year 12 studies. Boys are suspended and expelled from school at significantly higher rates than girls. As I indicated, I have been a secondary teacher. I have directly experienced the often very difficult task of managing the more exuberant and indeed sometimes disruptive behaviour of boys in a classroom, so I do empathise with the problem that many teachers face in today’s classroom. The other side of the challenge is that disengaged boys become disruptive boys and in some cases major discipline problems develop. To some extent these behavioural problems are a product of the school environment but in many cases they are also a result of problems in the home environment.

I believe it is important to be clear about these two separate aspects of the problem we face in educating our boys. Firstly, we need to address the educational program and its delivery, to ensure that boys engage with their schooling process and see it as relevant to their future. There is much debate currently taking place in the community about skill shortages and high youth unemployment. These twin problems are to some extent a result of the changed link between schooling and postschool training. When I was at school—a relatively short period ago—many young men left at the end of year 10, or fourth form, as it was then, to take up trade apprenticeships. In the following decades governments began to put an emphasis on high school retention rates and a significant push was made for all young people to complete year 12. Employers reflected this expectation by increasingly recruiting into apprenticeships from year 12. Young people who left school at the end of year 10 were not competitive and were often therefore left behind.

One response to this policy was the expansion of vocational training in the senior years of secondary schooling. In the late eighties and early nineties, when I was teaching at Wollongong TAFE, I coordinated a joint schools-TAFE program that saw hundreds of young people from across the region attending the TAFE to participate in courses such as welfare, automotive, carpentry and joinery, office skills and hospitality. Schools also began to expand the range and depth of vocational based training that they offered on their own premises. These were positive programs for many young people—boys and girls—who needed to stay on to year 12 as a minimum expectation in a new environment and who had no interest in subsequently...
studying at university. I believe it would be more meaningful to young people in their secondary schooling to have this approach now extended into the more junior years of high school. The legitimising of practical, hands-on, problem-solving learning would be particularly important in keeping boys engaged in school. Too often in junior years the skills that are appreciated and rewarded do not come naturally to many boys.

I should note that in discussing the difference between boys and girls I am generalising, but I believe there are inherent general differences, just as there can be exceptions. Boys, for example, as I know from personal experience, are much less likely to take extra effort in the presentation of their work. Getting them to neatly handwrite, colour in headings, do nice title pages and organise and glue in work sheets can be a parent’s and a teacher’s nightmare. Computers have made those skills more acceptable and more accessible to boys, being in a format they are much more likely to engage with. But classroom work is still by and large paper and pen based.

If we are serious about improving the overall performance of boys in school, there are many such questions to be asked and ideas to be generated. This bill addresses none of these. In May last year the Senate Legal and Constitutional Legislation Committee inquired into this bill in one of its previous appearances. This committee gave ambiguous and half-hearted endorsement of the bill in its majority report. While not saying the bill was a simplistic, quick-fix approach, the report acknowledged that many of the submissions that it received made exactly this point. The report clearly identifies ‘it is the quality of teaching and learning provision and not teacher gender that has the most profound impact on scholastic outcomes’.

Even the government’s own media release at the time of the report played down the significance of this bill as being only ‘one of a number of the government’s strategies to support male teachers and address the particular education needs of boys’. This media release then proceeded to extol the size and value of funding to specific programs, such as the Success for Boys and Boys Education Lighthouse Schools initiatives. If the government honestly wants to improve the educational outcomes of boys, it would do well to further invest in such programs and to explore other such options, such as those recommended by the March 2004 report of the House of Representatives Standing Committee on Education and Training into vocational education in schools.

One of the most useful policies addressing this issue in the federal election campaign was Labor’s commitment to meet the TAFE fees of secondary students so they could gain greater access to vocational training. The government’s proposal to establish technical colleges will be too limited in its range and accessibility for far too many young people. We have already established links between our school sector and TAFE colleges that should in fact be strengthened and extended. The other side of the challenge in boys’ education is the prevalence of behaviour problems. The Minister for Education, Science and Training reflected on this issue in the debate in this House in March last year when he said:

If you add to that that boys represent 80 per cent of all schoolchildren in ... disciplinary programs and close to 100 per cent of those expelled from school, that they are more likely to be involved in drug related incidents and in assault and that they are three times more likely to die in a motor vehicle accident and five times more likely to take their own lives, it is obvious ... our country has a problem.
I should inform the House that I also spent seven years working with the New South Wales Department of Juvenile Justice and know too well the truth of the description provided by the minister. I endorse his contention that this is a major challenge we must address. However, this bill does none of those things. Many of the boys we are talking about here have, to their great misfortune, too many male role models in their lives of a most negative kind. I do believe that positive role models in the schools they attend could be helpful, although I am doubtful that the impact will be as significant in addressing academic performance.

Currently in Australia, according to figures provided by the Australian Education Union, about 70 per cent of all teachers are female but only 30 per cent of senior positions in schools and education departments are held by women. Good, positive role modelling of authority by male head teachers, principals and so forth can be important in demonstrating an appropriate use of power to these boys. The significant absence of women in such senior roles in schools, however, may also reinforce the view that grandmothers, mothers and sisters do not carry any authority.

Having more male teachers in classrooms may also reinforce the value and importance of both male and female teachers and improve the outlook of these boys towards female figures in their lives. Attempting to identify what factors contribute to healthy, well-adjusted young men is not simplistic or one-dimensional. Actions in one area may cause unintended consequences in another. Academics vary widely in their assessment of this issue. I feel it is, on balance, worth while to seek to engage more men in teaching at all levels and to continue to encourage women to seek promotional opportunities in schools. Achieving a more equitable balance is more likely than otherwise to have positive outcomes for students.

The question becomes: why aren’t men going into the teaching profession? There have been many reports and comments on this question in the context of this bill, and clearly the reasons lie in the career choices young men are making. The Human Rights and Equal Opportunity Commission made four findings of fact. Fact 2, as listed, states: … the reasons for the gender imbalance are varied, but include

- the status of teachers in the community
- child protection issues
- the pay and conditions of primary school teachers relative to other occupations …

Fact 3, as listed, states:

… there was insufficient evidence that the proposed scholarships would address the problem …

I, unlike the member for Bowman, believe that there is no problem with offering scholarships generally in the hope that the opportunity to undertake subsidised teacher training may be attractive to young men when they are making their tertiary study decisions and thereby increase the number of male teachers. In fact, the solution reached by the Catholic Education Office was exactly this approach and did not require amendment of the act.

Indeed, media reports on 15 March 2005 indicated that the male scholarships offered by the Catholic Education Office had still not all been taken up. In addressing the problems in performance by boys in education, it is therefore highly doubtful that this bill will have any meaningful impact on the broader complex issues that contribute to the problem. It is dubious whether it would increase the number of male teachers and also doubtful that increasing the number of male teachers would guarantee a positive impact on the outcomes of boys.
Even if we take a neutral position on the bill’s impact on male teaching numbers and boys’ academic performance, it is still a clumsy and inappropriate tool. To amend the Sex Discrimination Act when this is not a problem caused by any form of discrimination as defined by the act defeats the purpose of the act. The resolution of this issue for the Catholic Education Office by utilising the existing exemption provisions more effectively to achieve their desired outcome quite clearly demonstrates that the act already has the capacity to allow such problems to be resolved.

The government is a past master at putting before this parliament and the community simplistic, meaningless proposals for quite complex and serious matters simply to make its own ideological point and to attempt to simplify and misrepresent Labor’s position on the matter. Parents of boys and young men who are increasingly worried about the future of their children, their participation in schooling and their academic performance do not want the issue to be used as a spurious political tactic to take cheap shots.

The opposition has legitimate and serious concerns that the proposed amendment may in fact do damage to the future capacity for education providers to seek sensible exemptions to address any form of gender imbalance in the teaching profession. It is not at issue that there are some sound and reasonable arguments for the government proactively supporting strategies to increase the number of male teachers in schools. We do not even need to address the issue of whether or not there is a direct link between the number of male teachers and boys’ school performance. As I outlined earlier, I believe that such links are tenuous at best.

It is sufficient to argue that on sound social and equity grounds it is worth while to escalate the value and importance of teaching as a profession by encouraging equal numbers of men and women into the service. In fairness, it is sufficient to argue that teachers, regardless of their gender, benefit from society valuing their role and contribution at all levels of the profession and seeking to affirm this by implementing gender-balancing strategies. However, to seek to make such changes through the blunt measure of a legislative amendment of an act which has already been proven to have the capacity and flexibility to address problems as they arise is careless behaviour. It is cavalier political use of the function and purpose of legislative amendment.

To be honest, there are few issues that would come before this House that would have the capacity to engage my concern in such a deep intellectual, emotional and very personal way. I have been a teacher. I have taught young people—girls and boys—in our public high schools and TAFE colleges. I have worked with the most damaged and troubled young people in Juvenile Justice. I have engaged with young men and their families through the friends of my sons about their hopes and frustrations for their future, their expectations and their both positive and negative experiences of schooling.

I assure the House that I do not comment on this bill lightly or with any simple intellectual engagement on the legal and social implications. I care very much that, over the next decade, we tackle the concerns of boys, young men and their families and communities about why they are increasingly disengaging from schooling, why they continue to underperform and to drop out of education, why they are so overrepresented in discipline processes and as offenders in the community, why their rate of suicide continues to rise and why we are failing so many of our boys and young men as a society.
Over the coming five to 10 years we will see a bulge of teachers who will be entering retirement. When that bulge of retiring people leaves the work force and there is more public discussion of the looming shortages I believe that more young people, including young men, will see real career opportunities and reasonable compromises for long-term lifestyle options and that that will feed into an increase in the uptake of teaching as a profession.

I know from my own experience, and from the experiences of many of those who were trained at the same time as I was, that the limited access to permanent teaching work in the local area was a factor that drove many teachers out of teaching. If they had committed to a family—many of us were young and we did so—and had partners to consider, many left teaching because the work force demands did not enable them to access permanent teaching.

I believe that, as that particular cohort of people passes through the system and there is a shortage of teachers, the ability to access a good job at a reasonable wage with a good lifestyle in the local area will act to draw young people, including young men who are capable of making very sensible decisions, into the profession. In conclusion, I acknowledge that the problems claimed by the government as the impetus for the bill are real and serious and need government action. This bill is not a real answer, however. It is not serious about addressing these issues and is simply the wrong form of government action on this issue.

Mr BARTLETT (Macquarie) (7.02 pm)—Like the last speaker, the member for Cunningham, I come to this issue not only as a member of parliament but also as a former teacher concerned about issues affecting the progress of boys in education. While I appreciate the genuine concern of the member opposite for these issues, I must say that I am very disappointed with Labor’s denial on this issue and even more disappointed with their hypocrisy on this issue. On the one hand we have Labor saying that affirmative action and positive discrimination is okay—that it is okay in areas of preselection for Labor Party positions in parliament and it is okay for various union leadership positions but it is not acceptable, according to Labor, on things that really matter such as educational outcomes for boys. So Labor are selectively supportive of affirmative action and only selectively opposed to discrimination where it suits.

There are two critical facts here. The first fact is that there is a severe shortage of male teachers, especially in our primary schools, where only 20.8 per cent of teachers are males. That figure is declining steadily—from 26.3 per cent in just the last 10 years. For those in teacher training the figure overall is less than 19 per cent and in some cases is far less than that. The University of Western Sydney reported in 1998 that only 12 per cent of teacher trainees for primary courses were males. The Australian Catholic University indicated in its submission to the Standing Committee on Education and Training inquiry into the education of boys, three years ago, that only 10 per cent of those in training to become primary teachers were males. Fortunately, the situation is not quite as bad for secondary education: 45.1 per cent in 2001, but still declining, down from 49.5 per cent in 1991. But less than 21 per cent of teachers in our primary schools are men. In New South Wales alone, some 250 schools have no male teacher—250 schools where children can go right through their seven years of kindergarten and primary education without ever having a male teacher.

The second critical fact is that boys are not doing as well at school as girls, and the gap is widening. Any number of pieces of
information support this. In the 2000 national literacy testing, 3.4 per cent fewer year 3 boys and 4.4 per cent fewer year 5 boys than girls reached the acceptable national benchmarks. An ACER research project showed that, for 14-year-olds, the gender difference in achieving literacy has grown over the last 20 years—from three per cent fewer boys achieving acceptable or satisfactory levels in 1975 to a deficit of eight per cent. So the difference is widening. High school retention rates show that now 12 per cent fewer boys than girls stay on to complete year 12 whereas 30 years ago the rates were equal. Eighty per cent of suspensions and expulsions from schools are of boys. Only 43 per cent of those who enter university are boys. Results in the Higher School Certificate and its equivalents around the country show that girls are outperforming boys in most subjects. While there are some variations across the states, in 80 to 90 per cent of subjects boys are underachieving compared to girls.

Clearly, there are many reasons for this. It is not only a decline in the number of male teachers. There are many reasons: social and economic changes; changes to family structure; increased work force involvement of both parents and possible underparenting; media stereotyping of males, which have promoted too narrow or negative an image of men; the feminisation of the teaching work force; changes to curricula and pedagogy; changing assessment methods which favour literacy skills over numeracy skills; and a mismatch between the school environment and the changing social needs of adolescents, particularly boys. So, clearly, there is no single cause for the underachievement of boys. But, just as there is no single cause for the underachievement of boys, there is no single simple solution and the government is certainly not suggesting that there is. As the causes are complex, so we need a multifaceted approach to addressing the issues. Having more male teachers is one of a suite of approaches that will help in this situation. So the question is: will more male teachers help? The answer clearly has to be yes.

No-one is saying that men are better teachers than women or even that women cannot teach boys as well as men can. We are hearing that caricature from the other side, but that is not the point. It is important for their educational development and for their social development that boys as well as girls have both male and female teachers. I say that for three reasons. Firstly, in terms of pedagogy, boys and girls need a range of approaches in the classroom. Boys and girls tend to favour different types of teaching and tend to learn in different ways—not exclusively, but there are general preferences for different approaches. For instance, boys need more structure, more clearly defined instructions and more explicit teaching. They tend to prefer a more analytic approach rather than the verbal linguistic approach where girls tend to outperform boys. Neither approach is necessarily better, but all children need a diversity of approaches in the classroom. Therefore, boys and girls will both benefit from having male and female teachers and from having a range of pedagogical approaches, particularly in their early primary school years. Clearly that diversity of approaches is less likely to occur if there is an overwhelming predominance of one sex or another in front of the classroom.

The second reason is that, as well as its importance for pedagogy, a balance is important for educational motivation. We say to our young children: ‘Education is vital. It’s important that you do well at school. It’s important that you work hard. It’s important that you really focus on your learning.’ Yet this rings hollow for so many boys when they see no male teachers in the classroom, no males professionally committed to education. So male role models in the classroom
are also important in motivating boys to do as well as they can at school.

Thirdly, and more broadly, boys need positive male role models for their social development as well as their educational development. It is important that boys see men in caring, nurturing roles as well as in positions of authority and that they see men implicitly modelling appropriate ways to relate to other people, including women. Not only is it important that their male role models are the sporting heroes or the exaggerated media stereotypes of hypermasculinity that we often see but also it is important that they see a balance with men in the classroom modelling appropriate ways to behave. This is increasingly important given the growing number of children being raised in single parent families.

In the 11 years between 1989 and 2000, the proportion of children under 15 growing up in a single parent family grew from 14 per cent to 21 per cent, with 89 per cent of those single parent families headed by women. Again, this is not a criticism in any way of single mothers, most of whom do an outstanding job under very difficult circumstances, but the fact is that boys need positive male role models as well as the nurturing and caring of their mothers. And girls do too. Girls need to see both men and women in positions of leadership and authority as well as in nurturing and caring roles and they need to see appropriate ways for men to behave in roles of authority.

Apart from a relatively small proportion of our community who are in denial—as, sadly, are most of those on the other side—people would tend to agree that we need to encourage more men to take up teaching as a career, particularly primary teaching. This legislation is a very practical, sensible and reasonable approach to helping to achieve this outcome. Shortly after this legislation was proposed last year, on 11 March 2004 an article appeared in the *Australian* by Dr Peter West, the head of the research group on men and families at the University of Western Sydney and the author of the book entitled *What is the Matter with Boys?* Dr West is an academic for whom I have very high regard. He has been committed for many years to improving the educational outcomes for boys. Dr West put it quite simply: Will male-specific teaching scholarships improve the standard of education for Australian boys? As a long-time ... researcher of the subject, I believe the answer is yes.

He went on to acknowledge that this needed to be one of a number of measures, and the government acknowledges that, but this is one of a number of measures that can and will help. Dr West said:

Still, a strong case can be made that male teachers do make a difference in the classroom (and playground and sporting field), and they can reach out to boys in a way that women teachers can’t.

Will male-only teaching scholarships make a difference? He says:

... I believe the answer is yes ...

Dr West is an academic who has spent many years on this area. So the question then is: how do we get more males into teaching? Providing financial support for men to undertake teacher training will make it more attractive. It is naïve nonsense to suggest that the financial cost of training is not a consideration. For young men perhaps contemplating a university education who are not sure, are tossing up between alternatives, the option of saving several thousands of dollars—perhaps $15,000—has to be attractive. We heard the member for Brisbane say earlier that he went into teaching on a teaching scholarship. I entered teaching on a teaching scholarship as well, partly because I was committed to teaching and partly because
that was an attractive way in which to undertake a university education.

The reality is that scholarships to enter teacher training will attract more males and, if those scholarships are bonded, they will result in men remaining in the classroom for those years of their teaching bond and hopefully during that time becoming so excited, enthusiastic, passionate and committed to teaching that they will decide to make teaching a life-long career. Many who started off with bonded scholarships have become committed life-long teachers. We need to be doing what we can to get males into teaching and this is a sensible measure which will help.

The point has been made that to attract men into teaching we need to address a whole range of other issues—and the other side in this place has alluded to those. This is absolutely true. No-one would dispute that. Specifically, teachers need to be paid more for their experience in the classroom. We have a situation where the starting salary for teachers is not too bad but the salary for teachers with 10, 15 or 20 years of experience is nowhere near adequate compared to what they could earn in other professions. Experienced teachers are grossly underpaid, and that does need to be addressed. But this really is an issue for state governments—the Labor governments that we have in every state around this country need to address the issue of remuneration for teachers, particularly for experienced teachers. That has to happen. It is not an excuse for the opposition here to say: ‘Well, that’s a problem. We can’t address that, so therefore let’s not try to do anything about other ways in which we can get males into teaching.’ Yes, salary, remuneration and career path progression are critical issues, and they need to be addressed by the state Labor governments. But let us not use that as an excuse—as the opposition is—to refuse to address an area where the Commonwealth does have some power and where we can make a difference. That is why the government believe this legislation is appropriate.

The government are not saying that this is the only solution, and we have already put into place a number of other measures to try to address issues around the education of boys. We are spending $27 million over six years up to 2008 for boys education, including $19 million for the Success for Boys initiative and $8 million for the Boys Education Lighthouse Schools initiative and research into significant areas of education relevant to boys education. So it is nonsense for the opposition to be saying that we are only focused on this one issue for ideological reasons. It is nonsense for it to say that we are not looking at a suite of issues—we are. But this issue is one that can be addressed and needs to be addressed. Funding for research into boys education is another area. The Australian Government Quality Teaching Program allocates $159 million to improve the quality of teaching for men and women in the classroom. We have taken measures in conjunction with the states to redraft the gender equity program to take a much more affirming and positive approach than we saw in some of the antimale language that was in some of the earlier statements. So there is a lot that needs to be done, but here is one measure where we can make a difference. It is very disappointing to see the Labor Party in denial on this particular issue—and very hypocritical. We have heard a number of excuses for the opposition to this bill. Siobhan Callan, Women’s Coordinator of the New South Wales Teachers Federation, said:

Such a statement not only reflects a continuing attack on the teaching profession—don’t ask me how—(the majority of whom are women) but also fails to address the crucial issues in terms of attracting
and retaining teachers in our public education system.

The salaries and status of teachers in the public education system, as well as teacher workload, play a significant role in the resignation of approximately 25 percent of public education teachers ...

That is true, but it still does not change the fact that this bill can help. Catherine Davis from the AEU says the same thing. She says: The solution ... is an industrial one.

She also says:

The AEU believes that “the preponderance of male role models throughout the media, business and society is another factor to consider in rebutting any statements of a lack of influence by males … Dominant masculinity saturates the world of boys—and girls.”

So you have the teachers unions saying that it is an industrial issue, that it is not an issue of males in teaching, or saying: ‘Look, the whole thing evens up in the end. We’ve got more men in positions of authority both in teaching and in other professions. It sorts itself out in the end, so let’s not worry about getting more men into teaching.’ The Teachers Federation and the AEU are totally missing the point here. The point is that we can get more males into teaching, we need to get more males into teaching and this is a sensible measure that will help us do it.

I come back to the point with which I started, that the ALP says that positive discrimination or affirmative action is okay in some areas. I have in front of me a press release from EMILY’s List Australia championing the cause of women. The heading on this release is ‘EMILY’s List celebrates 10th anniversary of Labor’s affirmative action rule’. This refers to Labor’s affirmative action rule to get women into parliament for the Labor Party. Yet it will not support affirmative action to get men into the classroom. I have another EMILY’s List press release with the heading ‘Labor meets its affirmative action target’. It says:

“The rule, adopted at the 1994 National Conference, requires 35 per cent of the seats needed to form government to be filled by women by the year 2002.

The Australian Labor Party web site lists the Victorian ALP branch rules. These say:

To achieve this the Party adopts a comprehensive affirmative action model of 40:40:20 ...

The point is that the Labor Party is committed to affirmative action to get greater female representation in parliament, yet for something of so much greater importance—addressing the issues of boys education and getting more males into the classroom—somehow the Labor Party is opposed to affirmative action. So it is okay on one the hand but not good enough on the other hand.

It is a nonsense for the Labor Party to be somehow arguing that this legislation is an attack on the Sex Discrimination Act. This is not an attack on equality of pay and working conditions for men and women. This legislation contains a very specific amendment for a very specific purpose: to allow education authorities, including government, to offer male-only scholarships to get more men into teaching. There are many issues involved in boys education. There are many reasons for the relative underperformance of boys. There are many causes; equally, there are many solutions. The government are not proposing this as only one solution. The government have already acted on a range of measures. This is yet another measure that any sensible, balanced person would say that we ought to be pursuing in order to encourage more males into teaching, to encourage boys in education, to address their educational underachievement, to improve and increase their motivation and to improve and increase their educational outcomes.
Mr SNOWDON (Lingiari) (7.21 pm)—It seems now that it is a common experience to be able to speak on the Sex Discrimination Amendment (Teaching Profession) Bill 2004 a number of times, given that it has been introduced previously. I am amazed that we are going through the same debate with the government. I say to the member for Macquarie that there are many parts of his speech with which I wholeheartedly agree. I am a former teacher as the result of an opportunity given to me by a New South Wales teaching service bonded scholarship which I then bought myself out of to get a Commonwealth teaching service bonded scholarship which I then bought myself out of to get a Commonwealth teaching service scholarship. There are a lot of teachers in this place. A lot of people have had a lot of experience working with young Australians. I am pleased that the member for Macquarie has shown such insight into those aspects of education which relate specifically to boys. However, I cannot comprehend how somehow or another you believe this piece of legislation on its own is something that we need to be pursuing. If it is seen in isolation it is absolutely useless.

Let us understand the origins of this piece of legislation. It did, of course, come as a result of the Catholic Education Office in New South Wales seeking an exemption from HREOC. They were given an opportunity and they said they would advertise for an equal number of young women and young men. What did we discover as a result of them pursuing this process? We have a report from AAP dated 15 March this year that the Catholic Education Office, the CEO, is looking at new ways to attract male teachers to primary schools following a lack of demand for its special scholarships. The process itself has fallen through. They advertised 12 male teaching scholarships worth $8,000 each and got only six applicants. That in itself says a great deal. We are now being told by the CEO:

I would have loved to have had 12 scholarships but this was just the first time we’ve focussed on this particular group, and I think we’ll have perhaps other strategies for 2005 graduates ...

Yes, you might need other strategies, far more extensive strategies—and I would not be including male-only scholarships as one of them. I would have thought that the breadth of educational opportunities that exist in this country and the need for teachers generally, not just male teachers, would mean that if you have an attractive proposition in terms of scholarships you should open it up and allow more scholarships to be granted to provide HECs-free places at universities for anyone who wants to become a teacher. Make it attractive for the whole community.

Brother Kelvin said that he believed that factors such as teacher salaries, career opportunities and concerns about child protection issues were among the factors turning men away from teaching. Hear, hear! This is not new to the debate. These issues were canvassed last year. We are repeating them here again tonight. This is what the Labor Party said then. Now Brother Kelvin agrees. The scholarships themselves are largely irrelevant. Young men are not attracted to teaching for reasons he has pointed out. Teacher salaries, career opportunities and concerns about child protection issues are high among those reasons.

Let us just look for a moment at these career opportunities and teacher salaries. Recently I embarked upon a trip around the mining provinces of the Gulf Country in Queensland and into the Northern Territory. I had discussions with mining companies about their skills shortages, just as we have skills shortages in terms of males in the education system. For first-year engineering graduates they had to offer starting salaries of $70,000 and $80,000. Young men and women who want to enter the teaching pro-
fession are looking at a massive disadvantage in terms of professional salaries. That is a very significant issue. People make decisions about career choices when they are leaving school and the options are wide.

When I chose to become a teacher the opportunities for teaching were open to me and I took the view that this provided me with a very important career opportunity. The status of teaching in the late 1960s and early 1970s, when I was attracted to teaching, was far higher than it is today in the general community. So it was no great problem for me to become a teacher. I looked at the opportunity that was presented to me in terms of career options. Importantly, I saw it as competitive. I used to work in the Public Service. I got up one day and looked around the cavernous room in the old trade department down here and thought, ‘This is just not for me.’ I wanted to go back to university to study to become a teacher so I could do something different and more productive in my terms at that time. I was able to do it, as many others were.

We heard the member for Brisbane earlier tonight canvass the reasons why he entered the teaching profession. I am sure there are many other stories like that in this place. The fact is that the conditions then were different from the conditions now—markedly different. I walk now into staffrooms across Northern Australia, in primary schools in particular, and the number of males is very small. We know that in 2001 the number of males teaching in primary schools in the Northern Territory had dropped to 18.5 per cent of the teachers. That creates huge problems, which were identified by the member for Macquarie, in terms of the importance of male role models and of understanding the different pedagogies that prevail and are provided for in the education system and the different ways of approaching pedagogy in terms of young males.

We have to come to terms with these issues, but this type of scholarship proposal—using a big stick; in this case, amending the Sex Discrimination Act—is absolutely no way to achieve that result. That has been proved already by the New South Wales Catholic Education Office. When they sought to offer these specific scholarships they could not fill the quota; they only got six out of 12. That in itself says a great deal more about the need to address the broader issues for males in education than does the legislation before the House this evening.

Debate interrupted.

**ADJOURNMENT**

The DEPUTY SPEAKER (Hon. IR Causley)—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

**Budget 2005-06**

Mr RIPOLL (Oxley) (7.30 pm)—Budgets always have a theme, and last night’s budget was certainly no different. There were two central themes: it was all about Peter Costello’s future—his tilt at being Prime Minister—and not about Australia’s future, and it was all about missed opportunities, doing nothing to safeguard Australia’s future. Last night the Treasurer delivered what I have heard some commentators call an election budget. That it was, but it was not aimed at winning the hearts and minds of Australian voters; rather it was aimed at winning the hearts and hip pockets of his coalition backroom mates. What the Treasurer did in the budget was deliver tax cuts for his mates and his colleagues. The rivers of revenue that flow to Canberra from the pockets of all Australians are now being used to lining the pockets of his future party room supporters and only about three per cent of taxpaying Australians.
But the Treasurer has not sold himself short; he has sold Australian families short, particularly those in the electorate of Oxley. Families in Ipswich and Brisbane’s southwest have been duffed by the Treasurer failing to deliver comprehensive tax reform. The average worker in Oxley will get a cut of $6 a week. A person earning $125,000 per annum will get a tax cut of $65 a week. The tax cut of $6 a week represents a schooner of beer for the average Aussie—and it will go flat by morning—while his party room mates will get a full buffet and a complementary bottle of wine.

This government’s record is so bad that, since the GST was introduced, average income earners have had a tax cut of just $10 a week while three per cent of taxpayers—these government blokes across the chamber—on $125,000 or more a year are receiving cuts amounting to about $120 week. To get that into context, the Treasurer is giving average Australian workers barely enough to buy a ticket to the movies while he gives his mates in the top three per cent two tickets to the opera. He does it every time. The Treasurer will have achieved his primary goal to pay off his party room, still raging from the end of the political superannuation scheme, and buy himself some votes for his tilt at the PM’s job. I repeat: this budget is unfair and it is a dud. It is about Peter Costello’s future, not about Australia’s future.

The second theme in last night’s budget is that it is full of missed opportunities. The budget has failed to respond to the skills and infrastructure challenges that are holding back the Australian economy. The Treasurer bleats about infrastructure bottlenecks and Dalrymple Bay, but given the opportunity to do something about it last night he did nothing. He squibbed it. At a time when the national economy is crying out for genuine tax reform, investment in skills, infrastructure reform, incentives to move from welfare to work—not welfare to welfare—and the desperate need for more university and TAFE places, the Treasurer delivers for himself and his party room mates and nobody else.

The long period of economic growth delivered over the last 15 years by the policies and reforms of the Hawke-Keating government will not continue unless the Howard-Costello sideshow commits to serious reform and reinvests in the economy. If Queensland can find the vision and the direction to set out a 20-year plan worth $55 billion, why can’t the Commonwealth? The best it can do is a lousy, measly $12½ billion, and it is not even a plan for the whole country. A plan beyond the miserly $4 billion for AusLink needs to be delivered for continued growth in infrastructure. AusLink is dwarfed in size and imagination by just one small region of Australia. Instead of vision and investment, we are sold a road to inflation which marches up interest rates and further fuels consumer driven debt.

Treasurer Peter Costello—or ‘ABC’ as he has now come to be known by the Prime Minister’s merry band of supporters—has irresponsibly squandered the opportunity to secure Australia’s future prosperity. The Treasurer has failed to set out a plan to invest the unexpectedly strong revenue from generally strong economic conditions in key drivers in the economy. That is irresponsible. If you do not have a vision for the future, apart from a vision for yourself, then you have done the wrong thing by the country. That is exactly what the Treasurer has done. He has failed on three critical tests. Will more Australians be trained now or will we import more skills? Fail. Is there a plan for rebuilding Australia’s infrastructure? Fail. Does the budget provide some real incentive and reward for hard work? Fail. Under the coalition’s own ideology of three strikes and you’re out, the Treasurer is out. This is his
last budget. He is gone—and he has spelt it out.

Last week Labor called on the Howard government to make an immediate start on addressing the skills crisis by introducing a $2,000 trade completion bonus for additional apprentices. The government did nothing about this. This government has failed ambitious young Australians. The Howard government has imported 178,000 extra skilled migrants since 1997 but has turned away more than 270,000 people who want to get into TAFE. This government is not about training the work force. (Time expired)

Budget 2005-06

Mr KEENAN (Stirling) (7.35 pm)—In contrast to the member for Oxley, I rise to commend the Treasurer for the initiatives he outlined in last night’s budget. I would particularly like to congratulate him for relieving the taxation burden on people in my electorate of Stirling. I urge the Western Australian government to do the same. Reducing the taxation burden can only assist in further strengthening the Australian economy. Businesses that pay less tax have more money to invest, more opportunities to grow and greater flexibility to create jobs. When personal tax is reduced, families have more money to provide for their children and save for their future. The entire community benefits from the flow-on effects of reducing their taxation burden.

This budget makes clear the intention of the federal government to strengthen the Australian economy by allowing Australians to get on with the job and keep more of their hard-earned cash. The measures to alter the thresholds at which marginal tax rates cut in and to reduce the lowest marginal tax rate, combined with the abolition of the superannuation surcharge and the three per cent tariff on imported business inputs, highlight this commitment.

Sadly, this resolve to lower taxation is not shared by the Western Australian government. Where the Commonwealth has reduced taxes, the Gallop Labor government has trashed its promises not to increase taxation and then stubbornly refused to reduce the double tax burden it places on all Western Australians. I well remember Dr Gallop’s promise prior to the 2001 state election not to increase taxes and charges, a promise that seems laughable given the state government’s subsequent record of increasing taxes. In three out of four budgets it ratcheted the tax burden up, including introducing massive increases in stamp duty. Land tax continues to cripple the finances of many across my state. This is happening despite the state receiving a massive $14,000 million in GST revenue since 2000.

Despite that massive revenue intake, the state government continues to hinder WA businesses by refusing to honour its commitment to abolish several state based taxes as agreed when we introduced the GST. The commitments to abolish these taxes were made as part of the 1999 Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations. On behalf of the residents and business people of Stirling, I reiterate that this was not an agreement between the Commonwealth and the state but an agreement that was made with the Western Australian people to reduce the tax burden after the introduction of the GST. Western Australian families and businesses stand to gain financially from the abolition of taxes that the GST was designed to replace. We all understand that the GST was introduced not as a new tax but as a replacement for a raft of indirect taxes such as stamp duty on mortgages and property conveyances.

It is simply unconscionable for Western Australian families and businesses to be forced to continue to pay double taxation while Australians in six other states and terri-
tories will benefit from their abolition. Under Dr Gallop, residents in Stirling will keep paying extra tax on their home mortgages and extra tax every time they hire a video or a car. The situation is even more untenable given that the GST is set to deliver a $2.2 billion windfall to the state between 2005 and 2010. That is $2.2 billion above the guaranteed minimum amount.

Six of the other states and territories have agreed to a timetable to remove these taxes, and it is high time that the government of Western Australia also stepped up to the plate. I can assure the parliament that I remain a strong supporter of the Australian federation. Arguments that Premier Gallop has made to tie this issue to federalism totally neglect the fact that the founding fathers would have looked down on reneging on an agreement that was made between all Australian jurisdictions in good faith.

Last night in this place, the Treasurer delivered a budget that gives hardworking Australians a tax break. It is about time that the Gallop government did the same.

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Ms KING (Ballarat) (7.40 pm)—The Treasurer had the opportunity yesterday to seriously tackle two of the major impediments to growth in our economy. He squibbed on both of them. The budget has failed on two fundamental fronts—investment in infrastructure and addressing the skills crisis. On the day in my own electorate when 25 overseas skilled migrants commenced work in Ballarat, because the Howard government had failed to train enough young Australians to fill these jobs, what did the Treasurer deliver? More incentives for trade apprentices to complete their trade? More TAFE places? Increased pathways for kids to go from school into traditional trades? No. He announced—you guessed it—more skilled migration. Instead of committing funds to train Australian kids to fill these jobs, he opted for the short-term fix of importing skilled labour.

The government will say it has introduced the Australian technical colleges to fix the problem. Not a single tradesperson will enter the work force as a qualified tradesperson until 2010. And will any of them be from Ballarat? No. You guessed it: Ballarat did not get a guernsey when it came to the tech colleges—despite having high teenage unemployment and skills shortages.

The member for Oxley has already highlighted the missed opportunities in relation to infrastructure. In my own electorate, the failure of the government to fund the Deer Park bypass is a massive oversight. The government’s re-announcement of a paltry $40 million for the road—to start not this financial year or next financial year, but sometime after the next federal election—is a disgrace. In complete contradiction to previous statements, they have now also said that this national highway—the second busiest freight route in the country—which was previously the total responsibility of the Commonwealth to fund, will now have to seek matching funding from other partners, delaying this important project even further.

The budget yesterday was a massive grab for votes—not the votes of the ordinary hardworking people of Australia but the votes of the backbench of the parliamentary Liberal Party. What the Treasurer has done is respond to the whining, carping backbenchers who have been out there in the media saying, ‘I’m not getting paid enough’—these new backbenchers who are upset about their superannuation cuts and who have been out there in the media about it.

Honourable members interjecting—

Ms KING—We are hearing Chip and Dale over there screaming about it now: ‘We’ve given up our lucrative careers and we
should be rewarded for it.’ That is what they are saying. The Treasurer has rewarded you all right—with the largest tax cut, a massive pay increase, while those on middle incomes, whose contribution to the tax system pays our wages, receive the smallest cut. And why has the Treasurer responded to these poor hard-done-by backbenchers carping from the side here? Because he wants their votes. The Treasurer, in his grab for Liberal Party votes, has failed middle-income earners. These are the people who have borne the brunt of the interest rate hike, a rise the Prime Minister pledged would never happen under this government. They are the people who will bear the brunt of the government’s backflip on the Medicare safety net—a safety net the government had to introduce because their neglect of bulkbilling had made health care unaffordable for middle- to low-income earners. These are the people the Treasurer now says are worth less than he is.

Today in question time the Treasurer had little to say about the actual budget. He tried to paint the tax cuts as looking after the battler and argue that Labor’s objection to these obscene tax cuts for rich people was somehow an attack on battlers. If the main purpose of the tax cuts in the budget is to deliver income relief to the lowest paid Australians, the Treasurer should come in here and introduce that measure tomorrow. If the most important part of your budget is to deliver tax cuts to those Australians on the lowest incomes, then have the bottle to prove it: come in here tomorrow, introduce those cuts and introduce the least important measure—tax cuts for the wealthy, tax cuts for high-income earners—separately. Let us have a proper debate about whether politicians such as me and you over there deserve a tax cut of this magnitude.

The Treasurer will not do that, because tax cuts to low-income people is the least important measure to him—well down the list in his desperate need to ingratiate himself with the Liberal Party backbench. We accuse you of many things, Treasurer, but I will give you this: you can count. You know that, if push comes to shove and you have to challenge the Prime Minister, you have not got the numbers. That is the reality behind this budget. You have introduced unbalanced and unfair tax cuts at the same time as punishing the most vulnerable. In a budget that is not a plan for the nation’s future, it is a pitch for a very different future for the Treasurer.

Kurnell Peninsula

Mr BAIRD (Cook) (7.45 pm)—I have been listening with some interest to the members for Bendigo and Oxley and their rantings on taxation.

Ms King—Ballarat!

Mr BAIRD—I am sure it would be interesting to see the reaction from their constituents when they hear that their members are totally against the tax cuts. The reaction would be entirely negative. If the member for Bendigo—

Ms King—Ballarat!

Mr BAIRD—feels so strongly on the issue, we will look forward to her, along with the member for Oxley, donating her tax cuts to charity.

I rise on a matter that is of some importance to us: the Kurnell Peninsula, which is in the eastern part of my electorate. As children, many residents would have visited the once famous sandhills. James Cook landed there in 1770 and the First Fleet landed in 1788. Many people would also remember the tall ships visiting during the bicentennial celebrations in 1988. Kurnell is a special place not only because of its unique heritage as the birthplace of modern Australia and the meeting place of Indigenous and European culture but also because of its environmental worth—parts of the peninsula have been pro-
ected under international environmental treaties.

Given the unique value of Kurnell, it is of little surprise that I have been fighting to stop the New South Wales government’s licensing of sandmining since I began representing my electorate in 1998. Recently, Rocla Quarries lodged an application with the New South Wales government to mine the very last remaining dune on the peninsula. In response to this, I immediately sought protection of the entire peninsula under the Commonwealth Environment Protection and Biodiversity Conservation Act. The Minister for the Environment and Heritage gazetted an interim protection—the only such protection ever issued—in September last year. Unfortunately, the act was not strong enough to supplant the New South Wales government’s planning powers on this occasion.

Following an ongoing media and community campaign against the sandmining, the New South Wales Labor government have finally recognised the very real danger of continued mining at Kurnell. They finally agreed that to continue to mine this area would most likely result in Barry Collier losing his marginal Labor seat of Miranda. To this end, the New South Wales Planning Minister, Craig Knowles, announced with great fanfare a few weeks ago that they had refused the application by Rocla. However, Craig Knowles omitted to inform the public of Rocla’s claims to existing use rights over the site, which will, according to John Gardiner of Rocla, allow the company to extract 1.5 million tonnes of sand and will reduce the dune to ground level.

If this claim to existing use rights is confirmed, then the public will take a different view of Barry Collier at the next New South Wales election. What I do find curious about this situation is that, on the one hand, he has been protesting and clamouring to stop the F6 Freeway, which would go some way to overcoming the traffic problems that his Labor government’s staunchly pro development policies have forced upon southern Sydney.

While Barry Collier has cried over the loss of this small strip of land that has been earmarked for a freeway since 1951, he has been almost mute on his government’s policies that allow our nation’s birthplace to be carted away by the tonne. The F6 Freeway is one of the very few solutions to the traffic snarls which currently cost southern Sydney’s residents more than five hours per week in lost time. Barry Collier has been so incensed by the new New South Wales Roads Minister’s decision to reverse the abandonment of this freeway reserve—a decision made with foresight rather than for cheap political gain—that he announced that he would cross from the Right of the ALP to the Left faction. I am sure the member for Watson, who is leaving the chamber, would be appalled at the loss of a factional member, as would the member for Chifley.

The decision by the previous New South Wales Roads Minister, Carl Scully, to abandon the corridor just months before the 2003 state election was entirely wrong. He was pandering to a small but vocal group of Greens and special interest groups and it was nothing more than policy made on the run to safeguard a marginal politician in a marginal seat. Collier’s crossing to the Socialist Left of the ALP, and inspired by the comments of Minister Costa, with whom I entirely agree on the need to preserve this freeway—and a survey showed that over 80 per cent of the community agree with this—means that the people of Miranda are represented by a man who supports even higher land taxes, higher stamp duties, the vendor tax and even the reintroduction of the death duty. Barry Col-
lier has taken an unusual step and, according to Gerard Noonan of the Sydney Morning Herald, he has significant problems.

**Budget 2005-06**

**Mr BOWEN (Prospect) (7.50 pm)**—On 23 September 2004, on radio, the Prime Minister said:

And you can promise a few dollars here and there but those few dollars a week extra that some people may think they will get from Labor will be more than swallowed up by an interest rate rise. An interest rate rise of one per cent would add about $125 a month to the average mortgage bill of a family in Australia. So there is no issue that symbolises the importance of economic management more critically than that of interest rates.

Once again, the Prime Minister’s words have caught up with him. Last night’s budget will increase pressure on interest rates. It makes it more likely that families struggling to pay off mortgages in places like Prospect, Lindsay, Greenway and Chifley will have to find more money every week to pay their mortgages. The budget will increase interest rates in a most pernicious way. Labor, of course, supports lower tax but it supports real tax reform and tax relief for the families who need it the most—those firmly in the middle-income brackets.

This budget has been framed to maximise its appeal to Liberal Party members of parliament. It is a budget about leadership transition and not about a transition to a better, more efficient economy. Seventy-six per cent of taxpayers will receive a tax cut of just $6 a week—a sandwich and a milkshake—and 10 per cent of the highest income earners will receive 45 per cent of the tax cuts. The people who will be hit with higher interest rates—the families paying off mortgages in places like Western Sydney—have received the smallest tax cuts. These tax cuts are expansionary and inflationary and will lead, as sure as night follows day, to higher interest rates.

The government, we all recall, adopted a very expansionary approach to the economy prior to the last election. We all remember the Prime Minister’s $600 million spending spree at his policy launch. We have seen this before. Prime Minister Fraser tried to buy his way back into office in 1983. The then Treasurer at least had the decency to consider resigning in protest. At least he thought about it. He did not go through with it, but at least he thought about it. Unlike then Treasurer Howard, we have not seen any evidence that Treasurer Costello has been so outraged by this economic irresponsibility that he has considered handing in his resignation. On the contrary, he appears to be the architect of this frenzy of fiscal flamboyance, this gay abandon, this fistful of dollars that this government has embraced, which puts more pressure on interest rates. Ross Gittins said in today’s Sydney Morning Herald:

The timing of the cut makes no sense ... it increases the risk of further rises in interest rates.

For a government that campaigned so strongly on keeping interest rates low in the recent election, it is not only outrageous that they have put more pressure on interest rates, it is not only outrageous that they have adopted this irresponsible economic policy; it is dishonest. They campaigned so strongly. We all remember the banner on the lectern: ‘Keeping Interest Rates Low’. We all remember the pamphlets that went into the marginal seats—Greenway, Lindsay and seats across this country—that had the pull-out ready-reckoner showing how much your interest rates would go up under Labor, how much more you would be paying on your mortgage with higher interest rates; yet this government have brought down a budget that every economic commentator in this country says puts more pressure on interest rates.

Not only that, but there has been no real tax reform. We hear all about infrastructure from the government, which is meant to be
the friend of business. They have spent five years and have not lifted a finger to reform section 51AD of the Income Tax Assessment Act, which stops private investment in infrastructure in this country. They have had report after report and recommendation after recommendation. They have talked about it and they have written about it. What have they not done? They have not done anything about it. They have not repealed and they have not rewritten section 51AD of the act. It is the Labor state governments that have entered into private-public partnerships to rebuild the infrastructure of this country. This government not only have done nothing about that but have stood in the way. They have done nothing about what the Australian Council for Infrastructure Development calls the biggest impediment to infrastructure development in this country.

The infrastructure bottleneck that is facing this country could be solved with good policy, with a thorough review of section 51AD and its rewriting. But this government have done nothing about it. Not only that, but they pour more money into consumption for those at the highest end of the income bracket—not into middle Australia, not into lower income areas but into the highest consumption areas. (Time expired)

Regional Services: Program Funding
Budget 2005-06

Mr SLIPPER (Fisher) (7.55 pm)—On 17 March I rose in the House to talk about the importance of an application under the Regional Partnerships Program for the sum of $500,000 for the Sunshine Coast Helicopter Rescue Service to construct a new helicopter hangar to house and service the three rescue helicopters which service a large area of south-east Queensland. I am very pleased to advise that the government has approved this funding of $550,000, including GST, to the Sunshine Coast Helicopter Rescue Service for its new hangar project. This money will go towards the construction and completion of a new helicopter hangar facility, including earthworks, civil contracting, tilt slabs, metalwork and roofing. The new hangar will provide operational space for three helicopters and maintenance space for an additional craft, as well as better facilities and storage. The new hangar will assist the rescue service in continuing to provide a rapid response to the community in a safe, effective and efficient way.

The member for Fairfax and I represent the Sunshine Coast, and I know the member for Fairfax has also been a very strong supporter of this project. Although the airport itself is situated in Fairfax, the helicopter rescue service covers Fisher, Fairfax, Longman, Wide Bay and other areas and certainly does a wonderful job. Over the years of its existence it has ensured that many people who would otherwise have lost their lives were able to be carried to medical attention.

It has been a great community effort to gain this funding, to access Regional Partnerships money. The Sunshine Coast Area Consultative Committee has assisted to bring this project to fruition and Regional Partnerships continues the Australian government’s approach of working with local communities to support their ideas. There is $308 million available under Regional Partnerships from 2004-05 to 2007-08. This particular program is of substantial benefit and it is really tremendous to see this sort of money coming through to the Sunshine Coast and to areas close to the Sunshine Coast.

This is a project of which I am particularly proud. I know that the community will be enormously relieved that this expansion to the facilities of the Sunshine Coast Helicopter Rescue Service will now be able to proceed. I am looking forward to this hangar being constructed and to the additional facili-
ties that this will give to the Sunshine Coast Helicopter Rescue Service. The helicopter rescue service enjoys the very strong support of the community. It has been a service that has provided assistance to Sunshine Coast and other residents in south-east Queensland for a very considerable period. I would like to congratulate the Parliamentary Secretary to the Minister for Transport and Regional Services on approving this particular application, which puts beyond doubt in the community’s mind that Regional Partnerships is certainly a program very worthy of ongoing support.

I have listened to some of the nonsense uttered by honourable members opposite as they have sought to criticise the Treasurer on what was his outstanding 10th budget, which delivered a surplus of close to $9 billion at a time when we are able to introduce more tax cuts for everyone while also bringing in very important and positive reforms to encourage people to move from welfare into work. It is important to recognise that this government has been prepared to make some difficult decisions in the period since we were elected in 1996. As a nation we have a declining birth rate and an ageing population, so it was particularly important for the Treasurer—and this was done absolutely in the budget—to focus on the long-term liabilities that the Australian government will have, given the fact that a smaller proportion of the work force in the future will be contributing to the cost of running the country at a time when the ageing population will ensure that there are unprecedented demands on the revenues of the government. As a dividend for sound economic management, $22 billion has been returned to taxpayers. This is a worthwhile budget and I commend it to the House. (Time expired)

The DEPUTY SPEAKER (Hon. IR Causley)—Order! It being 8 pm, the debate is interrupted.
Wednesday, 11 May 2005

The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.40 am

STATEMENTS BY MEMBERS

Aged Care

Mrs ELLIOT (Richmond) (9.40 am)—On 28 April I hosted the local Aged Care Summit, bringing together aged care providers, health professionals and local seniors. At the summit I heard directly from those involved in aged care about the issues they face in providing adequate services to the local elderly. I heard from carers who simply do not get the support they need from this government. I heard from respite workers whose services are now under threat because of the Howard government’s tendering system. I also heard from the people who run local nursing homes and from the elderly themselves.

The message was loud and clear: the Howard government has neglected aged care in Richmond for nine years and they want something done about it. That is why I am presenting these findings to parliament today. I want the minister and the Prime Minister to hear what I hear from my community every day: more funding is needed for aged care, and it needs to be spent in the right places. The 2,000 EACH packages delivered in last night’s budget for people suffering from dementia barely touch the sides of what is needed to fill the gap. At the same time seniors will be hit in the hip pocket by the increased number of prescriptions needed per year for the safety net to kick in.

The government is not providing the home care so desperately needed to keep elderly people independent in their own homes. We have the appalling situation of just 35 home care packages being provided for an area covering Grafton to the Queensland border. This means a six- to seven-month waiting list for just seven hours of home care a week. People like Ann from Banora Point, who is barely able to walk and suffers from a variety of incapacitating illnesses, cannot access the limited home care they need to help maintain their homes.

Despite the Treasurer’s assertions, the government is not providing enough support to the carers of elderly people who also work tirelessly to keep loved ones out of aged care beds. Respite services and other support services are currently under threat because of the introduction of competitive tendering. Locals at the summit told me that a cut to respite would be disastrous for the carers in our community—for people like Aileen, a local woman who cares for her infirm elderly mother and intellectually disabled daughter. Without the limited amount of respite her family receives, she would be effectively housebound.

I will always fight for a better deal for my community. This aged care summit was the very first step in improving services for the local elderly. I will keep the pressure on the Howard government until these problems are fixed. Across the board we are finding so much desperate need in the aged care industry, particularly in relation to home care—and in relation to the lack of nursing home beds as well. Now, with this increase in the PBS safety net, it is going to be incredibly difficult for the elderly. The lack of bulk-billing doctors in Richmond and the recent broken promise relating to the increase in the safety net make it very difficult for elderly people in my electorate to access the services they desperately need. There is no doubt that aged care in Richmond is in crisis, and that is exactly the information this summit pro-
vided to me. From all of the local aged care providers at the summit I heard that aged care is in crisis in Richmond and the Howard government has to address that now.

**Aged Care**

Mr CIOBO (Moncrieff) (9.43 am)—I am very pleased to rise to make a member’s statement this morning. It is interesting that I should follow the member for Richmond who seems to have come into this chamber to make a statement which clearly purports to portray the aged care situation as being in crisis. Let us make one thing very clear: aged care was in crisis when the Australian Labor Party was last in government. Announced in the budget last evening was an increase in record funding levels for health and aged care to $45 billion under the Howard government—compared to $20 billion under the Australian Labor Party. What a stark contrast!

Under the Australian Labor Party, which the member for Richmond claims to be so passionate about, the aged care sector and aged care workers and, most vulnerable of all, the clients of aged care facilities, were suffering under poor government policy and planning which saw no accreditation standards at all. Accreditation standards are something that this government introduced and that aged care providers and clients in aged care facilities can be proud of.

So I say to the member for Richmond: instead of trying to claim, Chicken Little style, that the sky is falling in on the aged care industry, she should be out there talking to her constituents, highlighting the benefits that flow under the Howard government’s aged care policy. She should not be misreporting and misconstruing the facts about what the Howard government has done for the aged care sector.

Last night, in fact, we announced a $1,000 bonus payment for carers. That $1,000 is something carers would never get under the Australian Labor Party. In addition to that, I would highlight the introduction of the safety net threshold. The safety net that was introduced by this government was originally proposed to be $500 and $1,000, because we knew that would be sustainable. But the Australian Labor Party, together with the Democrats, opposed that in the Senate and, as a consequence, forced the threshold down to an unsustainable level. So, if anyone is to be blamed for rises in the safety net threshold, let the blame rest on the head of the member for Richmond, let it rest on her Labor mates and let the people of Richmond know that it is the member for Richmond who has caused the safety net threshold to be increased. It has been raised purely because it was going to be unsustainable under the Labor Party’s proposal. We have now raised it to a more sustainable level.

The fact is that aged care providers and the clients of aged care facilities are far better off under the Howard government, with a $1,000 bonus payment, with record funding of $45 billion—up from $20 billion under Labor—and with an accreditation system that ensures that the elderly are looked after and provided for. With record amounts of HACC funding as well, we have also made it easier for aged care clients to age in place in their homes. It is a good news story for those on the Tweed coast, and I am very proud to be part of the Howard government and not some part of a Labor Party stack on 28 April. *(Time expired)*

**Kemalex Plastics**

Mr BYRNE (Holt) (9.46 am)—I rise today to talk about the predatory practices of an employer called Kemalex Plastics. Kemalex Plastics is located on the corner of Greens Road and
Tatterson Road in Dandenong South. It is a plastic injection-moulding business. It is a successful site and a successful business. A large number of its employees are migrant women who live in the region.

What is happening at this place should send a very worrying signal not only to the community but to employers and also to the federal government—that is, the company is trying to put these migrant women, who have been very loyal to the company, on individual contracts and make them independent contractors. I know that there is a House of Representatives inquiry into this matter, but the way in which these women have been treated by this company should set alarm bells ringing. It should be considered by the House of Representatives committee as a very worrying sign and development, and it should give impetus to the government, when it contemplates the committee’s report, to introduce the appropriate legislation to prevent predatory employment practices like this.

In the current EBA negotiations it was put to these migrant women that all of the new women had to become independent contractors. If they did this—and these are women earning $12.60 an hour—they would each have to establish themselves as a business, get an ABN number and fill out BAS statements. Then they would have to take care of their own sick leave, annual leave, long service leave and employer super contributions and have no security with respect to unfair dismissal. These are women who have worked in the factory for some time, who have demonstrated loyalty to the company. The company has responded to this by effectively saying: ‘Thanks very much. We’re going to make you all independent contractors.’ These migrant women, some of whom have English as their second language, are being turned into small businesses on site, after working in the company for something like 10 years.

What concerns me are some of the practices. On 5 May, a shipment of tyres was coming into this factory, and it was accompanied by 10 or 12 bikies whose heads were covered with helmets and bandannas to protect their identities. When they took this shipment through, they abused these migrant women. Frankly, I think if you are going to start using these sorts of tactics you have to be held to account publicly for them. Not only that, but the company are having people knocking on these women’s doors at night when their husbands are not home—at 9 or 10 o’clock at night—and effectively saying: ‘You are conducting an unlawful action.’ But this action is completely lawful, and I call on Kemalex Plastics to act in an Australian way in treating their employees fairly. (Time expired)

Marriott Support Services

Mr ROBB (Goldstein) (9.49 am)—Today I would like to acknowledge the outstanding efforts of an organisation in my electorate called Marriott Support Services. Marriott Support Services provide both a day program and supported employment for adults who have an intellectual disability. Marriott Support Services started its life officially in 1985 with a day program run by Marriott House. However, it has been operating in different forms in our local area since 1972, when a group of concerned parents first established White House to cater for children with an intellectual disability. Marriott House offers its services to around 70 adults ranging in age from 18 to 67 years.

I have been to this wonderful facility. It is a very caring and happy place. It runs a Meals on Wheels service. A lot of these adults with an intellectual disability take Meals on Wheels around our community daily. It is a wonderfully popular service that they offer. It is such a

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fulfilling thing for these people and it is helping a lot of lives, as well as making them feel a genuine and constructive part of the community. Marriott House provides a whole range of programs: literacy and numeracy skills, computers, art, creative work, independent living classes and all sorts of things to help these people integrate properly into our community.

Secondly, they have more recently established a Personal Support Centre adjacent to Marriott House. This centre provides a facility to help transition young people leaving school with an intellectual disability into the community. The aim of the program is to help these young people explore a variety of options as they mature. They get further education opportunities, independent living skills provided, recreational and community access and an introduction to work programs—things that they can cope with. After two years, these young adults are much better placed to make an informed choice about their future. The centre is providing a really constructive role for our young people in the local area and it is highly commended.

Lastly, the third arm of this Marriott Support Services is a group called the Lewis Industries, which supports employment opportunities in light production work, blister packing and light assembly work. Again, there are about 80 people from around the local Bayside area with disabilities who are employed in this factory. It empowers people with an intellectual disability to do some meaningful employment. They are referred through Centrelink, and assessed and provided with a whole range of jobs within Lewis Industries. I visited this operation. It was a wonderful experience and a great opportunity. I would like to thank Lloma Shaw and other staff members of the Marriott Support Services for their excellent work and the wonderful difference they make to our community. (Time expired)

Sir Isaac Isaacs

Mr DANBY (Melbourne Ports) (9.52 am)—On 20 March this year I had the opportunity to attend the opening by His Excellency Major General Michael Jeffery, accompanied by his gracious wife Marlena, of the exhibition at the Melbourne Hebrew Congregation on the life of the first Australian Governor-General, Sir Isaac Isaacs. The function and the Governor-General’s speech was attended by the Treasurer, former Governor-General Sir Zelman Cowen and Lady Cowen, the Chief Minister of the congregation, Rabbi Rubinfeld and the Co-Chairmen David Lissauer and David Sherr. It was very competently MCed by His Honour Judge Alan Goldberg.

I was extremely pleased to participate in this function and want to pay tribute to the fact that this was the 75th anniversary of the cathedral synagogue in Melbourne known as the Melbourne Hebrew Congregation, but more popularly known as the Toorak Shule that people can see on St Kilda Road as they come in by tram. It was on the synagogue’s 75th anniversary that they chose to have this highly appropriate exhibition of one of their most prominent former congregants.

Sir Isaac Isaacs was born in Melbourne in August 1855. He entered the University of Melbourne to study law in 1875 and after graduation went on to become a practising barrister for the next 26 years. He entered parliament in Victoria in 1892, becoming Acting Premier of Victoria, and he was a member of the 1897-98 Federal Convention. When the Commonwealth of Australia came into being on 1 January 1901, Isaac Isaacs was elected the Federal member for Indi, in north-eastern Victoria. Isaacs became Attorney-General in the Deakin Ministry, and in 1905 he was appointed to the High Court, a position he was to occupy for the next 24 years. He became Chief Justice in 1930. As the Governor-General said in his speech, his appoint-
ment was proposed by Scullin, who then subsequently advised King George V that he wanted to appoint him as Governor-General. The King was reluctant, because Isaacs was a local man, unknown to him, but Scullin persisted and Sir Isaac Isaacs became the first Australian Governor-General.

The exhibition about Sir Isaac Isaacs at the Melbourne Hebrew Congregation is highly appropriate and it is open to the public now. I pay tribute to the Governor-General and to all the people who were involved in this elevating exhibition and the wonderful ceremony I attended. I urge members of the public to attend the exhibition. The Governor-General, His Excellency Major General Michael Jeffery, lent a great deal of historical continuity to Australia by paying tribute to the first Australian Governor-General with his presence and remarks at the ceremony.

**Budget 2005-06**

Miss JACKIE KELLY (Lindsay) (9.55 am)—This year’s budget continues the government’s commitment to strong, sustainable growth and provides more opportunities for Australians to benefit from and to contribute to our economy and society. As well as enhancing trade opportunities, it encourages greater workforce participation through incentives to those receiving welfare payments. It continues to strengthen Medicare and the PBS, as well as addressing cancer prevention through screening and education. The economy is in good shape, with low unemployment, low interest rates and low inflation. As a result, personal and business tax cuts are high on the agenda, with less tax paid by all taxpayers. This budget includes my election promise of $7 million for the University of Western Sydney library at Kingswood, $10 million for the Panthers stadium at Penrith and $8 million over four years for the National Community Crime Prevention Program, Western Sydney.

From 1 July 2006, parents receiving the parenting payment will move to an enhanced payment which will have a requirement for them to look for part-time work when their youngest child is six. This will enhance their work capabilities and skills and future employment opportunities as mature age women or men. In concert with this measure is the announcement of an increase of 84,000 in outside-of-school-hour places, an extra 2,500 family day care places and a further 1,000 in-home places. Child care in my electorate is always welcome. The Howard government will also provide $55 million over four years to support 52,000 low-income families to meet the gap in child-care fees. All of this is in addition to the 30 per cent tax rebate for child care introduced after the election.

Overall, $2 billion is being spent on support services over the next four years, to assist various groups who are out of work to find work. The reduction in welfare support over this same period is nowhere near this amount, but this expenditure does arrest a number of disturbing trends in our society. Subsidies will be provided to employers of the long-term unemployed to further support them to get back into work. To improve incentives for people on low incomes, the 17 per cent tax rate, which applies between $6,000 and $21,600, will be cut to 15 cents in the dollar as of 1 July next year. To meet the increasing shortage of trade labour, the government has announced an additional 4,500 pre-vocational training places, plus an extra 7,000 school-based new apprenticeships, in tandem with funding for a technical college in Western Sydney, for which my electorate, based on the council area of Penrith, is submitting a bid. To meet the immediate labour shortages, skilled migration will increase by 20,000 places, to 97,500.
Cancer is a No. 1 killer of Australians. To combat this disease, the government will invest $5.5 million over two years to raise national awareness of skin cancer and $25 million over four years to discourage young people from taking up smoking—and that is most disturbing in my area, where 25 per cent of 18- to 25-year-old females smoke. *(Time expired)*

**The DEPUTY SPEAKER (Hon. IR Causley)***—Order! In accordance with standing order 193 the time for members’ statements has concluded.

**PAYMENT SYSTEMS (REGULATION) AMENDMENT BILL 2005**

*Second Reading*

Debate resumed from 10 March, on motion by Mr Pearce:

That this bill be now read a second time.

Mr MURPHY (Lowe) *(9.59 am)*—The Payment Systems (Regulation) Act 1998 gives powers to the Reserve Bank to regulate the payment system if it considers that this is in the public interest. The Reserve Bank of Australia has used this power to establish standards. The most significant standard relates to interchange fees, which are fees paid to financial institutions that issue credit cards and provide services to merchants. These fees, in turn, are passed on to merchants and then on to the prices of goods and services faced by consumers.

A number of other standards have recently been announced in relation to EFTPOS and Visa debit cards. On the whole, for example, one can use one’s Commonwealth credit card to withdraw funds from a Westpac automatic teller machine, and there is a fee to process the transaction between the two institutions. This also relates to purchases made by consumers using EFTPOS, or electronic funds transfer at point of sale, where the trader uses one financial institution for merchant facilities and the customer uses a credit or debit card of another. These standards involve moderate reforms by reducing the fees. Some $500 million worth of fees have been reduced according to these standards.

However, the standards involve an average-cost pricing model. This is not the most ideal, from an economic perspective. Economic theory suggests that in an efficient market a service should be priced at marginal cost—the cost of providing a small increase in the current service. This leads to more efficient resource allocation. However, this requires the Reserve Bank to have a high level of access to the international financial accounts of the financial service providers at a disaggregated level. The inability to obtain this data is one reason why the Reserve Bank has opted for an average-cost pricing model. Labor will be looking at options to move towards marginal-cost pricing, which will lead to further reductions in fees.

In relation to the need for the Payment Systems (Regulation) Amendment Bill 2005, the amendment before the parliament today is to clarify the operations of the Payment Systems (Regulation) Act. The RBA standards are technically price fixing and in breach of section 45A of the Trade Practices Act. An exemption for compliance with the standard on interchange fees is provided for in regulations of the payment system and the Trade Practices Act. As you know, Mr Deputy Speaker, this expires on 1 July 2005. The bill makes the regulation into law, with the effect of providing permanent protection from part IV of the Trade Practices Act for all actions relating to the standards identified in regulation.

Labor has consulted with the ACCC about how this law will work in practice. The bill should not exempt financial service providers from the Trade Practices Act except as required for strict compliance with the standard. Labor has had some concerns about whether the bill
creates a broader exemption than needed for compliance with these standards. The ACCC has advised Labor that the courts are likely to interpret this bill narrowly. Still, it is essential that this bill not exempt the financial service providers from all the restrictions of the Trade Practices Act in relation to price fixing. To aid the interpretation of this bill by the courts in any subsequent judicial review, Labor calls upon the minister to now clearly state in his summing-up that the intent of this bill is not to exempt the financial service providers from price-fixing restrictions in the Trade Practices Act, except as required to be able to comply with the Reserve Bank of Australia standard.

Mrs GASH (Gilmore) (10.04 am)—I welcome this opportunity to speak to the Payment Systems (Regulation) Amendment Bill 2005. Point (1) of section 6 in part 1 of the Payment Systems (Regulation) Act 1998 ‘provides for the regulation of payment systems and the purchase payment facilities’. Subsection 11(1) of the act provides that the Reserve Bank of Australia has the power to designate payment systems if it considers that it is in the public interest to do so. On 26 August 2002, the bank determined a standard for the setting of wholesale interchange fees for participants in credit card schemes. The standard came into force on 1 July 2003, and the bank then designated three participants for the purposes of the standard on 12 April 2001—Visa card, MasterCard and Bankcard.

Interchange fees are charged between financial institutions in order to provide credit card services. However, if the participants in the designated schemes comply with the standards on the setting and charging of interchange fees, they risk contravening part IV of the Trade Practices Act 1974. Part IV of the Trade Practices Act describes and prohibits various restrictive trade practices. Subparagraphs of the TPA respectively provide that anything specified in, and specifically authorised by, an act or regulation made under an act is exempted from the operations of part IV.

The payments system regulations of 2003, made under section 32 of the act, provide interim relief by protecting credit card schemes from liability under part IV of the act. However, these regulations apply only until 30 June 2005, as paragraph 51(1)(c) of the Trade Practices Act prevents such regulations from operating for more than two years and prevents similar regulations from being introduced.

The bill eliminates the overlap between the Trade Practices Act and the standard by specifically authorising, for the purposes of paragraph 51 of the TPA, the setting of charges and interchange fees in designated payment systems by participants of specified schemes in accordance with the standard.

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (10.07 am)—In summing up on this bill, I welcome the support of members for the bill. The bill will ensure that compliance with Reserve Bank of Australia interchange fee standards will not breach the competition provisions of the Trade Practices Act. These amendments support the important reforms to the Australian payments system being undertaken by the Reserve Bank. The Reserve Bank’s interchange fee standards ensure that those fees reflect underlying costs. Moreover, the reforms aim to increase the transparency of fees to consumers and to promote competition in the payments system. I commend the bill to the House.

Question agreed to.

Bill read a second time.
Ordered that this bill be reported to the House without amendment.

HIGH EDUCATION LEGISLATION AMENDMENT (2005 MEASURES No. 2) BILL 2005

Second Reading

Debate resumed from 10 March on motion by Dr Nelson:
That this bill be now read a second time.

Dr EMERSON (Rankin) (10.08 am)—The Higher Education Legislation Amendment (2005 Measures No. 2) Bill 2005 is the fifth such bill introduced to implement technical amendments associated with the introduction of the Higher Education Support Act, which came into effect on 1 January 2005. That means we have had an average of nearly one tidy-up bill for every two weeks that the new act has been in effect. This bill was introduced the day after the first higher education bill for 2005 cleared the House. The bill includes two issues that could be described as somewhat more than ‘technical revisions’, as the minister described them in his speech. I will go to some of those amendments, but, given that the budget came down just last night, this is an opportunity to debate this legislation in the broader context of the budget funding priorities. I would like to point out to members that last night the spending spree which the government engaged in during the last budget and during the election campaign grew from $66 billion, as first estimated by Access Economics, to $105 billion. That is an enormous amount of extra spending.

It would be the hope of all Australians that a good part of that extra spending would be on investment in Australia’s future. The investment that we would seek is investment in the future drivers of productivity growth in this country, and what better source of productivity growth and economic prosperity than the young people of Australia. Sadly, of that $105 billion spending spree it is very difficult to identify more than a miniscule amount of extra funding that is devoted to investing in the young people of Australia.

Cash-starved universities remain cash starved. Indexation arrangements have been prejudiced by this government’s desire to index university grants only by an amount that is less than the full costs of administration and salaries that they incur. As a result of that, these universities are becoming very desperate financially. When a university becomes desperate financially, inevitably it is going to be forced to seek other sources of funding. The government, to an extent, has obliged in that it has implemented for students two major measures from the beginning of 2005. Firstly, there is a very substantial lift in HECS fees. Those students who are able to access subsidised university education through the payment of HECS have now been confronted with fee increases of up to 25 per cent. It comes as no surprise that most, if not all, universities are availing themselves of the opportunity to so increase their fees by the full 25 per cent because they are being starved of cash through the government’s very tough indexation arrangements—refusing to index fully for the extra costs that those universities confront.

The other major change is a much wider implementation of full fee-paying student arrangements for Australian students. Up until 2005 a very small proportion of university places was being taken by full fee-paying Australian students. The government has relaxed the arrangements there so that 35 per cent of Australian places can now be taken by full fee-paying students. It has facilitated that through FEE-HELP, a new loan scheme that the government is
implementing. This means that we are moving, tragically, away from the philosophy of university education funding of previous Labor governments—a philosophy that was originally introduced and implemented by Gough Whitlam. We are moving back to the pre-Whitlam era, when privilege and not talent determined whether young Australians would be able to obtain a university degree.

The previous Labor government introduced the Higher Education Contribution Scheme. It is an income related loan scheme. The idea behind it was that students themselves could make some contribution to the cost of university education out of their future incomes. Crucially, the extra funding that would be generated out of the HECS arrangements would then be devoted to increasing the number of university places. It worked like a charm. University places in Australia have increased dramatically as a result of the implementation of HECS. We should recall that the repayment of the HECS loan is conditional upon the graduate earning a specified threshold level of income. Those who earn less than that threshold level of income do not have to repay the HECS debts.

Under Labor the level of HECS fees was set so as to only partially cover the true cost of a university degree—about 20 to 30 per cent of the recurrent costs of a university degree, in fact. Why did Labor do that? The answer is that Labor recognised that a university education, though very good for the student, is also good for the broader community. In the information age university education is extraordinarily valuable for Australia. We need to be thinking about ways of broadening access to university for working-class Australian children. That is what HECS has been able to do, by dramatically expanding the number of university places.

But some very bad policy was implemented from 1997, upon the election of the Howard government. Rather than acknowledge that there is a strong case for heavy subsidisation of university education, the government increased HECS charges by between 31 and 119 per cent, depending on the particular course. At that same time the government reduced the income threshold at which repayment of HECS begins—by some 30 to 40 per cent. It also provided for full fee-paying Australian students, but without a loan scheme. Consequently the take-up rate was small, presumably because most students did not have the money to pay full fees back in 1997.

An analysis by Professor Bruce Chapman and Dr Ryan concludes in respect of the impact of HECS on the socioeconomic composition of university enrolments from 1988—just before the introduction of HECS—through to 1999 as follows:

... HECS did not discourage university participation in general or among individuals from low wealth groups.

It also concludes HECS:

... has had no discernible effects on the access of the disadvantaged to higher education.

That is what Labor had hoped in introducing that scheme.

On top of those regressive changes that the government introduced in 1997, it implemented a series of very problematic changes to operate from 2005. First, universities were allowed to increase their HECS fees by up to 25 per cent. Second—and this is a positive measure; I will give credit where credit is due—the HECS repayment threshold was lifted from about $26,500 per annum to just over $36,000 per annum. So in effect the government was partially reversing a decision that it made in 1997. But, third, universities were permitted from 2005 to
fill up to 35 per cent of places for Australian students with full fee-paying students. The final change that was implemented from 1 January this year was that, to assist full fee-paying students, an income related loans scheme called FEE-HELP was introduced—like HECS but with a loan cap of $50,000.

These changes, particularly those related to full fee-paying students and FEE-HELP, will be quite damaging. I need find no greater authority for that conclusion than the Minister for Education, Science and Training himself. The education minister knows that the capping of FEE-HELP at $50,000 will be quite regressive. This is a conclusion that was reached by Professor Bruce Chapman and Gillian Beer in a study released in 2004. It says, in part:

However, if the capping of the loan leads to up-front fees, the effects are much more considerable and arguably much more regressive ... this aspect of FEE-HELP has the important potential to jeopardise the access of those who expect to receive relatively low future incomes. While this does not necessarily mean that relatively poor students at the point of entry will be adversely affected, this aspect of the 2005 reforms seems to be very regressive when viewed in a lifetime context.

The education minister agrees. But the education minister has no clout in the cabinet. We saw last night that he has no clout in the cabinet—$23 billion extra funding went to tax cuts but you might have reckoned that the education minister would have had a little victory in getting the cap removed on FEE-HELP.

We know he wants to remove the cap on FEE-HELP because he told the Jon Faine program on 4 August last year that he did. I will refer to some of the conversation between Jon Faine and the minister. Faine says:

The man responsible for introducing student loans says the way the system is evolving and where you are taking it is only going to help rich students, students from rich families, is he right?

The minister says:

Well in fact Professor Chapman is right, but the interpretation of what he is saying is in fact a little bit incorrect. Professor Chapman is one of the people who designed the HECS program and what he is referring to in this context Jon are the full fee paying students, these are the Australian students.

That is true; Professor Chapman was referring to those students. The minister goes on to say:

Well in fact we have got 784 courses in Australian unis which charge or offer full fee paying places to Australians, we have got about 16 of those courses that have fees of around $100,000 or more, needless to say veterinary science, dentistry and so on.

**Faine:** Medicine?

**Nelson:** Well Medicine not yet, but that’s coming in, and we know that Notre Dame will be about $125,000 and we have heard that Melbourne will be about $200,000.

So the minister is deeply concerned about these massive fee increases that he, through legislation, is allowing to occur. Jon Faine says:

Now there is no way that an ordinary Australian family can afford to put a kid through one of those courses is there?

**Nelson:** Well in fact you are right ...

You would resign after an interview like that, wouldn’t you? You would go off to cabinet, saying: ‘Jon Faine is right. Professor Chapman is right. It is very unfair, it is very regressive, I’ll go and fix it up in cabinet.’
The shadow minister for education is here, and the shadow minister for education cannot see where the minister has been able to fix this up in cabinet. We had a good look yesterday and we could not find any reference to it. Why? Because the minister was rolled by the Treasurer and the Prime Minister. The Minister for Health and Ageing should have resigned when he was rolled in relation to the Medicare safety net, which he said was an ironclad promise. Similarly, we had the education minister saying that he was going to fix this regressive aspect of FEE-HELP for full fee-paying Australian students. That is what he pledged to do, but he went into the cabinet room and got rolled, and he should certainly at the very least consider his position. I remember the health minister considered his for—what did he say?—about 30 seconds. If the education minister could consider his position for at least 30 seconds—or maybe a minute—that would be good. But it gets worse.

Mr Danby interjecting—

The DEPUTY SPEAKER (Hon. IR Causley)—I am sure the member for Rankin does not need any help from the member for Melbourne Ports.

Dr EMERSON—But he is a good help from time to time. Jon Faine goes on:
Well let’s look at some of the fundamental principles Dr Nelson. Did you come from a rich family?
Nelson: Arr, no I certainly didn’t.
Faine: You got a medical degree?
Nelson: Yes, I did medicine at a time when there was no HECS, there were no full fee paying places for Australians, there was nothing like that.
Faine: Well don’t you think it’s fair that anyone from any family no matter what their capacity to pay but just on their sheer ability should have an equal chance?
Nelson: Well the situation in theory, you are right. That is just astonishing. The minister went on:
... the situation we have got at the moment is that ... you miss out on a HECS place, whether you are rich or poor the university will offer you a full fee paying place, at the moment, until our reforms start next year, if you are poor, you are just as likely to say ‘I can’t afford it, love to do it’. So instead you take up a HECS place in a uni you don’t want to be at.
Faine: And someone else who can just write out a cheque …
Nelson: Exactly!
Faine: … because Daddy has got the money in the bank …
Nelson: Exactly!
Faine: … buys that place and that is not fair.
Nelson: You are absolutely right Jon.
‘You’re absolutely right, Jon. I’m a dud of a minister because I can’t get this outrageous situation reversed in the cabinet room. Tony Abbott and I have the same amount of clout in the cabinet room: none at all.’ Why? Because the Treasurer announced tax cuts for the rich last night and the abolition of the superannuation tax surcharge. That means way over $100 a week for the wealthiest in the country—including, I might add, elected colleagues here, who will benefit very substantially from the abolition of the superannuation tax surcharge and from tax cuts for people earning up to $125,000. So this minister could not get this inequity reversed.
It would not have cost a lot of money to get it reversed. More importantly, to the extent that it would have cost some money, it would have been a good investment in Australia’s future. If you look at international evidence about the sources of productivity growth and future prosperity around the world, there is an international consensus that it is now our people. Investing in our people is the best investment we can possibly make. Yet this government has such an ideological prejudice against public investment in universities that it wants to go to the private route. We hear the minister saying in parliament, ‘Why should ordinary people have to fund the education of university students?’ The fact is that university students are going to be crucially important in determining Australia’s future economic prospects in an ageing population. We need to lift productivity growth in this country, and the great source of productivity growth for Australia in the future is our young people.

In the next 40 years there will be four million more Australians over the age of 65. There will be two million more working-age Australians and there will be only a few more—a couple of hundred thousand—young people. The Treasurer is right—sometimes he gets it right—when he says, ‘Demography is destiny.’ What that means is that our young people will determine the future shape and the future prosperity of this country. We need to be investing in those young people now, instead of giving obscene tax cuts to the rich so that the Treasurer’s cheer squad—and did they cheer last night—

Mr Baird—With good reason.
Ms Macklin—Especially when they found out the value of the tax cuts.
The DEPUTY SPEAKER—The member for Jagajaga will have an opportunity in a minute.
Dr Emerson—The Treasurer was going through the economy, saying, ‘There is this measure and there is that measure,’ and the backbench was saying, ‘Oh, here’s another budget speech.’ Then the Treasurer announced that he was going to abolish the superannuation tax surcharge, and there was a huge cheer. The ginger group said, one by one: ‘I’m changing my vote. This bloke’s a good bloke. We’ve underestimated him.’ Then, just to be absolutely sure of the support of an increasing number of backbenchers—

The DEPUTY SPEAKER—I am sure that the member for Rankin will get back to the bill.
Dr Emerson—he announced that the income tax threshold would be lifted to $125,000. Where would you get a figure of $125,000? I think the average backbencher earns about $105,000—that is well and truly clear. Members of parliament will not be paying the top marginal rate of income tax.

The DEPUTY SPEAKER—The member for Rankin will come back to the bill or I will sit him down.
Ms Macklin—It is all about priorities, isn’t it?
Dr Emerson—It is all about priorities. We need to be investing in Australia’s future. This legislation is a series of technical amendments, which are sometimes, arguably—and the minister will argue the case—somewhat more than technical amendments. The legislation does show that time and time again—on average, every fortnight—the government has to amend its own legislation because it cannot get the funding arrangements for our universities right. We need extra investment in our universities. As a result of the budget last night, the
government’s $66 billion spending spree has become a $105 billion spending spree. That can only increase the risk of an interest rate rise, which will wipe out the $6-a-week tax cut just like that. The $6-a-week tax cut will be barely enough to cover the increased cost of petrol. But worse, most of the government’s $105 billion spending spree is for consumption and not investment. It is pouring fuel on the fire of consumption in this country while failing to invest in Australia’s future and failing to invest in the future of our young people. It is a disgraceful budget in failing that basic test. The government should go back to the drawing board, with a new education minister, to make sure that our young people do indeed have a proper university education in this country.

Mr HARTSUYKER (Cowper) (10.28 am)—One of the things one notices about the contribution of the member for Rankin is that he is consistent. He is consistently negative, drowning in his own negativity like the rest of the ALP. They certainly have no vision for this country, they certainly have reform fatigue in opposition and they certainly cannot see the future of this nation. They come into this place on a regular basis and run down the clock. That is all they do. They have no vision, they have no strategy; they just rabbit on and run down the clock. They use up their 20 minutes every single time, without introducing anything new into the debate, without introducing anything that could benefit this country. They merely run down the clock. I think we see them right on their limit. The limit of their ability to contribute is to just take up time in this chamber.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! The member for Cowper will come to the subject of the bill.

Mr HARTSUYKER—The bill I wish to speak on today, the Higher Education Legislation Amendment (2005 Measures No. 2) Bill 2005, is an important bill. It forms part of the progressive reform which this government is making to tertiary education. While the matters before us today are largely of a technical nature—they concern the way students’ contributions are fixed and the way those contributions can be varied and students kept informed and protected, and they clarify the financial arrangements relating to work experience—let us not lose sight of the bigger picture and what the Higher Education Support Act is trying to achieve. We need to encourage education. The government are very focused on encouraging education—in contrast to the negative carping we hear from the member for Jagajaga. We are keen to encourage higher education. Our society would be all the poorer without those academics and students who seek to pursue their own enthusiasms in the fields of science or history or literature, free from financial considerations. Indeed, whatever changes are made to higher education in the future, and whatever pressures come to bear on universities, I hope there will always be a place for those individuals trying to shed light on the way we were many years ago, the way we are now and the way we are likely to be in years to come.

But the days of the ivory tower are over. No longer can our universities be isolated from the pressures of a rapidly changing world. They must be responsive, not just to the wider changes in society but also to the needs of the community they serve. They must be responsible with the public money they receive and spend and the service they provide to their students. Indeed, only if universities respond—and are helped to respond—in this way are we able to preserve the opportunity for those whose interests are perhaps less worldly, but whose interests enrich our society nonetheless, to continue their work. The proposed measures in this bill will assist with our aim that universities serve local communities, responding to their
needs and playing a part in building a future for those communities. I want to see universities financially viable. I want to see them capable of contributing on a national scale in scientific research, in the arts, and in business and commerce. That is their basic brief.

I said I wanted to see universities contributing on a national scale. It is now a fact of life that to contribute nationally you have to be able to compete internationally. You cannot help your nation become competitive with other nations unless your product is as good as or better than theirs. That is why I welcome the provisions of the Higher Education Support Act that will partially deregulate higher education, enabling individual universities to play to their strengths and determine the value of the courses they offer. I believe this offers opportunities for our institutions to develop world-beating courses and specialities that can benefit our country and help us further mark out our place in the world. The government will provide an extra $11 billion over 10 years, starting from last year, which is, I believe, ‘backing Australia’s future’—to use the title of the document which launched this strategy. I also welcome the extra funding for regional campuses, but I will come to that later.

It is only fair that with extra resources comes extra responsibility. The act tries to ensure that the universities deliver value for money. It may not be a phrase that has had too much currency in the academic world in the past, but it is one which will have a greater focus in the years to come. And why not? Students investing time, effort and money in a particular course want to be assured that that course is going to efficiently and effectively meet their needs and provide them with the skills they need in an ever more competitive jobs market. The taxpayer, too, has an interest in this process because it is the taxpayer who is providing a large proportion of the funding for universities, and it is the taxpayer who has the broader interest of ensuring that we produce a well-educated society and a well-educated young work force.

The act also enhances Commonwealth funding for student places. There will be nearly 36,000 new Commonwealth-supported student places over the next four years and more funding for each of those students. Furthermore, no eligible students will have to pay upfront fees when they enrol. The Higher Education Contribution Scheme will see the repayment threshold increased. Loans will be introduced to help students paying full fees in public and private higher education institutions and for those who need help to study overseas. All this, and the measures to encourage greater access for disadvantaged groups, will mean that far fewer students will be deterred from pursuing higher education—far from the rhetoric that we hear from the other side.

This is important: if Australian education is to assist our economy and if we are to compete on the global stage, we must ensure that everyone has the opportunity to obtain the kind of education that will allow them to contribute to the ongoing prosperity of this nation. I believe that it is particularly important that young people in regional and rural areas are given the opportunity to contribute to their communities.

We have heard a lot about the global economy in the context of the reforms and challenges that it offers to our universities. I would like to consider for a moment what it means for local communities and higher education in rural areas. The global economy clearly offers opportunities for anyone with a good business idea and a good product. The global economy gives them an opportunity to access a huge marketplace with a supply of customers around the world. Provided there is access to the latest telecommunications technology, people in regional and rural areas can compete on the world stage. However, our regional universities
have to be up to the task. They have to offer the types of courses that people who are going to set up businesses in regional and rural areas will need. They have to offer the types of courses that are specific to the particular areas in which they operate. That is a very important factor on which my local university, the Coffs Harbour campus of Southern Cross University, is focused. Universities generally are focusing on the wider world, and regional universities are playing their part in that regard.

It is a role of higher education to provide the training and skills which will help people to fulfil their maximum potential, that will help them sustain a community in a metropolitan or regional area. If you decide to stay in a community in an inner regional area, you perhaps need a broader range of skills. In regional areas generally the tasks are not as specific: people in cities in many cases tend to be far more specialised than people in regional and rural areas, where the work demands may be more generalised. Universities have to adapt to the differences in professional and business operations in the regions as opposed to those in the metropolitan areas. There are certainly generalists in metropolitan areas but in regional areas, like the electorate of Cowper, many professionals operate at a more general level.

Universities also have to be focused on retraining. The old tradition of entering a career or profession and staying there for a lifetime is changing. People are changing careers several times during their working lives. Universities have to adapt to that. They have to offer training for young graduates and also for people seeking retraining to move from one career to another, to broaden their experience and to enable them to meet changing needs in those areas. If our universities are responsive, they will more effectively meet community needs.

The Higher Education Legislation Amendment (2005 Measures No. 2) Bill 2005 focuses on providing transparency for students and the university sector. It provides greater flexibility in the way in which our higher education bodies deliver their services. The bill will amend the Higher Education Support Act by making a range of technical adjustments aimed at ensuring that all guidelines may provide for amounts to be indexed using the indexation formula in the act, and clarifying provisions in relation to students’ tax file numbers. It will also ensure that the appropriate decision review provisions apply to students occupying work experience in industry units. It will clarify provisions in relation to working out an accumulated HELP debt. It will also clarify that students accessing FEE-HELP may be enrolled with Open Learning Australia, and allow universities to publish their schedules of student contribution and tuition fees and census dates twice a year instead of once, which will allow universities to notify students of new study units. The bill extends OS-HELP eligibility to students who have at least six months of study left to complete their courses. It will also amend the Higher Education Support Act to ensure that it provides for arrangements relating to crediting a person’s student learning entitlement for those enrolled in work experience in industry units.

There will be some positive outcomes from this legislation. For example, by publishing student contribution amounts and tuition fees twice a year, providers will have more flexibility to deal with changes in demand and supply for particular units of study. Students will now be more informed about the decisions made by higher education providers. More students will be able to access OS-HELP assistance for their overseas study. Students will only be required to complete half a full-time year of study rather than a whole year of full-time study upon their return to Australia. This amendment will ensure that students undertaking work experience units of study have the same entitlements for reconsideration of any decisions relating to
recording their student learning entitlement or FEE-HELP balance as apply in the case of other units of study. The legislation clarifies that a person who undertakes studies through Open Learning Australia is a student and therefore has the same entitlements to FEE-HELP as other students.

These reforms will benefit higher education providers and students in regional and rural areas. In my electorate, as I have said, we have the Coffs Harbour campus of the Southern Cross University and this government has been providing additional support for that campus. The Australian government has been very focused on the fact that it costs more to provide educational services in regional and rural areas. The Coffs Harbour campus of the Southern Cross University provides a range of courses, including tourism and hospitality, which assist in sustaining the city’s local businesses and our local tourism base. It achieves skilling of our local young work force to meet the needs of the job market in the town. The Southern Cross University makes a point of catering also for mature students going through the process of retraining, who may need to change their skill set in order to continue to contribute to the regional area that the university services. There is an opportunity to undertake a range of courses to meet the needs of the local area.

The university runs courses in teaching and nursing—two very important courses. My electorate has a very old demographic and offering a nursing course at Southern Cross University is a vital part of ensuring that we have the work force to look after those older Australians who seek to retire, or who have spent their whole working life, in the electorate. It is vitally important that the university is effectively meeting the demands of the aged care work force. The university is also very focused on providing young teaching graduates. The education sector is another very important source of employment in the area. The university is offering young people the opportunity to grow up in a regional area, receive tertiary training in a regional area, and then contribute to that regional area in their working life.

It is great for Coffs Harbour that a young person can grow up in Coffs Harbour, receive tertiary training and then contribute to the work force, all without having to leave their home town if that is what they choose. That is a great amenity which is being offered by the university. The government is supporting the university through being aware of the fact that providing an educational service is more expensive in rural and regional areas. Southern Cross University receives a 7½ per cent additional subsidy—one of the highest subsidies that is available under the act—in support of the fact that the government is aware that it costs more to deliver those services in the regions.

I believe that the government has worked very hard and very effectively to ensure that we have a higher education environment that is going to meet the needs of this country in the coming years. I think we have worked very hard to ensure that students at regional and rural campuses are not going to be disadvantaged by geography, that the universities they attend are going to be funded in a way that takes into account the fact that there are higher costs involved in providing courses in those areas. The universities, too, are responding. They are responding by ensuring that the types of courses they provide are meeting a need—perhaps a need which is more generalist, perhaps a need which is very focused on providing people who are skilled in areas of demand in our local area—and that is a very wise approach.

I commend the approach that this government has taken in supporting higher education through funding particularly rural and regional campuses with a view to ensuring that they are
adequately resourced to provide courses in locations where, in many cases, students have grown up and seek to work in the future. I commend this bill to the House and I certainly commend the actions of this government in supporting higher education.

Ms MACKLIN (Jagajaga) (10.45 am)—Unfortunately, the member for Cowper is ignoring the devastating effects of this government's funding on the University of Newcastle—a university very close to his electorate, which is going to have to lay off 450 staff because of this government’s massive cuts to our universities. It is extraordinary this morning to be debating the Higher Education Legislation Amendment (2005 Measures No. 2) Bill 2005, which is before us. It brings home the missed opportunities of last night’s budget—a budget that included $22 billion to be blown on tax cuts for the wealthiest people in this country. Amidst the largesse being handed out to the top end of town, the government has decided not to increase proper funding for our universities. The Minister for Education, Science and Training has decided that there will not be indexation of our university grants from Canberra, even though the universities have made it plain that that is their No. 1 priority. Last night we had billions of dollars being spent on benefiting the wealthiest people in Australia but nothing to index the grants for our cash starved universities.

There is no question that our universities are suffering as a result of the $5 billion in funding cuts imposed on them by this government over the last nine years. Chronic underfunding is certainly threatening our universities. If anyone is in any doubt about that, they should read the *Sydney Morning Herald* series, which day after day points this out. Our universities are suffering and their quality is in decline because of this government’s budget cuts.

The OECD has found that Australia has had one of the largest declines in public investment in universities and TAFEs of any OECD country. This country dropped public investment in higher education by 8.7 per cent, while the majority of our competitors actually increased it. Australia is one of only seven OECD nations to have reduced government funding for tertiary education per student between 1995 and 2001. But, instead of taking the opportunity last night to deal with this funding crisis in our universities, the government laid out its priorities very clearly: to give a big tax increase to the wealthiest people in Australia and, of course, to not provide proper indexation for our universities.

This will be a terrible blow for our universities and for the staff and students who work and study at them. It will guarantee—and there is no question about it—that further fee hikes will have to be faced by students and their families. This government’s refusal to fund our universities, to make sure that they are funded to keep pace with increasing costs, will mean that the universities will be coming back to Canberra, trying to get approval for further fee hikes that will make it more and more expensive for young Australians to get a university education. That increase in HECS will come about entirely because this government has refused to properly index grants; it has refused to make sure that our universities are funded to keep up with their running costs. Just to tread water, to keep up with their running costs, universities will have to come back to Canberra for approval for further HECS rises.

We know that this government has already increased HECS fees significantly. Until the latest hikes, HECS fees under this government had increased, on average, by 100 per cent. Now we have the majority of universities deciding to impose another 25 per cent fee hike and, of course, an associated massive explosion in the number of people paying full fees—that is, Australians paying full fees to get a university education in this country.
Let us just think for a minute about what young people have to pay to get a university degree—and this is if they get a HECS place. They will be paying $20,000 for a science degree, $40,000 for a law degree and about $15,000 for an arts degree. That is the level of debt that Australian students are going to have when they finish their university education. But even worse than that is what the government is doing on full fees. As a result of this government’s changes, we now have about 200,000 students who are allowed to jump the queue and buy a place at university if they have the money or if they have very wealthy and very generous parents. These are Australian undergraduates paying full fees costing as much as $210,000. Of course, these students can expect even more fee increases. That will happen both for HECS students and for full fee students.

The bill we are debating today, as others have said, contains a number of technical amendments. Others have described these, so I will do so only very briefly. I must say that it is extraordinary: this is the fifth bill introduced to implement technical amendments associated with the principal act, which only came into effect on 1 January this year. The first bill with technical amendments was introduced the day after the first higher education amendment bill for 2005 cleared the House, and I have no doubt that we will see a few more of these bills trying to clean up the mistakes that the minister made in the first bill.

The bill we are debating here today includes two issues which have been described by the minister as technical revisions, but I think they go a little bit further than that. Of the two provisions that I want to highlight here, one is to extend OS-HELP eligibility to students with one full-time semester left to complete their degree—that is down from one full-time year—and the second is to allow higher education providers to alter their fee schedules more than once a year. So the first of the provisions extends eligibility to a larger number of students who might want a loan to complete their studies at an overseas university. The second returns the higher education providers to what was the status quo prior to the principal act, the Higher Education Support Act, when they were free to alter their fee schedules at any time.

I must say that it has become pretty commonplace for the Minister for Education, Science and Training to provide no rationale for these changes in either the explanatory memorandum or the minister’s second reading speech. There is a little explanation but no justification. Also—and this is the important point, which I hope the minister will respond to at the end—there is no indication of the value of the loans and the potential impact of the proposed change. It would be helpful for the parliament to be informed about those issues. The other parts of the bill are all of a much more technical nature. I will not go through the details of those here. They are uncontroversial and Labor will be supporting them.

Even though it does return higher education providers to the arrangements they had before the major changes that were agreed to by the Senate in 2003, the measure that we fear—that is, to allow higher education providers to set their fee schedules more than once a year—certainly brings forward our concerns about a new loans scheme that the government has recently introduced. That is the scheme called FEE-HELP. There is no doubt that FEE-HELP will have a highly inflationary impact on fee setting by those institutions whose students are able to access these loans.

New figures released by the Department of Education, Science and Training last month show that the Howard government’s introduction of FEE-HELP loans will actually generate a very significant level of new debt for thousands of Australian students and their families. In
fact, these new figures that have just been provided by the department show that the new debt will skyrocket to over $3 billion by 2008-09. That is a pretty extraordinary effort by this minister in a very short space of time. According to the education department’s figures, the debts are expected to rise from $256 million in 2004-05 to a total of more than $3 billion in 2008-09. What an extraordinary explosion in student debt—and these are just the figures for students with FEE-HELP loans.

The new figures also show that more than 60,000 Australian students will incur a FEE-HELP debt. Of course, these are the students who will be paying these massive full fees, fees as high as $210,000, for a university degree. This comes at a time when the previous speaker, a member of the coalition government, says that we should be encouraging more Australians to go to university. That is dead right, but what this government is saying, ‘If you want to go to university, it’s going to be a US-style system where it costs massive amounts of money.’ I do not think anyone would disagree that $210,000 is a massive amount of money—it is that money that is actually going to open university doors and saddle Australian families with huge debts that they may not be able to repay in the future.

The cost of another key Howard government commitment has blown out. The new figures from the education department show a massive blow-out in the cost of FEE-HELP. This is not the only blow-out in costs that this government has had to confront. This blow-out in the cost of FEE-HELP comes very hot on the heels of the news of the Medicare safety net blow-out. You would have to say that this government’s credibility on costings of its schemes has all but been lost when you see these massive blow-out figures. Maybe it is hardly surprising that the government is not concerned about these cost blow-outs. I want to read something from the OECD’s publication Education at a glance. It says:

Many OECD countries with the highest growth in private spending have also shown the highest increase in public funding of education. This indicates that increasing private spending on tertiary education tends to complement rather than replace public investment.

But it goes on to say:

The main exception to this is Australia, where the shift towards private expenditure at tertiary level has been accompanied by a fall in the level of public expenditure in real terms.

So let us not take any notice of the waffle that we get from the government; let us actually go to an independent source which sets out what this government is about.

The government likes to portray itself as adhering to the current orthodoxy about broadening the sources from which universities are funded, but the facts are much simpler than that—as the OECD sets out. It is all about shifting the burden of funding our universities onto students and making them pay extraordinary fees for a university education. There have been very crude cuts to public funding of our universities, and it is students who have been expected to fill that hole. We do know that the Minister for Education, Science and Training has been rolled recently in cabinet. The member for Rankin also highlighted this. What the minister for education was attempting to do was to increase the amount which can be lent to full fee-paying students—that is, Australian students—at our universities.

The decision of the government a couple of years ago was to cap FEE-HELP loans at $50,000. Students who get into a medical degree at the University of Melbourne and face fees of $210,000 will be able to get a FEE-HELP loan of $50,000, but of course they will then
have to go to their very wealthy and very generous parents for the rest—otherwise they will have no hope of being able to pay those fees.

The minister assured radio listeners last August in these terms:

"... this is one of the things I was determined to change, at the moment if you are offered a full fee paying place and you come from a poor family you might as well be offered a ticket to Mars."

Let us see why that is. Veterinary science at the University of Melbourne costs $35,000 a year. The minister's loan scheme would get a student paying those fees halfway into the second year of a five-year degree that costs $175,000. Because of this government's policy of increasing the cost of education at every opportunity, a place in veterinary science is still a 'ticket to Mars'. The poor student cannot have any prospect of paying those sorts of fees in order to get a veterinary science degree at the University of Melbourne.

The answer to this problem is not uncapping FEE-HELP loans but increasing the number of HECS places. That is what we should be doing—making sure that students pay affordable fees at university. Even capped at $50,000 FEE-HELP loans for university students are going to generate massive new debts for thousands of Australian students and their families—skyrocketing to over $3 billion by 2008-09, which is a very short time away. If this minister were to get his way, his pet plan—uncapping FEE-HELP—would mean an untold blow-out in student debt, leaving students with university debts that many of them would never be able to repay.

Another area where the minister for education is swimming against the international tide is in his proposals to undermine the definition of what it is to be a university. The minister has tried to justify his failure to act to close down the so-called 'Oceania University of Medicine' by passing the buck to the Victorian government. This is intriguing from a minister who seems very determined to micromanage our universities and to tell states how to run their schools. On this occasion he seems to be determined to refuse to take responsibility for the job that he actually has.

In the education sector the Commonwealth has a most unambiguous role in higher education. It is an area that has been under active consideration during the life of this government—a lot of that active consideration having had shocking effects. But there is one issue that the minister is really thinking about at the moment—that is, what the name 'university' should represent. One of the things that he should be determined to do is to protect the term 'university', but in the case of the Oceania University of Medicine in Melbourne he has continued to refuse to act either to make this organisation close down or to remove the term 'university' from its name. The Victorian government has done its job in this case. They have not given Oceania the authority to grant degrees as either a university or a non self-accrediting higher education provider. So they have actually done their job. Now it is the Howard government's job to protect the title of 'university'.

When it comes to protecting the good name and reputation of our universities it does seem as if this minister is just a little bit lost. He will not deal with the Oceania University of Medicine and earlier this year when the minister spoke at the National Press Club he responded to some of the criticisms I have made of him—where I have been calling on him to protect the name 'university'. This is what he said:

"... the average person listening to the 'Mc Degree' thing would think 'Yeah, what's wrong with that'."

MAIN COMMITTEE
I find it quite extraordinary that the education minister of this country would go to the National Press Club and publicly embrace the concept of ‘Mc Degrees’ at our universities. It is bizarre. It is unbelievable that we have a minister for education who seems entirely comfortable with likening the qualifications from our outstanding university system with the delivery of fast food. I should also take this opportunity to correct a statement by the minister when he said:

... inherent in that is a basic criticism of the kind of training that’s offered at McDonalds and similar operations ...

I do not know whether the minister decided to completely miss the point on purpose: of course it has nothing to do with the merits of fast-food training; but the fast-food training that young people receive at universities has absolutely no relationship to the standard of education that each and every Australian would expect to receive at a university.

It does seem that this minister is determined to no longer protect the great name of our universities. Why is this happening; why is it that the minister is either confused or no longer interested in protecting the reputation of our universities? Maybe it is the case—and perhaps the member for Cook could let us in on what is going on in their party room—that the minister for education is not 100 per cent totally focused on his job. Not long ago, the weekend Financial Review said:

Nelson’s own busy-as-a-bee schedule has been widely noted.

I am sure it has been widely noted by the Liberal backbench. One observer told that newspaper that:

Nelson’s in a portfolio where he can go around to every electorate ... we’ve got Brendan turbo-charging around the place in a Comcar.

I do not know if it is the same observer, but the article went on to say:

There are quite a few MPs who came into politics in the last 10 years who believe in the Brendan story. Others find him a bit schmaltzy ... His whole office is attuned to getting the deputy leadership—

No wonder the universities are suffering. The article continued:

But with Brendan you really couldn’t be sure he wouldn’t push you over a cliff.

I hope that will not happen to the member for Cook. That has certainly been the fate of a number of important features of the Australian education system touched by his policies. What could be more important than making sure that access to universities is merit based? What could be more important than making sure that students can afford a university education? And what could be more important than the issue that is so critical right now—safeguards of Australia’s international reputation?

There must be something going on. The Australian must know of this story about the cliff, because in today’s higher education supplement of the Australian there is a story, on research, called ‘Pulling back from the funding cliff’. Maybe it is not the member for Cook who is being pushed over the cliff; maybe it is our universities that are being pushed over the cliff. This minister is not concentrating on his job. He is just thinking about his leadership prospects, and while that happens we are going to see the quality of our universities threatened as a direct result of his complete inattention.

Mr HATTON (Blaxland) (11.09 am)—I am very happy to follow the Deputy Leader of the Opposition and our education spokesman in this debate on the Higher Education Legislation
Amendment (2005 Measures No. 2) Bill 2005. These measures are almost entirely technical in nature. Indeed, the legislative brief in relation to this bill runs for a whole two pages or so. If you go to the explanatory memorandum, you will see that the core of what these measures are about runs to just over one page. I will give the Main Committee a bit of the flavour of the nature of these changes. I then want to expand on that somewhat in terms of the implications of these changes and how they fit into the broader measures that have already been introduced. Then, as my deputy leader and the other Labor speakers here have done—the member for Rankin has, and the member for Corio, who is following me, will, in his inimitable way, no doubt deal with these matters—I will go to the implications of this for Australian students in our own electorates and more broadly.

The technical nature of this is indicated in the explanatory memorandum. This bill would seek to ‘clarify the nature of review procedures which can be made under the higher education provider guidelines’, extend the scope of reviewable decisions and ‘ensure that requirements for review by request correspond with the requirements for reviews initiated by a review officer’. It will clarify provisions in relation to cancelling enrolments and allow the publishing of more than one schedule of student contribution amounts and tuition fees per year. There are some other provisions which extend what they call OS-HELP eligibility for students who are doing some overseas studying; clarify provisions in relation to accumulated HELP debt; and allow for more than one date to be specified for the publishing of census dates and equivalent full-time student load values, and so on. There is not much more in the EM because the relative depth of this is not so great.

This bill deals with higher education, and I note that the older I get—and the further away from the higher education that I was able to get at the University of New South Wales following my HSC—the harder it is, I suppose, for me to remember some of the things I picked up there.

Mr Kerr—Just getting old, but not growing weary.

Mr HATTON—Still at it; not growing weary. The neurones still activate. On the way up here I thought: if you look at the technical nature of this, it actually tells you something about the previous measures, the intent of this and the impact it will have. It reminded me—and here I absolutely stand to be corrected—of a footnote at about page 151 or 153 of Michael Oakeshott’s book *Rationalism in Politics and Other Essays*. Whilst discussing Maine, whose great book *Law and Customs* was the fundamental resource in terms of looking at the way Western legal systems operated and the way in which customary systems operated, he said that Maine made this observation, which I can attempt to make pertinent here. He said:

> Customary law has the first look of being secreted in the interstices of procedure.

It sounds strange, and it is a bit hard to start off with, but the more you think about it, though, the more useful it is. Normally, one would think, if you are looking at customary legal systems such as Aboriginal systems or those of other native populations and so on, that the way in which they normally go about doing things seems to be secreted or embedded in the very way they go about conducting their lives. So their customary law is not separated from the rest of their life, whereas in modern Western legal systems there is a great distinction between the legal system and the rest of people’s lives. They are at a distance from each other.
The connection here is that I have always thought it is a very profound way of looking not just at customary law but also at a whole series of arrangements. You do not look at what is put up front, you do not look at the name—in this case, the particular name of this legislation is not telling you all that much—but you look at the individual procedures that are secreted in or embedded within this bill and the practical effect they will have on Australian students either in providing incentives for them to enter tertiary study or in providing disincentives to keep them out. You have got to go not to the headline stuff but to the actual practicalities of what the bill involves, to what is secreted in the way things are done on a practical basis in those interstices of procedure.

Here we find a series of measures linked to prior bills to radically change the way higher education operates in Australia, to take our customary procedures in higher education and dramatically transform them in such a way that what we are going to end up with is yet again to the detriment of Australia’s education system—at least the grafting of an Americanised system onto an Australian rootstock. The Deputy Leader of the Opposition’s example of the minister effectively welcoming the ‘McDonaldisation’ of our education system goes lock step with one of the fundamental mistakes made over the last 50 years, but in particular over the last 30 or 40 years, which is to take holus-bolus elements of the American system—the current ideologies or the current drivers in American educational thought; whatever the fashions are of a particular time—and then attempt to either graft them onto Australia or let that flood through the system.

No greater damage has been done to the productivity of Australia’s work force than the way in which, holus-bolus, American predispositions, fashions or moods of the time have been allowed to destroy the comparative strengths and capacity of our system. We have a fundamental problem which has not been addressed by this government since 1996. There has been a lot of propaganda about literacy and numeracy at the lower, school level, but to my knowledge not a single dollar has gone to redressing the generational problems embedded by Australian teachers not being literate enough or, in some cases, numerate enough, because American systems have been taken on. I have said in this place before that the one certain and great thing that George Bush did in his presidency was to ensure that phonics was brought back in as a compulsory mechanism for teaching people how to read.

In Australia, right down from infant and primary school level to secondary school level, and now through to university level, we do not have a literate enough population. We have a lowering of standards that has been engendered by the Americanisation of our system in this area, where American fashion has dominated the fashion in the teachers union and the thought in this country. Only in the last 10 years have we seen attempts at the New South Wales state level, and some attempts by the government, to reverse this. But now, instead of $600 million, I think we need about a billion dollar program to fix the problem with our teachers who are not literate enough and who have not been taught well enough to go back into the system to do it well.

In terms of the real needs of higher education, I have no better example than what I encountered in my electorate of Blaxland just last week. Last week I went to a function to mark the opening of extensions at the Holy Saviour School. The extensions were opened by the member for Macarthur, Pat Farmer, in his role as Parliamentary Secretary. At that function, I had a discussion with Professor Naguib Kanawati, the pre-eminent Egyptian archaeologist in
Australia. He came to Australia from Egypt to undertake study at Macquarie University where his wife teaches French. He has built up the university’s school of Egyptology which now has one of the best reputations in the world. He has 52 undergraduate students. He told me that when he gets a PhD thesis presented to him, he is forbidden by the faculty from looking at the grammar or the spelling in that PhD thesis. He is simply told, ‘This is a thesis; you cannot look at any of that, you can only look at the factual basis.’ His point was very potent and it says a great deal about the problems in higher education. He said: ‘Archaeology is about stories and people’s ability to tell stories. It is not just a scientific activity; it is about communicating with other people. If you do not have the ability to do that effectively enough then you are in trouble.’

My comment to him went further than that: if we say that it is good enough in higher education to legitimise illiteracy, if we say it is good enough to legitimise a lowering of our standards and to simply take whatever people give us, then, if we look at the impact of the technical changes in these measures on what happens in higher education, they are dwarfed by the fact that Australia’s great trade advantage, our great pull in this region of the world, was that our higher education system was better than—and regarded as better than—any of those in the region, because it had discipline, certainty and value. Indeed, we have flogged that as a product throughout the region and throughout the world. Our future in the 21st century is utterly dependent on ensuring the quality of that product. But what is the minister for education concentrating on? This load of flummery which is at the base of his attempts to change a publicly funded system into a McDonaldised private education system at the university level.

We have this story referred to by the member for Cook about Labor supposedly having some kind of reverse snobbery and not really being for tradespeople and so on. This goes back a number of years but it has never been more potent than since the current minister came into the place. I would like to see this government come up with a series of bills that did not just have small technical measures such as this one. I would like to see bills that did not just say, ‘We’ll build 24 technical high schools on the never-never.’ I would like to see a federal government that would say, ‘Over the past nine years we’ve done a transition. We’ve taken people from being in full apprenticeships to being in traineeships—discounted apprenticeships—which are easier to roll out.’ I would like to see a federal government that would say, ‘This problem is so fundamental. The average age of a plumber in Sydney is 53 years. There’s a generational shortfall in Australia in the trades. We, as a federal government, have been responsible for that not being met.’ In the process they can kick the daylights out of the previous federal Labor government if they want to do a bit of evening up, and we can argue about what we did to try to ensure that was turned around.

This problem is fundamental to Australia’s productivity and capacity. Where is it being addressed in all of the bills that this education minister has put forward? I am still waiting. Australia is still waiting. What have we got instead? What came through the budget last night. Young Australian students will be penalised through measures such as those in this Higher Education Legislation Amendment (2005 Measures No. 2) Bill. It will make it more difficult for young Australians to get access to higher education. It will cost them more in HECS. Certainly the level at which they will have to pay HECS will be raised from about $24,500 a year to $35,000 a year, but the amount they will have to pay will be raised from three per cent to four per cent in order to compensate for that.
We know that this government has put into these bills a series of impositions relating to its expectations of higher education institutions. From talking to Professor Janice Reid from the University of Western Sydney I know absolutely full well just what a dramatic impact there has been on the University of Western Sydney’s campuses in Bankstown, in Campbelltown and elsewhere throughout Sydney. They have fought with all their might and main to reduce their costs, but they have finally succumbed to the government’s pressure, indicating just last month that the stance they took in 2004 to not raise Higher Education Contribution Scheme fees can no longer be sustained. They have finally said: ‘No, we can’t do it. We’ve tried everything that we can in discussion with the government. We’ve pleaded with them. We’ve demonstrated to them that we have a cut in the relative amount given to us by the government and that we are relatively disadvantaged.’ They have now had to reverse a principled stand, and the students at the University of Western Sydney, from my electorate and others surrounding it, will cop a 25 per cent increase as a result of the measures involved in this bill and associated bills.

What kind of incentive is that for people to push forward and get into the education system? It is a massive disincentive. Why? It will add $962 a year to the cost of an arts degree and $1,604 to the cost of a law degree from the University of Western Sydney. They have a $9 million deficit. They cannot cut it in any other way. They have attempted to cut back whatever they can. We know that recently the University of Newcastle have taken similar approaches to try and cut their problems and to try not to impact on their students, who are their lifeblood, but they have pointed out—quite rightly, as the shadow minister has pointed out—that there has been a decrease in funding to higher education in Australia.

The shadow minister and Deputy Leader of the Opposition has put the order of magnitude of cuts to higher education since 1996 at $5 billion. All of those in the major universities in Australia who have spent almost a decade trying to get a rejigging of higher education to put themselves back onto some footing know that the changes that have been made in the last year or so and in the technical and consequential changes today are going to hurt regional universities and universities like the University of Western Sydney because they have the fewest resources. But basically at this stage they are looking after themselves. They are being pressed forward, just like the universities in the United States. The bigger, older universities who are big enough and ugly enough to look after themselves will benefit to the detriment of those smaller regional ones, whether they are in metropolitan Sydney or out in regional Australia. Professor Janice Reid in this regard has said that the UWS has fared badly under the reforms of education minister Brendan Nelson and needs extra revenue to improve teaching, research and facilities. It needs to survive, and the University of Western Sydney has had to drop its principled stand that it would not hammer its students by imposing that 25 per cent increase.

Labor has made its position in regard to this fundamentally clear. The minister is following on from Dr Kemp in propagandising and attempting to invert reality by coming up with his reverse snobbery bit. What is he doing for the people in trades in Australia? What is the Treasurer doing for those people who want to go into trades and pursue a life there? What is he doing for Australia’s productivity within the regions? I will tell you what they are doing. They are importing tradespeople—plumbers, electricians. We have people coming in. I did not know this until last year. Peter Martin—who was previously with the ABC and is now
Mr GAVAN O’CONNOR (Corio) (11.29 am)—In this debate I want to express the opposition’s support for this piece of legislation. The Higher Education Legislation Amendment (2005 Measures No. 2) Bill 2005 is indicative of the legislative chaos we have come to expect from this tired and incompetent government. It should be noted that this is the fifth bill introduced to implement the technical amendments associated with the introduction of the Higher Education Support Act 2003, which made significant changes to the Commonwealth’s funding system for higher education. Those changes were substantial and they encompassed a new Commonwealth grants scheme, major changes to HECS, and assistance for students.

This bill has two main elements: it extends overseas help eligibility to students with one full-time semester left to complete their degrees, and that is down from one full-time year; and it also allows higher education providers—that is, the non-university providers—to alter their fee schedule more than once a year. The first of these provisions extends eligibility to a larger number of students who may seek a loan to complete their studies at an overseas university. The second provision returns higher education providers to the status quo prior to the Higher Education Support Act when they were free to alter their fee schedule at any time.

The procedure in the introduction of this bill to the House is indicative of the arrogance of this government, because there has been no rationale given in either the explanatory memorandum or the minister’s second reading speech for the changes that have been included. This is quite typical of the government: treating this House with contempt and treating this whole area with arrogance.

Today I have some simple questions to ask members of the government, questions which echo that great line in the Bob Dylan sixties classic Like a Rolling Stone. I say this to members opposite: how does it feel? How does it feel to be part of a government that has cut $5 billion from higher education funding? How does it feel to be part of a government that has burdened young Australians with debt and wants to gouge an extra $839 million from students
and their families in higher HECS fees and a massive expansion of full-fee degrees? How does it feel to be part of a government that allows students to jump the merit queue if their parents are wealthy enough to buy a degree? How does it feel to be part of a government that, within the OECD, has engineered one of the largest declines in public investment in universities and TAFEs? How does it feel to be part of a government that has engineered the fourth most expensive fee structure for university students in the world? It is some record from the ‘minister from Mars’, who is now administering this critical portfolio to Australia’s economic and social development.

At a time when Australia is engaged in a cutthroat, competitive race to maintain its place in the global economy, this minister and his government are plunging Australia into a race to the bottom as far as higher education funding is concerned. The Labor Party’s philosophical position is quite clear; we have articulated it for decades. We oppose the creation of a US style system where money more than merit opens the door to university courses and to a good future. How galling it is for the sons and daughters of working people to know that their government allows people who have money in their pockets, or whose parents are wealthy, to jump the merit queue and buy a university degree ahead of them.

I am not surprised—some might be surprised—that the Treasurer, in the budget he has just brought down, favours the rich above low- and middle-income earners with his tax cuts. Some would say, ‘That is just the Treasurer trying to buy his way into the Liberal leadership and the prime ministership of this nation.’ It ought not be a surprise to anybody, because the philosophical underpinnings of the Treasurer’s tax cuts in the budget are the same as the philosophical underpinnings of the minister for education’s policy that more ought to go to those who already have enough, and that the squeeze ought to go on those who are struggling to create better opportunities for themselves and their families in the future.

In education funding Labor believes in the fundamental principle that access to university should be based on your achievements and your ability, not on your ability to pay—not on the size of your bank balance or whether your parents are wealthy enough to buy you a degree. Out there in the general Australian community there is consensus about giving people a fair go. There is consensus on the need for equity in this sort of opportunity creation through the higher education system. But that fundamental principle is not adhered to by this government. The Treasurer, in his budget, has given massive tax cuts to the big end of town, to the high-income earners, and so it is with the minister for education in his portfolio. He favours those who have the money to buy their way into a course ahead of those who can, and should, get there on merit.

At a time when Australia is suffering a skills crisis in areas like engineering and science, the Howard government needs to fund our universities properly and create more HECS places for Australian students. It is an absolute obscenity that some 20,000 qualified applicants miss out on university places each year because this government cannot find the public funds necessary to give them a shot at the title. This government can spend $1.2 billion on a war in Iraq, it can spend $100 million on useless advertising to get itself re-elected, but it cannot find the dollars in an $8.9 billion surplus to give the sons and daughters of working people the opportunity to access a university education—unless, of course, they have a high bank balance so that they can jump the merit queue. That is the philosophical basis on which this government operates, from its budget for this nation right through to portfolio areas like education.
I want to comment on the budget’s lack of expenditure on higher education. The government has a $9 billion surplus, yet it only found in this budget an extra $31.9 million for extra higher education funding. Big deal! Does any member opposite believe that the Treasurer, who has created a surplus of $9 billion by putting his hand in the pockets of working families over an 11-year period, should get away with spending a mere $31.9 million extra on higher education funding?

It is instructive to look at where that money has gone. I do not begrudge the University of Western Sydney its $8 million, or James Cook University, in North Queensland, the $1.9 million it is going to receive to create extra places. Those universities are entitled to that money, but it is interesting to note that they are in marginal seats which the coalition either had to hold or intended to win. Once again, the precious dollars generated by working people in this country are being squandered by this government in pursuits like the $100 million spent on useless advertising. Yet the minister for education, who has just entered the chamber, can only find a measly, miserly $31.9 million in extra university funding.

Our great public universities, the universities that positioned Australia at the front of the pack in economic performance in previous decades, are now basically private universities. We pay lip-service to the notion of public university education in this country, as these universities now largely depend on private income to sustain them. Some people might say that is not a bad thing. Obviously, that is part of the reforms Labor introduced when we were in government. However, we were prepared to fund public places at these universities. If the government had not cut $5 billion from tertiary education budgets, the 20,000 students each year who now miss out might have got a shot at the title. According to the Australian Vice-Chancellors Committee, if the task of properly and adequately funding public universities is not addressed, the universities in this country will be $586 million behind per year. That is based on matters relating to the indexation of the funding grants.

I also want to make some observations about the fact that this budget provides no extra funding for research. As I understand it, a new research framework is under discussion and negotiation as we speak. However, with no new money for research, the problems with the existing system are unlikely to be meaningfully addressed. I want to refer to the way in which the shortfalls in funding impact on the university which services the sons and daughters of working people, working families, in my electorate of Corio and in the Geelong region.

Deakin University is one of Australia’s pre-eminent innovative universities. It is an integral part of the economic, social and cultural fabric of the Geelong regional community. It is a university which accommodates some 32,000 students, with campuses in Melbourne, Geelong and Warrnambool. It accommodates students both on and off campus. It is a very innovative university. It won the University of the Year award in 1995 and 1996 and it won more national awards in 2000. This university has done, in the research area, what the government asked it to do. The government asked universities to go outside the square and seek funding for research from private sources. Deakin University has grown its research income from external sources to about $20 million today. However, under the current funding arrangements, Deakin University is penalised for carrying out what the government intended or asked it to do. What an extraordinary policy position it is when the government of the day puts a floor under poor performing universities and puts on caps that basically penalise universities like Deakin University which go out and do the government’s bidding in getting private dollars for research.
I want to mention some of Deakin’s University’s research programs because they are innovative and they very much attempt to tap into private sources of funding and to integrate with what is going on in our community. As I said, external research income generated by the university is now greater than $20 million. Deakin University is heavily involved in biotechnology. The Victorian government has also funded some quite critical research projects in the areas of advanced materials manufacture, sustainable aquaculture systems and the design of energy efficient buildings.

We have very strong linkages in Geelong to the wool industry, with the CSIRO Division of Wool Technology located in the electorate of Corangamite but still in Geelong, on the other side of the Barwon River. Deakin University itself has structured some interesting linkages with Australian Wool Innovation in the research field. The university is also heavily involved in research into obesity prevention and the creation of healthy lifestyles in Australia, and it has projects under way in the areas of the environment and water as well—all areas that are quite critical, not only to the region but to the nation. And, for Deakin University’s efforts in securing funding from private sources, the government penalises it.

The Minister for Education, Science and Training is with us in the chamber today, and he may well have heard this argument before from Deakin University. I would like this matter attended to, because it is an extraordinary situation. A university pursues a path of innovation, does what the government wants it to do in the area of securing private research funding for very critical research projects that I have just outlined, in key areas of research and economic activity, and is penalised for it. That does not make sense. This matter has to be addressed, because the university has already lost some millions of dollars in recent years.

In conclusion, with the minister in the room, I think we ought to end where we started. Minister, how does it feel—as the old Bob Dylan classic, the old sixties classic, asked—to have presided over budget cuts of $5 billion in this area? How does it feel to preside over a fee structure in this country that is burdening students and families? How does it feel to preside over a system that allows people to buy their way into courses ahead of people who have good marks and scores and who deserve the place on merit? And how does it feel to preside over a budget and to be part of a government that can spend over $1 billion on war and $100 million on useless advertising and yet deny 20,000 young Australians each year the opportunity to participate in a tertiary education and create an opportunity for themselves in the future?

There is one salient fact that ought not to be forgotten as the Treasurer spreads the tax cuts around like confetti. And by the way, Minister, those tax cuts will not even buy a meat pie and a bottle of Coke at the MCG on a Friday night for the working families in my electorate. Yet this Treasurer has had his hand in the pocket of working families for wellnigh a decade. He creates a surplus of $8.9 billion and is only able to put additional funding of $31.9 million back into the tertiary education sector. Minister, how does it feel?

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (11.49 am)—in reply—I thank all of the members who spoke on the Higher Education Legislation Amendment (2005 Measures No. 2) Bill 2005 for their interest in the issues. Of course, quite a bit of what was said, particularly by the last speaker, is quite incorrect, and clearly I do not agree with it. There are a few important points in the bill that need to be restated. The bill amends three acts: the Higher Education Support Act 2003, the Higher Education Support (Transi-
The Australian government is taking the opportunity to refine and enhance the effective implementation of the Higher Education Support Act 2003 through a number of technical amendments. In particular, the amendments enable higher education providers to respond to changes in student demand in a more flexible way. The amendments also ensure that students are properly informed about and protected from decisions which affect them made by higher education providers.

The amendments to the Higher Education Support Act include: clarifying the indexation formulae in the act so it can apply to amounts specified in the Commonwealth Grants Scheme guidelines; clarifying provisions in relation to cancellation of enrolments of people without tax file numbers; ensuring that a student is only taken to have met the tax file number requirements for a given course of study when the student has provided the tax file number in relation to that particular course of study; extending the scope of reviewable decisions to include those made in respect of students undertaking work experience in industry; clarifying provisions in relation to working out an accumulated HELP debt; allowing the publication of more than one schedule of student contribution amounts and tuition fees per year; allowing for more than one date to be specified for the publishing of the census date in equivalent full-time student load values; extending the OS-HELP—overseas HELP—eligibility to students who have at least half an EFTSL left to complete in their course of study; and ensuring that certain measures dealing with recapturing a person’s student learning entitlement and those dealing with work experience in industry are mutually exclusive. The bill also provides that guidelines issued by the Commissioner of Taxation under subsection 187-1(4) are legislative instruments for the purposes of the Legislative Instruments Act 2003. These amendments and others will build on the implementation of new arrangements under the Our Universities: Backing Australia’s Future package of reforms.

One of the issues raised during the debate, which was done through either complete ignorance of how higher education funding works or, indeed, an act of intellectual dishonesty, was that put by the Deputy Leader of the Opposition. She claimed that there is some sort of blowout, purported by the opposition to be $1.3 billion, in the estimated cost of FEE-HELP. FEE-HELP, a new loan described as a soft loan, is available to Australian students who choose to take up a fee-paying place in a public university. They may have missed the HECS cut-off, which is a product of supply and demand. There are many academically eligible students who may not get into the course of their choice. For example, to do an arts-law course at the University of New South Wales you require a tertiary entrance score of 99.4. I would argue that any student with a UAI perhaps in the high 80s or above is academically capable of doing that course. The question is: why should those students be forced to take up a HECS place in a course they do not want to be in or at a university they do not want to be at, when they see international students coming in and paying full fees?

This government takes the view that, whilst it is putting into the higher education sector 39,000 additional HECS places—that is, government funded places—it is only fair that an Australian student, if they are academically eligible, has no lesser right to access their own universities than students from Beijing, Jakarta or Bangkok. To assist with this, the government introduced FEE-HELP, which is a loan whereby students can borrow up to $50,000 to
get into an eligible private higher education provider institution or, indeed, a public university as fee-paying students. For postgraduate students, there is no charge associated with the loan; for undergraduate students, there is a 20 per cent administration charge attached to the loan. If, for example, a student borrows $20,000, they will only ever repay $24,000, which is the value of the loan indexed with inflation, as occurs with a HECS loan.

If the government were cutting HECS places and replacing them with full fee paying places, I would be outraged; in fact, I would be leading the demonstrations against it myself—if you could imagine such a thing—because it would be unconscionable. Instead, at the moment, 40,000 Australian students are studying in private higher education institutions: Melbourne College of Divinity, University of Notre Dame, Christian Heritage College, Tabor College in South Australia and the Australian Institute of Music. Some of those opposite who have argued so stridently against these loans and against this access need to spend a bit of time listening to the families who have struggled to get their kids into these places.

The director of the Australian Institute of Music told me two years ago when I went there when I was formulating policy to bring to the parliament, ‘We have students who come from working class families who come here and successfully enrol.’ The young woman who won the Australian Idol competition, Casey Donovan, was a student at that institution. To her great credit, she won the competition. He said to me, ‘The students enrol, they are accepted and they disappear for two years. Then they come back and they say, “I’ve saved $30,000. It’s taken me two years and three jobs.”’ This bill will open the system up. It means that a student from a low-income family can go to an institution like this, if they choose to, and they will not have to pay up front. Basically, they will have an income-contingent loan against their future earnings.

The Labor Party is opposed to the loan scheme. Those who are trawling through the ashes of the election loss of the Australian Labor Party last year need to ask themselves whether they should cling to a policy of wanting to abandon this loan; nonetheless that is their prerogative. But to actually misrepresent the loan is really, I think, intellectually dishonest and does a great disservice to these young people and their families. Labor claims that the loan scheme has blown out by $1.3 billion. In fact what has happened is that the Labor Party has taken the table which was published in the 2003 budget documents under Backing Australia’s Future, which is the $11 billion reform program for Australian higher education, and looked at the projected or forecast costs for FEE-HELP for these loans. Then the Labor Party has taken from Senate estimates a more recent table which looks at the value of the FEE-HELP loans and, quite outrageously, suggested that there has been some sort of blow-out.

Under the new arrangements FEE-HELP includes not only the new loans available for the undergraduate students to whom I just referred—those who are taking up opportunities in public and private universities—but also the loans which existed before: for example, the bridging loans for overseas trained professionals, the Open Learning Deferred Payment Scheme and the Postgraduate Education Loan Scheme. So the total dollar value of FEE-HELP includes those pre-existing loans. This calendar year we expect that there will be about $100 million of loans provided to students who take up these opportunities in public and private universities—in other words, a small fraction of the cost of the total FEE-HELP scheme, which includes the existing loans as I said. The other thing that needs to be understood is that the more money that is lent to students, the more students take up opportunities. If a student
has a very high score but misses the cut-off, they are not jumping in front of anybody else if they take a FEE-HELP place. These are students who missed out on a HECS cut-off although they are academically eligible to do the course.

We learned many years ago in medicine that you did not need to be in the top half of one per cent to be a good doctor; you could be in the top 10 per cent and possess all of the other qualities that are required in medicine. So we now have people who have much lower entry scores who get into medical decrees, and quite rightly, because we are not just focusing on the top half of one per cent. Similarly, if a student misses out on combined law at the University of Sydney, which has a cut-off I think of 99.7, if they have a score of 98 they are then accepted as a fee-payer at Sydney university. They are academically able to do the course. That student, in taking up that place at Sydney university, with a score of 98, has actually declined a HECS place at ANU, which has a cut-off of 95. Students are making choices. What this means is that, if you come from Mr Latham’s Green Valley world—basically from everyday Australia—then, with FEE-HELP, if you want to, you actually have a choice that you can make. You have an opportunity; you are not forced to go and take up a HECS place at Macquarie or UWS and at the same time see a foreign student come in—and we welcome them—and take up a fee-paying place at Sydney university. So I commend these amendments to the House. It is fair enough to debate policy and arguments from a philosophical perspective, but putting statements of intellectual dishonesty into the public arena is something on which I think, certainly in the long term, Australians make a judgment. It is really quite moving to see the correspondence and to hear from the families about the opportunities that are being provided by these loans.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that the bill be reported to the House without amendment.

CIVIL AVIATION AMENDMENT BILL 2005

Second Reading

Debate resumed from 16 March, on motion by Mr Truss:

That this bill be now read a second time.

Mr RIPOLL (Oxley) (12.00 pm)—I rise to speak on the Civil Aviation Amendment Bill 2005. At the outset Labor offer our support to the changes brought about by this legislation. We offer our support because Labor know that Australia’s aviation safety record is the envy of the world, that our aviation industry is a world leader, and that standards should not be compromised, certainly not for political or any other reasons. Labor have always taken a positive and proactive approach to aviation policy and we will continue to work with the industry to help it grow and further increase aviation safety in Australia. Since Labor are supportive of the measures being proposed in this bill, it will not be necessary to provide any great analysis of the bill itself, and the bill itself is quite straightforward.

However, I do want to make a few comments in relation to the amendments and provisions being put forward by the Howard government. The purpose of the Civil Aviation Amendment Bill 2005 is to amend the Civil Aviation Act 1988 to do a number of things, in particular to
make regulations that may be inconsistent with the Disability Discrimination Act 1992 and the Sex Discrimination Act 1984 and to ratify the validity of existing regulations and past actions. Also it is to bring into the act the requirement that air operators certificate holders continue to satisfy the Civil Aviation Safety Authority that they meet the conditions of issue of an AOC. The bill will also standardise references in the act to aircraft which are registered in countries other than Australia—in particular, in reference to foreign aircraft being properly defined as foreign registered aircraft. These changes are being made in the interests of aviation safety to safeguard the public, and if we look at the most recent air disaster in North Queensland with 15 people dead, I do not think that we can ever be too careful or take too many precautions and measures to ensure the safety of the Australian flying public. Making amendments and changes to regulations that enhance that safety is something that should be supported.

While Labor is supportive of the government’s measures on this bill, now is also a good opportunity for me to bring to the attention of members of the House and the public some aspects of the Howard government’s record in relation to aviation policy. It is not a good one. It is a record that smacks of ignorance of certain issues and, certainly, it is a government out of touch with the broader aviation industry. Under the Howard-Anderson government Australia’s aviation safety has been under threat. The coalition has buckled under pressure from certain industry players pushing for changes to suit their own personal agendas. The government has pandered to the interests of a few, ignoring the advice often of very experienced professionals in the industry. Those who have spoken out in the past have been threatened, bullied or harassed, or they have just been ignored by the government. In short, the government’s management of the aviation industry in recent years has been nothing short of appalling and, in some cases, even reckless.

The Deputy Prime Minister, as the nation’s Minister for Transport and Regional Services, will be remembered, certainly in terms of aviation, I believe, as one of the nation’s worst transport ministers. Under John Anderson’s six-year ministerial reign the management and regulation of Australia’s civil aviation sector has become a public policy and public administration shambles. It has reeled from crisis to crisis. There has been no strategic or coordinated focus on civil aviation safety improvement, only those improvements that have been forced onto it by the industry, by specific individuals or by events that took place after September 11.

I will give you some examples; I am not just talking about this without providing some substance of what it is about. The Howard government mismanaged the design and implementation of the new National Airspace System, the NAS. On 27 November 2003, Mr Anderson arrogantly launched the National Airspace System stage 2b airspace changes despite the aviation industry expressing grave doubts about the safety of this new system. In February 2004 the Senate heard evidence from Airservices Australia, the government’s own airspace controller, that NAS 2b was not adequate. Airservices Australia further admitted in February 2004 that, in originally approving the NAS 2b changes, it took advice from both CASA and Mr Anderson’s special advisory group, which once included Dick Smith.

Pressure from Labor forced the government to revisit the airspace changes to improve them. On 25 November 2004, Minister Anderson was forced to recant his personal project. Until then, he was apparently completely oblivious to his mismanagement of the new NAS 2b. The November 2004 reversal was required to return Australia’s airspace to a safer, more
robust system. I think that alone smacks of a minister and a government more intent on delivering their own agenda than an agenda for aviation safety. It does not stop with safety; it also involves aviation security. In this case, the government has done very little to cover itself in glory and I think it has a shameful record.

The Howard government’s record in addressing aviation security is poor, to say the least, particularly as this country has such a decentralised system of airports, with something like 126 regional airports. Very little has been done, in terms of practical measures, to make sweeping changes. It took the Howard government an unbelievable 2½ years after September 11 to fix our air security legislation—and this is just legislation, rather than looking at the physical, practical things that could have taken place.

I recall the fervent fury from this government at the time about the need to increase security, safety and all these things. How can a government possibly justify it being 2½ years after September 11 before legislation is passed in this House? It was certainly not because there was a lack of support from the opposition. It was not until almost 30 months after those terrible events on September 11 that aviation security legislation was finally passed. If I recall, towards the end the government was hurriedly trying to get that legislation through. The government floundered for an unacceptable period while it sought to come to grips with and understand the demands of modernising the country’s aviation security policy framework.

Despite this long delay, the Howard government still did not get it completely right. It was not until earlier in the life of this parliament that the government managed to get the legislative framework in place to allow the development of regulations for aviation security, and these have only recently come into effect. So, looking at the time difference between identifying a need and actually bringing into effect the necessary changes, it is an incredibly inefficient government that takes so many years to make these things happen. Even more frightening is the fact that, while this is very necessary, the actual efficacy of these measures is yet to be determined.

Labor believes that the government’s policy in relation to regional airports is inadequate and deficiencies exist, particularly with respect to the screening of passengers and baggage at some regional airports. I would be interested to hear comments from government members on how they would defend this or somehow say this is not the case, when anybody who travels through a regional airport will tell you something quite different. Labor is also mindful of the need for more work from the government to ensure security measures are being modernised in other transport industries to match those being taken in the aviation industry.

The previous Labor government began the process of separating safety regulatory functions and service provision functions. Labor continues to support this approach and is critical of the Howard government for the mismanagement of that process. Labor continues to support the establishment of the airspace and environment regulatory unit, but this should not undermine Airservices Australia’s safety management responsibility. It is May 2005 and still Airservices Australia and the Australian public are waiting for the regulatory functions of airspace management to be removed from Airservices so they can get on with the job of delivering world-class aviation services.

Safety and regulatory functions and service delivery functions must be clearly separated. At present they are not. When the government does get around to finally addressing this anomaly of aviation public policy, the Deputy Prime Minister will make air space management a func-
tion of the transport department and not part of CASA, as it should be. By not putting this function in the hands of CASA, the Howard government is continuing its mismanagement of air space reform in Australia. More mismanagement and headaches for the aviation industry are being created by the government and by the Deputy Prime Minister. CASA has the responsibility of all regulatory and safety aspects of aviation in the country except air space management itself. My understanding is that the aviation industry wants this to occur and that CASA believes it should have the responsibility of all regulatory and safety functions of aviation in Australia. In addition, Labor, unlike the government, has ruled out the privatisation of Airservices Australia. The structure of this function is important and should remain in its current form. Again, in proposing to review the status of Airservices Australia, the Howard government is clearly seeking revenge following the organisation’s questioning of changes to air safety regulations—a bit of payback for roll-back perhaps?

There are a number of other areas to address, and I will continue with those. The fact that John Anderson and the Howard government are out of touch with modern demands of the aviation industry is highlighted when you consider their approach to something as simple as radar. This government’s pre-election plan to install radar at 10 regional airports has been exposed as an empty promise designed to allay safety fears rather than actually deal with them, particularly at regional airports. This was discussed just long enough for the government to get over that really important hurdle it had on its agenda, which is called re-election. Airservices Australia told a Senate estimates committee earlier this year that the installation of these radar systems would cost somewhere between $100 million and $140 million. The committee also heard that Mr Anderson made the decision to spend this money without seeking expert advice from the Civil Aviation Safety Authority or Airservices Australia.

Airservices Australia also told the committee that an almost identical level of safety could be achieved using different technology for about one-twentieth of the cost. Labor is opposed to the government’s plan because of the needless cost of these radar systems that would be passed on to regional travellers in the form of higher airfares. Putting in place these more expensive systems would not actually deliver a better outcome. This plan really smacked of how out of touch this government is with providing air services. Tellingly though, Airservices Australia was unable to tell the committee how the proposed radar systems would be funded. During the election, Mr Anderson stated that Labor’s plan not to proceed with installing these further systems: … would reduce aviation safety at ten major regional airports—
this was the accusation he made against us—
compared to the level of safety under a re-elected Coalition Government.
That was the minister’s media statement on 5 October 2004.

Despite this dire warning of the sky falling in, it appears likely that Mr Anderson will belatedly listen to the experts. He will actually implement Labor’s policy in this area; he will can his expensive radar plan and pursue automatic dependent surveillance broadcast—the ADSB—technology, which is not only more effective but cheaper. It is actually a better system. Do you want 1920s technology or do you want 2005 technology? It is incredible how the government could have pursued old technology, which it is now going to have to recant on regardless.
In contrast, the aviation policy that Labor took to the last election is a clear demonstration of our commitment to a growing industry without compromising safety or security. For instance, Labor understands the need to maintain the viability and livelihood of regional airports and training airports. We understand the importance of these airports to regional and rural communities. Again, in relation to the implementation of an air space management system, Labor has taken the approach that this must be designed and implemented by industry professionals in consultation with all sectors of the industry. On the point about consultation, it does not matter which sector or which minister you look at, all of these ministers have the same approach: they do not seek independent, expert advice. They believe that their own agenda is the right agenda, and they are often found wanting in terms of their own desired outcomes compared to the outcomes needed by industry. I have got many examples of that in other sectors, and certainly in my electorate, where the government just simply gets it wrong.

CASA should be adequately resourced, and safety should be its priority. The review of regulations and internal CASA reforms designed to streamline and simplify rules and procedures should continue. Labor has welcomed the recent moves by CASA to restructure its organisation and to continue the rewriting of regulations. Labor believes that, as a safety regulator, CASA should fully consult the aviation industry while remaining an independent authority. It must not be managed or dictated to by industry or, for that matter, by government. Labor, unlike the coalition, has ruled out the privatisation of Airservices Australia. In proposing to review the status of Airservices Australia, the Howard government is clearly seeking revenge for some of the activities that were taken on board by this organisation.

I will make a number of comments in wrapping up. The Civil Aviation Amendment Bill 2005 is necessary. Labor support it because we support safety and security in the aviation industry. We do not want to play with the Australian flying public’s safety. We think that these measures are much more important than government agendas and much more important than politics. We are supportive of these changes, as we always are in this area. We are proactive in this area and we do the right thing not only by Australians in the community who fly but also by the industry. We look forward to the continuing reform and restructure that need to take place in CASA and in other areas of the civil aviation industry. However, I want to put on record my condemnation of the government for being too slow, for not taking this issue seriously enough and for running a personal agenda in a whole range of air safety and air security issues rather than looking at what is best for the Australian public and for the industry itself.

The DEPUTY SPEAKER (Mr McMullan)—Before I call the member for Wakefield, I point out to the member for Oxley that he regularly referred to the Deputy Prime Minister and Minister for Transport and Regional Services as Mr Anderson. While that may in fact be accurate, it is not in accordance with the standing orders and in future I will have to interrupt him if he does it. I ask him to desist from that practice.

Mr RIPOLL—I certainly do note your advice, Mr Deputy Speaker.

Mr FAWCETT (Wakefield) (12.17 pm)—I rise to support the Civil Aviation Amendment Bill 2005. The main purpose of this bill is to allow the making of regulations under the Civil Aviation Act 1988 that are inconsistent with the Commonwealth antidiscrimination laws where the inconsistency is necessary for the safety of air navigation and, for related purposes, to retrospectively validate existing regulations that may be inconsistent with the Common-
wealth antidiscrimination laws where the inconsistency is necessary for the safety of air navigation.

In November 2002 the Human Rights and Equal Opportunity Commission granted a five-year exemption in respect of the Disability Discrimination Act and the Sex Discrimination Act to persons acting pursuant to the civil aviation regulations regarding medical fitness or pursuant to currently proposed amendments to those regulations. This allowed operations to continue under the existing regulations while CASA amended its legislation to enable regulations to be made, despite possible inconsistencies with the discrimination acts in areas that affected aviation safety.

Why are these amendments needed? It is because the definition of what constitutes aviation safety has been challenged in the courts in the past and this provides a large degree of uncertainty to operators in what is a very competitive industry. In November 1994 an Australian airline was taken to court by an employee who was dismissed upon reaching the age of 60 on the grounds of safety and compliance with international regulations. He brought proceedings to the Industrial Relations Court of Australia, asserting that his termination was in breach of the federal termination protection laws which prohibited terminations on the grounds of age. Although his claim did not succeed at first, a majority of the full appeal bench, with two judges dissenting, upheld his claim and held that the termination was contrary to law.

In this industry sector, the results of failure, error, distraction and incapacitation are tragic in terms of death and injury, as we have so recently witnessed with the loss of 15 lives in the crash of the Fairchild Metroliner, Aero-Tropics flight 675, near Lockhart River. Operators therefore require clarity and certainty as to their obligations and options in terms of who they are able to or are required to employ to maintain and crew these aircraft. The current HREOC exemption does not cover all aspects of aviation safety legislation that appear to be discriminatory. Some regulations, for example, affect safety but go beyond employees. For example, the requirements which result in non-ambulatory or mentally incapacitated passengers to be precluded from sitting in the seats adjacent to emergency exits do not come within the scope of the current exemption. But in the event of an emergency these are measures that are necessary to ensure that all passengers on board have every opportunity to conduct an emergency egress from the aircraft.

The operator’s duty of care to ensure the safety of all passengers and crew must override other considerations. For the operator, aviation safety is a process of risk management. Most aviation operators use what is called the REASON model, which has multiple layers of risk mitigation covering technical and operational airworthiness, training, operational procedures, the qualifications, currency and capacity of crew to operate under both normal and abnormal circumstances. The issues surrounding this bill relate primarily to the capacity of the crew to operate under both normal and abnormal circumstances.

Many of the arguments that are put as to the inequity of some of the existing or proposed aviation safety requirements draw upon scenarios that encapsulate normal operations and are often based on an out-of-date assumption about the nature of cockpit displays and warning design requirements. The first concern is to look at the capability of the crews in terms of safety requirements for the aircraft, the passengers and the crew. In aircraft, whilst we all hope that most operations will be normal, it is a fact, as we saw only recently, that degraded modes often do occur. Degraded modes make changes to both the workload and the environment that...
the passengers and the crew operate under. For example, hydraulic degraded modes in aircraft like helicopters result in very large physical forces. In some cases in the past this has led to bent inceptors as the crew have bent the control columns in order to achieve the outcomes they need. Degraded modes lead to increased stress levels, particularly under instrument meteorological conditions or by night. They can also lead to extremes of control displacement. During certification of an aircraft’s cockpit environment, both normal and abnormal emergency ingress and egress are considered against the proposed anthropometric range of operating crews. So operators have a duty of care to ensure that the crews operating their aircraft are able to fulfil all the required functions of normal and emergency procedures and use these emergency exits, particularly in the case of smaller RPT or charter operations, where they also need to assist passengers to use them in the event of an emergency.

The training and capacity to handle potential failure modes is a duty of care both to the passengers and to the crew themselves. It should be pointed out that capacity is the key word here. I had the pleasure whilst on exchange in the United Kingdom as a pilot with the Defence Force to work with a veteran of the Falklands war who had lost a leg in an aircraft accident there. He was then successfully flying both the Gazelle helicopter and the Chinook helicopter. I have also had the pleasure of working with an officer of the Australian Army who lost both legs in an aircraft accident and worked with the aviation medical professionals here to demonstrate that he had the capacity to control aircraft under abnormal and normal circumstances, which resulted in him regaining both his civil licence and his military ability to fly. So the aviation community is by no means discriminating against people just because they have a disability but they are looking to see that the person, regardless of disability, has the capacity to fly. These two examples demonstrate that that is the objective of the safety requirements in aviation.

There have also been some comments about the requirement for colour vision. Colour hierarchies are an important element in cockpit display and warning design. Much research over many years has been conducted to ensure that operating crews are provided with all relevant information in an unambiguous manner which will allow them to respond in a timely and appropriate way to operational requirements and emergencies. The advent of LED displays and multifunction flat panel displays, sometimes known as a glass cockpit, has increased the importance and use of colour discrimination. Even in cockpits modified for use with image intensifying night vision devices, the chromaticity of warnings and displays is carefully matched to ensure both compatibility with the imaging devices and effective discrimination by the human eye.

The second concern in aviation safety is also related to the duty of care to the individual concerned. There have been some questions, particularly in relation to pregnancy. In this regard, the recent case in New South Wales, which again raised the issue of the criminal nature of harming an unborn baby as well as the mother carrying it, combined with some state law seeking to make employers criminally liable for the death or injury of people in their employ, highlights the need for certainty for employers and staff in the aviation environment.

With an increasing number of women operating effectively in the aviation environment, aviation medicine experts have now started to consider, and in some cases study, the effects on women’s bodies of exposure to the harsher aspects of the aviation environment—for example, vibrations in helicopters, G forces in aerobatic aircraft, the effects of extreme accelera-
tion such as ejection seats and even the effect on night visual acuity caused by oxygen deprivation during menstrual cycles or pregnancy. Where there is evidence to support an elevated risk of incapacity due to medical, physical, genetic or gender based reasons, operators need certainty in legislation to underpin their decisions as to who to employ and during which periods. These regulations relating to civil aviation have been made under section 98 of the Civil Aviation Act in relation to the safety of air navigation for the purpose of carrying out and giving effect to the provisions of the Chicago convention relating to safety. So we have two issues here: firstly, the discrimination acts and, secondly, our obligations to comply with international law.

Without certainty in this area—and this is the case where these regulations are seen to be contestable in court—a high degree of uncertainty will exist for operators seeking to stay viable and employ Australians in what is an extremely demanding and competitive industry. A number of regulations have been made under the CAA which may be invalid for this reason—there are regulations which impose requirements on the basis of pregnancy, for example. These regulations may be invalid even if it can be established that they are necessary for safety—for example, in the case of air traffic controllers. There is no exemption in the SDA permitting discrimination based on the inherent requirements of a job. On the other issue of international requirements, Australia is a contracted state to the Convention on International Civil Aviation, generally referred to in the industry as the Chicago convention. Part 67 of the Civil Aviation Safety Regulations, which deals with medical requirements, is based on international standards and recommended practices as described in chapter 6 of annex 1 to the Chicago convention.

Conformity with international standards and practices prescribed under the convention is necessary; otherwise Australia’s regulatory regimes for aviation safety and practices will be put at risk of not being accepted by the International Civil Aviation Organisation, ICAO, which is the body administering the convention. This became a central point in the court case I referred to previously between the pilot and the airline. If the airline had chosen to continue to employ the elder pilot as an aircraft captain, the aircraft would not be allowed under international law to fly into hub airports such as Singapore. Clearly the definition of job requirement must be taken into account in the context of the international regulatory environment as well as domestic circumstances. This bill also moves to amend some terminology within the act by replacing the phrase ‘foreign aircraft’ with ‘foreign registered aircraft’. It also seeks to amend an anomaly which has existed whereby CASA requires operators to have an air operators certificate issued to them and to be able to demonstrate that they can, on an ongoing basis, meet the requirements of that issue. That is now brought into the act as opposed to just the orders.

In conclusion, the bill will allow regulations to be made which permit conduct which would otherwise constitute a breach of the Disability Discrimination Act or the Sex Discrimination Act. The bill validates existing regulations in relation to both the past operation and the future operation of such regulations. The bill will also allow Australia to meet its obligation to comply with international standards set out in the standards and recommended practices established by ICAO. As a member state, Australia is obliged to implement these standards in its domestic aviation legislation. The legislation does not aim to discriminate; it aims to maintain Australia’s high aviation safety record. The regulations effected by this amendment will
Mr MARTIN FERGUSON (Batman) (12.29 pm)—I rise to speak in support of the intent of the Civil Aviation Amendment Bill 2005 in terms of its relationship with the antidiscrimination legislation, because it is obviously purely related to trying to improve aviation safety in Australia. In doing so I can indicate that the main purpose of the bill is to amend the Civil Aviation Act 1988 to empower the making of regulations which may be inconsistent with the Disability Discrimination Act 1992 and the Sex Discrimination Act 1984. The bill also places conditions pertaining to the ongoing retention of an air operator’s certificate, currently in the civil aviation order, into section 28 of the Civil Aviation Act. Appropriately, the bill also corrects errors and standardises references in the act to aircraft which are registered in countries other than Australia. I also intend raising a number of outstanding aviation issues in this debate which I think need consideration by the government.

The importance of this bill speaks for itself, because it will also validate existing regulations and past actions based on these regulations. The power to make these regulations is very important to the aviation industry and to the travelling public because it is about safety in the air. In particular these regulations are seen to critically affect the safety of the travelling public. For example, regulations that restrict female flight attendants and pilots during the later stages of pregnancy have been developed to address genuine safety concerns. It is for that reason that we are debating this bill today. These amendments to the Civil Aviation Act affect very important and experienced industry professionals.

Having said that, I stress the importance of government, and in particular minister’s offices, starting to take seriously the requirement to consult on a regular basis with the professionals that make the industry the safe industry we have been so proud of for so long. These industry professionals are well organised and always available for consultation about developments in their industry. These industry professionals represent the many thousands of people working in the industry, from pilots and engineers to flight attendants and air traffic controllers. Therefore, one could reasonably expect that a bill as significant as this, a bill which affects so many people integral to the operation of the aviation industry in Australia, would have led the government to undertake proper consultation prior to the original introduction of the bill in the last parliament. You would think that the government would have seriously consulted with the owners and operators of commercial airlines significantly affected by these amendments, in the same way that they should have consulted with workers in the industry. In speaking to this bill today, I note that there are serious concerns in the industry about the failure of the government to properly consult in the original development of the bill.

It reminds me of the failure of the government to also consult prior to the introduction of its flawed national airspace system. In that instance, as is the case with the original development of this bill, the government chose not to consult the industry professionals, even though they were out there willing and able to provide sound professional input. Alternatively, the government chose to rely on the advice of enthusiastic amateurs.

I simply raise these issues because I think that it is about time, if we are to get our legislative framework right in Australia—and it is of paramount importance that we do with regard to aviation—that we go out of our way to seriously consult people who can assist in the de-
velopment of legislation. For that reason, I condemn the government today not only for their lack of consultation with regard to the development of the national airspace system but also for their lack of consultation with experienced industry professionals in formulating this bill.

It is exceptionally important. What we are talking about is not only the safety of people working in the industry but also the safety of the aviation industry and the travelling public generally. I think that it is fair to say that we as an island nation are heavily dependent on having a safe and efficient aviation industry. For that reason the bill was referred to a hearing of the Senate Legal and Constitutional Committee. As a result of those proceedings, submissions were received and a public hearing held. A number of those submissions indicated that the introduction of the legislation may affect legal proceedings already under way. I therefore call on the government, in its response to issues raised today, to clarify this legal position.

The Senate committee also considered a range of other matters raised during the inquiry, and I look forward to hearing, in the minister’s response to the speeches today, the government’s response to those issues. Having said that, can I also say that unfortunately this is not the first time the government has ignored aviation industry professionals, as I have said. In the last 18 to 24 months, we have unfortunately seen the results of the government’s complete disregard for consultation with industry professionals, with its inappropriate introduction of the flawed national airspace system. I can only hope that, unlike the difficulties we experienced with the flawed national airspace system, in the development of this legislation we have finally got the legislative framework right.

With regard to the airspace system, I want to remind the House today that there is a lesson to be learned. In the development of the airspace system, industry professionals called time and time again on the government to properly consult about the implementation of the system. As the relevant shadow minister at the time, I continuously requested—and, indeed, pleaded with—the minister to consult with industry professionals, rather than rely on the advice of enthusiastic amateurs for too long a period. The record will show that for too long the minister not only ignored my requests but also ignored the requests of the major airlines, the professional organisations and many in the public at large. It was this flagrant and arrogant disregard of the need to consult that placed the travelling public in Australia at risk during the development and implementation of the national airspace system.

I cannot understand why the minister chose to ignore all those professionals, including the major airlines, while bending over backwards to rely on the advice of the ‘special little mate’, a fellow by the name of Dick Smith. I wonder whether or not this was part of arrangements entered into with regard to the potential contest in the seat of Gwydir in the 2001 election. Alternatively, was it related to political donations received at the time of that 2001 election?

The DEPUTY SPEAKER (Hon. IR Causley)—I fail to see where the debate at the present time has anything to do with the bill. The member for Batman will come back to the bill.

Mr MARTIN FERGUSON—It goes, importantly, to the aviation industry and the civil aviation amendments currently before the chair.

The DEPUTY SPEAKER—Regulations and antidiscrimination.

Mr MARTIN FERGUSON—The regulations obviously go to antidiscrimination, proper consultation and the safety of the travelling public. In any event, I think it is certainly important that we raise in debates such as this the issue of the safety of the travelling public.
As part of this debate, I call on the minister to accept his responsibility and to release a full statement of what really happened with the introduction of the national airspace system, the operation of which also goes to the operation of the antidiscrimination aspects of the aviation amendments. The minister must explain why Mr Dick Smith, an enthusiastic amateur, was allowed to pursue a US airspace model that led to a major change in the design of Australia’s airspace system. He must also explain the exact role of the airspace reform group. He must also explain why enthusiastic amateurs were allowed to go their own way without proper consultation with the industry, the experts and the professionals who are so intimately involved in maintaining aviation safety in Australia.

I raise these issues because there is a lesson here. It is about trying to ensure that we take proper advice with regard to the development of aviation legislation in Australia. The import-ance of this goes to our duty of care, and the duty of care of the relevant minister of the Crown, to protect the travelling public.

In that context, I also refer the House—because it goes to the responsibilities of the minister in terms of his duty of care and the development of aviation reform in Australia—to an answer he gave to my question No. 422, a question on notice. The answer, with regard to the air services system in Australia and the development of the national airspace system, notes that there were legal proceedings in the Federal Court in November last year involving Mr Dick Smith. The answer indicates that in connection with those proceedings Airservices Australia incurred costs of $474,399. The answer at point 3 states that the Federal Court has yet to determine the issue of costs in relation to legal action taken by Mr Dick Smith against Airservices Australia. I am anxious to discover what action is being taken by Airservices Australia, in concert with the Australian government, to ensure that as much of those costs of $474,399 are recovered from the action taken by Mr Dick Smith. This goes to accountability.

The DEPUTY SPEAKER—I would remind the member for Batman that standing order 76 requires that with a simple bill such as this the member must speak to the bill. There are other forms of the House that can be used to air the grievances he has at the present time. I ask the member for Batman to come back to addressing the bill, or I will sit him down.

Mr MARTIN FERGUSON—I am clearly raising issues going to aviation safety in Australia, and the intent of this bill is to make sure we get the safety regime into a proper form so as to guarantee the safety of the travelling public.

The DEPUTY SPEAKER—It is not open to the member for Batman to debate the issue. The bill is a very simple bill which talks about the regulations for sex discrimination, disability discrimination, human rights and equal opportunity. The member for Batman will come back to the bill.

Mr MARTIN FERGUSON—Yes, Mr Deputy Speaker. In terms of the nature of the bill, it is about validating regulations of past actions to guarantee that we remove any difficulties with respect to antidiscrimination. Having raised these issues, I want to reinforce to this House that it is a requirement of government to properly consult the Australian community in the development of legislation. In relation to the development not only of this bill but also of the national airspace system in Australia I have referred to the fact, which has been clearly reinforced in this House, that the government has failed to undertake such proper consultations in the past. It is for that reason that I simply say that there is an ongoing requirement that the government make sure that industry professionals, with respect to antidiscrimination legis-
I therefore call on the government to guarantee that in the future it will accept its responsibilities to actually consult properly with the travelling public and come clean on the nature of those consultations and any special relationships it might have with people in the aviation industry who can unduly influence its consideration of policy issues. If it does not—and I know this irks some in government—I simply say that, if a serious accident occurs, it will be the fault of the minister, who will have failed to properly consult the industry and the professionals within it with respect to the legislative framework that exists in Australia.

That is exceptionally important, because it is not only about duty of care—it can also go to absolute negligence with respect to how one performs and accepts one’s ministerial responsibilities. Any failure by the government to actually guarantee that in the future proper consultation is pursued in the development of legislation will basically not only place the travelling public at risk but also bring to a head serious questions about the responsibilities of the minister. Having raised these issues—and I know the government does not want a proper debate on the failure of the current minister to accept his responsibilities in the aviation industry—I commend the bill to the House. However, in doing so, I also clearly state that there are serious concerns in the industry about the performance of the minister—not only about his failure to consult on this bill but also about his failure to consult on a regular basis with respect to the operation of the aviation industry in Australia, over an extended period. I commend the bill to the House.

Dr JENSEN (Tangney) (12.43 pm)—The purpose of the Civil Aviation Amendment Bill 2005, as you stated a little earlier, Mr Deputy Speaker, is basically quite simple. It amends the Civil Aviation Act of 1988. The major provisions of the bill are to allow the regulations under the Civil Aviation Act that are inconsistent with Commonwealth antidiscrimination laws, where the inconsistency is necessary for the safety of air navigation.

Aviation safety is an extremely important issue for me. I was an air traffic controller in a past life and I am very well aware of some of the issues that relate to aviation safety that may run contrary to antidiscrimination laws. A further related purpose of this legislation is to retrospectively validate existing regulations that may once again be inconsistent with the Commonwealth antidiscrimination laws, where the inconsistency is necessary for the safety of air navigation. The bill was introduced in March 2004 as the Civil Aviation Amendment (Relationship with Anti-discrimination Legislation) Bill 2004. The majority of the committee supported the 2004 bill. Their only recommendation was that there be a requirement for consultation with the Human Rights and Equal Opportunity Commission. This recommendation was implemented through new subsection 98(6C).

The Disability Discrimination Act 1992 makes discrimination on the basis of disability unlawful in many areas. The Sex Discrimination Act 1984 similarly makes discrimination on the basis of sex, marital status or pregnancy unlawful. Both acts include a number of exemp-
Regulations made under an act are generally invalid if they are inconsistent with the act under which they are made. Therefore, unless parliament specifically provides that regulations made under an act may make discrimination on one or more of the bases prescribed by the Disability Discrimination Act or the Sex Discrimination Act lawful or the regulations fall within one or more of the exemptions in these acts, regulations that purport to allow such discrimination will be invalid.

There is some uncertainty as to the legality of certain aviation safety regulations or aspects vis-a-vis the Disability Discrimination Act or the Sex Discrimination Act. There are a number of regulations that have been made under the CAA that may be invalid for this reason. For example, there are regulations that allow discrimination on the basis of colour blindness—in relation to air traffic controllers, for instance. These regulations will be valid if the discrimination allowed relates to the inherent requirements of the job, as this exemption is provided for by the Disability Discrimination Act. However, there is some argument about whether it strictly falls within the ambit of the job as such, and so we need a broadening of these exemptions for the purposes of aviation safety.

Another example relating to aviation safety which could run counter to the Disability Discrimination Act is the issue of emergency exit seating provisions. Currently people who are disabled in certain ways are not allowed to sit immediately adjacent to the emergency exit—for good commonsense safety reasons, in that obviously they would be physically unable to open the emergency exit allowing people to safely egress. Under section 55 of the Disability Discrimination Act and section 44 of the Sex Discrimination Act, the Human Rights and Equal Opportunity Commission may grant exemptions from specified provisions of these acts.

On 26 November 2002, the Human Rights and Equal Opportunity Commission granted a conditional exemption to persons acting pursuant to the then existing civil aviation regulations regarding medical fitness or pursuant to the amendments to these regulations that were proposed at the time, for a period of five years. These exemptions were granted subject to the condition that they were to apply only to where a person’s pregnancy, for the purposes of the Sex Discrimination Act, or disability, for the purposes of the Disability Discrimination Act, prevented the person safely fulfilling the inherent requirements of the role covered by the license concerned.

In the process leading up to HREOC granting an exemption, submissions were made by a number of bodies. Most opposed the grant of an exemption, primarily taking issue with, for example, the current colour blindness standards and arguing that current colour blindness testing was inappropriately restrictive. The situation in relation to colour blindness following the granting of the exemption appears uncertain, as it may be argued that a disability constituted by a level of colour blindness that purportedly would result in the refusal of a licence does not prevent the person concerned from safely fulfilling the inherent requirements of the role covered by the licence concerned. For this reason, it is important that there are retrospective inclusions in the legislation so that measures already adopted for safety reasons continue to have effect.

This bill not only gives certainty in terms of the period under which the regulations would take effect but also broadens the somewhat constricting nature of the exemption. Clearly in terms of the Sex Discrimination Act only medical aspects need to be considered. With the
Disability Discrimination Act, however, the scope needs to be somewhat broader, to ensure aviation safety.

Australia is a contracting state to the Convention on International Civil Aviation, generally referred to either as the Chicago convention or ICAO. Part 67 of the civil aviation safety regulations, which deal with medical requirements, is based on international standards and recommended practices, as prescribed in chapter 6 of annex 1 of the Chicago convention. CASA has stated in its request to HREOC for an exemption to the provisions of the DDA and SDA that conformity with international standards and practices prescribed under the convention is necessary, otherwise Australia’s regulatory regimes for aviation safety and practices would be put at great risk of not being accepted by the ICAO, the body administering the convention, and by other contracting states.

It is very important to note that all regulatory amendments are subject to parliamentary scrutiny. Furthermore, it should be noted that this bill does not remove the capacity of the individual to appeal to the Human Rights and Equal Opportunity Commission. This bill also gives the opportunity to correct the term ‘foreign aircraft’ to ‘foreign registered aircraft’. Clearly, something like a Boeing 747 is a foreign aircraft but it could very well be registered to Qantas.

In conclusion, in terms of the discriminatory effect of the Civil Aviation Act, the bill will allow regulations to be made which permit conduct that would otherwise constitute a breach of the Disability Discrimination Act or the Sex Discrimination Act. This is unlikely to constitute a breach of Australia’s obligations under international conventions, other than in a limited respect—the position of aircraft traffic controllers, for example—given that the aim of the regulations is air safety. I commend this bill to the House.

Ms HALL (Shortland) (12.53 pm)—I am very mindful of the fact that the committee closes at one o’clock, so I will make sure I conclude my comments by then. The Civil Aviation Amendment Bill 2005 provides for regulations that may be inconsistent with the Disability Discrimination Act 1992 and the Sex Discrimination Act 1984. It places conditions pertaining to the ongoing retention of an air operator’s certificate—more commonly referred to as an AOC—that are currently in a civil aviation order into section 28 of the Civil Aviation Act. It corrects errors and standardises references in the act to aircraft which are registered in countries other than Australia—and that is very important because we need to make sure that we do not have any errors and that references are standardised. That is something all legislation needs to be very mindful of, and it is taken care of in this piece of legislation.

Looking at the background to the development of this legislation, I can see that it reintroduces the substance of the civil aviation relationship with the discrimination bill 2004 and a minor element of the Civil Aviation Legislation Amendment (Mutual Recognition with New Zealand and Other Matters) Bill 2003. We will be supporting this piece of legislation, as was detailed at great length by the member for Batman. The legislation takes into account recommendations made by the Senate Legal and Constitutional Legislation Committee in relation to the 2004 bill. We found those recommendations to be of vital importance when determining our position on this piece of legislation. I should also note that a dissenting report was submitted by the Australian Democrats in relation to that bill. But the majority position has been incorporated in this legislation, which makes those of us on this side of the House very happy and puts us in a position where we can support this legislation. The Office of Regulation Re-
view has advised that the bill does not require a regulatory impact statement and, therefore, none accompanies this legislation.

The purpose of this bill is to amend the Civil Aviation Act 1988. It makes regulations that may be inconsistent with the Disability Discrimination Act 1992 and the Sex Discrimination Act 1984, and it ratifies the validity of existing regulations and past action. It brings into the act the requirement that holders of air operator certificates, AOCs, continue to satisfy the Civil Aviation Safety Authority—or CASA, as it is more commonly known—and that they meet the conditions of issue of an AOC. It standardises references in the act to aircraft that are registered in countries other than Australia, and it changes all incorrect references to such aircraft to the defined term ‘foreign registered aircraft’.

It is only recently that I have started to look at these issues in any great depth. Within my electorate an airline has been operating for many years. It is called Aeropelican and it has been operating out of Belmont. In recent times, the operator of that airline has moved his services from Belmont, within my electorate, to Williamtown. As a big supporter of that airline, I became most upset when that happened, and I started to look at issues surrounding air operator certificates and how they impact on the ongoing operation of air services. I will not go into detail now about my battle to save Aeropelican. Needless to say, I put before the House the fact that it is a very important issue in the electorate of Shortland. Additionally, it is a very important civil aviation issue. I have raised this issue with CASA and I will be raising it continually, because Aeropelican is one air service that has the support of everybody within my area.

Returning to this piece of legislation, I have to say that we on this side of the House are very supportive of the legislation. There are some issues in this piece of legislation that go to consistency. The fact that no regulatory impact statement was needed shows that most issues have been dealt with. The government has taken into account the recommendations of the Senate committee and that means this legislation should be supported by us.

Debate (on motion by Mr Wakelin) adjourned.

Main Committee adjourned at 1.01 pm
QUESTIONS IN WRITING

Petroleum
(Question No. 184)

Mr Kelvin Thomson asked the Treasurer, in writing, on 29 November 2004:

(1) What is the latest estimate by his department on the projected revenue from petroleum sales in 2004-2005.

(2) How does this estimate vary from earlier estimates of revenue from this source.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) and (2) See page 18 of the Mid-Year Economic and Fiscal Outlook 2004-05 and page 5-6 of 2004-05 Budget Paper No. 1.

Oil Prices
(Question No. 185)

Mr Kelvin Thomson asked the Treasurer, in writing, on 29 November 2004:

What advice has he received from (a) his department, and (b) the Reserve Bank of Australia about the likely inflationary impact of increased world oil prices.

Mr Costello—The answer to the honourable member’s question is as follows:

The impact of the increase in oil prices in the latter half of 2004 has been incorporated into the MYEFO forecasts.

The Statement on Monetary Policy, which is publicly released four times a year provides an assessment of the Reserve Bank’s views on current economic conditions and the prospects for inflation.

Calder Freeway
(Question No. 253)

Mr Brendan O’Connor asked the Minister for Transport and Regional Services, in writing, on 1 December 2004:

(1) Is he aware of the accident record of the section of the Calder Freeway at Taylors Lakes from the intersection with Sunshine to the intersection with Calder Park Drive.

(2) Is he aware that Victorian Government has proposed constructing several interchanges along this section of freeway, at Sunshine Avenue, Kings Road and Calder Park Drive and closing the intersection with Robertsons Road.

(3) Will the Commonwealth match the State Government’s commitment of 50 per cent of the estimated total cost of $60 million to allow construction of the proposed interchanges.

(4) Has the Commonwealth previously committed any funding to commence the construction of the interchanges; if not will he commit the Commonwealth to funding the construction of the Kings Road interchange, to alleviate the dangerous situation facing motorists along this stretch of the Calder Freeway.

Mr Anderson—The answer to the honourable member’s question is as follows:

(1) Yes, a number of correspondents have drawn to my attention the growing number of motor vehicle accidents along the sections of the Calder Freeway that were mentioned by the Honourable member.
(2) Yes, I am aware that the Victorian Government is proposing to construct a number of interchanges along this section of the Freeway to improve access to residential areas.

(3) to (4) Under AusLink, the Australian Government is already contributing $1.537 billion to Victoria for land transport projects on the new AusLink National Network, and for existing commitments to projects off the Network over the five years from 2004-05 to 2008-09. In addition, the Australian Government announced an extra $158.6m in the Pre-election Fiscal and Economic Outlook and election commitments for Victorian road projects. This comprised an extra $21m for the Pakenham bypass, making a total commitment to $121 million, an extra $120m to fund the Scoresby Freeway as an untolled road, making a total commitment of $565m and $17.6m for commitments under the Roads to Recovery strategic fund.

Legal Services
(Question No. 278)

Ms Roxon asked the Minister for Veterans’ Affairs, in writing, on 2 December 2004:

(1) How much 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) How much did the Minister’s department spend on internal legal services.

(3) What is the Minister’s department’s projected expenditure on legal services for the 2004-2005 financial year.

Mrs De-Anne Kelly—The answer to the honourable member’s question is as follows:

(1) The Department of Veterans’ Affairs spent a total of approximately $9.0M for the purchase of external legal services (which includes disbursements and engaging counsel) in the 2003-2004 financial year. It is not possible to separately distinguish between the legal costs spent on barristers and solicitors for a number of reasons including that:

(a) these costs often appear on the one invoice with the consequence that every individual invoice for this period would need to be re-examined to accurately specify the amount that was paid directly to a barrister as separate from the other costs and disbursements included on that invoice; and

(b) AGS officers and other legal service providers can appear in a matter as both a barrister and a solicitor due to the fused nature of the legal profession in many jurisdictions.

(2) The Legal Services Group is the primary area in the Department for providing internal legal services on a wide range of matters (excluding the Military Compensation and Rehabilitation Service (MCRS) matters which are dealt with by the Comcare external legal panel). The total budget for 2003-2004 for the Legal Services Group was approximately $2.0M (this is made up of salary and administrative costs but excludes desktop and voice costs and the costs of the SES Band 1 Manager). There are also other areas in the Department who undertake some work of a legal nature and may be capable of falling within the phrase “internal legal services”. For example, the Department of Veterans’ Affairs uses APS employees who are not legally qualified or admitted to practice to undertake a range of tasks which could be described as involving work of a legal nature. Examples of this include:

(a) the development of legislation proposals;

(b) appearances before the Administrative Appeals Tribunal as advocates who representative the Repatriation Commission;

(c) in relation to the MCRS undertaking the management of cases, the reconsideration of primary decisions and the supervision of the external legal panel; and

(d) the management and development of contracts.
For each of the above tasks, there are also APS employees who are legally qualified and admitted to practice who perform similar duties. It is not possible to fully identify and allocate costs to the individual components of legal work that are undertaken by these other areas of the Department.

(3) The estimated expenditure for the 2004-2005 financial year in the Department of Veterans’ Affairs is approximately $9.1M (which includes $2.3M for the Department and $6.8M for MCRS and the Military Rehabilitation and Compensation Act 2004) for the costs and disbursements of external legal providers and counsel, and internal costs of approximately $2.1M for the Legal Services Group.

**Economy**

(Question No. 310)

Mr Kelvin Thomson asked the Treasurer, in writing, on 6 December 2004:

(1) What recent advice has he received from his department regarding the anticipated current account deficit in 2005?

(2) What recent advice has he received from his department regarding the anticipated growth in Australia’s net foreign debt?

(3) What specific government policies will address the growth in net foreign debt?

Mr Costello—The answer to the honourable member’s question is as follows:

The Treasurer is periodically briefed by the Department of the Treasury on current economic conditions and the outlook for the Australian economy, including the possible outlook for the current account and implications for foreign debt.

In the Mid-Year Economic and Fiscal Outlook, released on 21 December 2004, the current account deficit is forecast to be $51 billion in 2004-05. Further information is available in that document.

Over 95 per cent of Australia’s net foreign debt is owed by the private sector. Since this Government came to office the general government share of net foreign debt has fallen from around 17.2 per cent to 4.7 per cent. Through sound budget management the Government has reduced general government net debt from around $96 billion (19.1 per cent of GDP) in 1995-96 to around $23 billion in 2003-04 (2.9 per cent of GDP). Ensuring the budget is in surplus means the Government is not living beyond its means and does not need to borrow to fund its activities.

Exports are expected to rise as agricultural exports increase, reflecting recovery from the lingering effects of the drought, while all exports should benefit from the continued growth of our major trading partners. Ongoing economic reforms to improve Australia’s competitiveness should over time reduce the current account deficit and hence slow the growth in net foreign debt.

**Domestic and Overseas Air Travel**

(Question No. 328)

Mr Quick asked the Treasurer, in writing, on 6 December 2004:

(1) For the year 2003-04, what sum was spent by the Minister’s department on (a) domestic travel, and (b) overseas air travel.

(2) For the year 2003-04, what proportion of domestic air travel by employees of the Minister’s department was provided by (a) Qantas, (b) Regional Express, and (c) Virgin Blue.

(3) For the year 2003-04, what was the actual expenditure by the Minister’s department on domestic air travel provided by (a) Qantas, (b) Regional Express, and (c) Virgin Blue.

(4) For the year 2003-04, what sum was spent by the Minister’s department on business class travel on (a) domestic routes, and (b) overseas routes.

(5) For the year 2003-04, what sum was spent by the Minister’s department on economy travel on (a) domestic routes, and (b) overseas routes.
(6) For the year 2003-04, what proportion of the expenditure on air travel by the Minister’s department was on the domestic routes (a) Sydney to Canberra, (b) Melbourne to Canberra, (c) Sydney to Melbourne, (d) Sydney to Brisbane, (e) Melbourne to Launceston, and (f) Sydney to Perth.

(7) For the year 2003-04, how many employees of the Minister’s department had membership of the (a) Chairman’s Lounge, (b) Qantas Club, (c) Regional Express Membership Lounge, and (d) Virgin Blue’s Blue Room paid for by the department.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) In financial year 2003-04:
(a) expenditure on domestic air travel was $910,751
(b) expenditure on international air travel was $1,249,233

(2) In financial year 2003-2004, the proportion of domestic airfares paid to carriers was:
(a) Qantas (and subsidiaries) —96.1 per cent
(b) Regional Express —2.6 per cent
(c) Virgin Blue —1.3 per cent.

(3) In financial year 2003-2004, domestic travel expenditure of $910,751 was apportioned as follows:
(a) Qantas (and subsidiaries) —$875,165
(b) Regional Express —$23,924
(c) Virgin Blue —$11,662.

(4) In financial year 2003-04:
(a) business class domestic expenditure was $231,910
(b) business class overseas expenditure was $798,530

(5) In financial year 2003-04:
(a) economy class domestic expenditure was $678,841
(b) economy class overseas expenditure was $450,703

(6) Treasury is not able to provide details of travel by particular routes.

(7) (a) Qantas Chairman’s Lounge is by invitation only and there is no membership applicable. There are five officials of the Treasury who have access to the Chairman’s Lounge at no cost.
(b) In financial year 2003-2004, Treasury paid for 120 Qantas Club memberships.
(c) No other memberships were paid for by the Treasury.
(d) No other memberships were paid for by the Treasury.

Medical Board of Western Australia
(Question No. 394)

Mr Bevis asked the Minister Assisting the Minister for Defence, in writing, on 9 December 2004:

(1) Is she aware of the decision of the Medical Board of Western Australia, delivered on 20 July 2004, following its inquiry into the conduct of a Medical Doctor, a Navy Reserve Commander, which found him guilty on a number of charges relating to improper conduct, misconduct and gross carelessness or incompetency in respect of his conduct as a naval doctor, involving a female Lieutenant Commander who was at that time the Executive Officer at HMAS Stirling in Western Australia.

(2) Can she confirm that the Board commented unfavourably on the Navy Reserve Commander, in particular, that (a) it had “significant concern about the evidence of the Practitioner. Some aspects
of it were entirely unconvincing. Others raise serious questions as to its reliability and his veracity”, and (b) the fact that “he permitted a sworn statement of his evidence-in-chief to be tendered knowing that it was inaccurate is particularly disturbing”; and (c) “The Practitioner displayed... a willingness to give evidence which was at odds with what appeared in his written statement”.

(3) Can she confirm that the Board concluded that the conduct of the Practitioner was found to have been unacceptable and identified a number of serious deficiencies in the discharge of his professional obligations and marked departures from the standard of care, treatment and management demanded of a competent general practitioner.

(4) Can she confirm that the Board also concluded that the proven wrongdoing of the Practitioner was not confined to a single aspect of his care, treatment and management of his patient and encompassed a diverse range of failures and multiple infractions and that the nature and broad range of his professional misconduct required the Board to take action to protect the public interest.

(5) Has the Department of Defence made any payments for the Reserve Doctor’s legal representation, penalties or costs associated with this matter, including inquiries conducted by the Defence Ombudsman and the Human Rights and Equal Opportunity Commission.

(6) Can she confirm that the medical board concluded the female victim gave evidence in a way that might be expected of a long-serving and senior officer in the Australian Defence Force and that neither her demeanour nor her performance as a witness was reflective of a lack of truthfulness.

(7) Can she confirm that the female victim has not received any financial support for costs associated with these matters.

(8) Will she ensure that the victim receives full and proper compensation for her costs and damages caused by the improper conduct of the Navy Reserve medical officer.

(9) Was the medical officer the same person who administered inoculations to Australian troops deployed to Iraq, giving rise to complaints by some troops who refused to have the inoculations.

(10) Has the medical officer since been recommended for promotion.

(11) What disciplinary action has been taken against the medical officer.

Mrs De-Anne Kelly—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) (a), (b) and (c) I am advised that the Medical Board of Western Australia, in its reasons for decision, made such comments.

(3) I am advised that the Medical Board of Western Australia, in its reasons for decision, made such findings.

(4) I am advised that the Medical Board of Western Australia, in its reasons for decision, indicated that it had reached such findings.

(5) Yes. In accordance with the Attorney-General’s Legal Services Directions made pursuant to Judiciary Act 1903 section 55ZF, the costs of legal representation and part of the Board’s costs of the proceedings, which it ordered Commander McKenzie to pay, were met as part of the assistance.

(6) I am advised that the Medical Board of Western Australia, in its reasons for decision, indicated that it had reached such conclusions.

(7) I am advised that the female Lieutenant requested the Navy to meet the expense of her next-of-kin travelling to Perth from Melbourne so he could serve as her legal adviser. This request was considered not to be within the legal assistance regime established by the Attorney-General’s Legal Services Directions. A subsequent request that the Navy meet the costs of the female Lieutenant Commander’s civilian legal representative during a conciliation meeting called by the Human
Rights and Equal Opportunity Commission, which is investigating a compliant relating to the issue before the Medical Board of Western Australia, was refused for the same reason.

(8) Matters of compensation and damages are determined in accordance with the law by the appropriate Court or Tribunal.

(9) I am advised that the officer was posted as the Medical Officer on HMAS Kanimbla during the Iraq war where he was required to implement Australian Defence Force policy on immunisations.

(10) I am advised that the latest Navy Officer Performance Appraisal Report on the medical officer is held for the period ending 17 July 2003. In this report, he was assessed by his supervisor (the Commanding Officer of HMAS Kanimbla) as being highly suitable for the next rank. This report was considered by the Navy’s Career Advancement Board in December 2004. The Chief of Navy’s promotion signal of 17 December 2004 did not include the medical officer.

(11) None.

**Crime**

*(Question No. 496)*

**Mr McClelland** asked the Attorney-General, in writing, on 8 February 2005:

1. What sums from the proceeds of crime has the Australian Government (a) requested, and (b) received from foreign countries following mutual assistance requests.

2. Of the $6 million frozen in foreign countries that the Australian Government assisted in identifying as proceeds of crime in 2003-4, what sums has it (a) requested, and (b) received.

3. Of the $6 million frozen in foreign countries, (a) what sums were frozen on what dates in which countries.

**Mr Ruddock**—The answer to the honourable member’s question is as follows:

1. Australia asks foreign countries to enforce or give effect to forfeiture orders for the proceeds of crime. This is done in order to deprive persons of such proceeds. Requests are made irrespective of the prospects of any of the proceeds being returned to Australia.

   It is a matter for the foreign country whether they are able to repatriate proceeds of crime to Australia. Requests to foreign countries for the repatriation of forfeited proceeds of crime are confidential and it is a matter for discussion between Australia and the foreign country whether the proceeds of crime can be repatriated.

   During the 2003-04 financial year, Australia received two sums of approximately $335,000 and $281,000 from a foreign country in response to mutual assistance requests.

2. See the answer to question (1). None of the $6 million frozen in foreign countries that the Australian Government assisted in identifying as proceeds of crime in 2003-4 has been received by Australia.

3. Mutual assistance requests to foreign countries are confidential. The $6 million referred to in the Attorney-General’s Department Annual Report of 2003-04 was frozen in two countries in late 2003 as a result of unrelated mutual assistance requests.

   I note that my colleague Senator Ellison, the Minister for Justice and Customs, has primary responsibility for mutual assistance requests relating to proceeds of crime.

**Watch Office of Australian Government Agencies**

*(Question No. 500)*

**Mr McClelland** asked the Attorney-General, in writing, on 8 February 2005:
(1) In respect of the most recent meeting organised by the Watch Office of Australian Government agencies to review and improve cross-portfolio communications and cooperative relationships between various incident rooms and operations centres, (a) when did it occur, and (b) which agencies attended.

(2) For which incident rooms and operations centres are the agencies which attended responsible and which of these rooms and centres (a) currently operate, and (b) are capable of operating on a 24 hour basis.

(3) Has his department or the Watch Office conducted a review of the cross-portfolio communications and cooperative relationships between any of these listed incident rooms or operations centres; if so, (a) when, (b) to which incident rooms, operations centres, and agencies did it relate, (c) what were the recommendations, and (d) to which incident rooms, operations centres, and agencies did the recommendations relate.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) (a) The most recent meeting of the Australian Government Counter-Terrorism Committee’s Watch Office/Incident Room Forum was chaired by the Protective Security Coordination Centre (PSCC) on Friday 15 April 2005.

(b) This meeting was attended by representatives from the following agencies: the Attorney-General’s Department including the PSCC, Emergency Management Australia, the Australian Security Intelligence Organisation, the Australian Federal Police, the Australian Defence Force, the Department of Health and Ageing, the Department of Foreign Affairs and Trade, the Australian Maritime Safety Authority, Australian Customs Service, the Department of Transport and Regional Services, the Office of National Assessments and apologies were received from the Department of the Prime Minister and Cabinet and the Department of Immigration and Multicultural and Indigenous Affairs.

(2) This group of agencies represented Australian Government departments which maintain a Watch Office, Incident Room or Operation Room on a 24/7 basis, or with 24/7 Duty Officer arrangements in place for counter-terrorism activities.

(a) Agencies which currently operate on a 24/7 basis are:

- The Attorney General’s Department (PSCC Watch Office and the National Security Hotline),
- The Australian Federal Police (National Central Monitoring Centre incorporating the Protection Operations Management Centre, the Transnational Crime Centre and the ACT Police Operations Centre),
- The Department of Foreign Affairs and Trade (Watch Office),
- Australian Maritime Safety Authority (Australian Search and Rescue),
- Australian Customs Service (the Passenger Analysis Unit and Coast Watch National Surveillance Centre),
- Australian Defence Force (several centres),
- The Department of Transport and Regional Services (the Office of Transport Security),
- Australian Security Intelligence Organisation (National Threat Assessment Centre and Research and Monitoring Unit),
- The Department of Immigration and Multicultural and Indigenous Affairs.

(b) Agencies that operate a Duty Officer system for after-hours contacts and have a capability to move to 24/7 operations are:

- Emergency Management Australia (National Emergency Coordination Centre),
• Department of Health and Ageing (Incident Room),
• The Department of the Prime Minister and Cabinet,
• The Office of National Assessments.

(3) (a) and (b) A formal review has not been carried out. However, the Watch Office Forum meets every four months with the main aim of facilitating effective communication flows and cooperative arrangements. Recent incidents are reviewed and ongoing discussions on roles are used to maintain a robust understanding of functions and cross portfolio relationships.

The Multi Jurisdiction Exercise Mercury 04, coordinated by the Attorney-General’s Department was conducted in March 2004, with the next Mercury exercise scheduled for October 2005. These major exercises provide another means of reviewing these arrangements.

(c) and (d) The Forum provides for a continuous improvement mechanism to exist between the agencies. This improvement is often a broadening of shared understandings, clarifying operational procedures and providing debriefing on recent incidents handled for common education.

Tamil Rehabilitation Organisation
(Question No. 651)

Mr Murphy asked the Minister for Foreign Affairs, in writing, on 7 March 2005:

(1) Can he confirm that the Tamil Rehabilitation Organisation (TRO) is recognised by the Sri Lankan Government as a Non-Government Organisation (NGO) delivering disaster-relief services in the North-East of Sri Lanka; if not, why not?

(2) Does the Australian Government recognise the TRO as a NGO delivering disaster-relief services in the North-East of Sri Lanka; if not, why not?

Mr Downer—The answer to the honourable member’s question is as follows:

(1) The TRO is registered as a national Non Governmental Organisation by the Government of Sri Lanka and it is delivering relief assistance in the North and East of Sri Lanka.

(2) The Government is aware of credible reports that the TRO has links to the Liberation Tigers of Tamil Eelam (LTTE), the latter of which has been listed in Australia as an entity associated with terrorism pursuant to the Charter of the United Nations (Terrorism and Dealings with Assets) Regulations 2002. Accordingly, Australia has not provided direct funding to the TRO.

Family Tax Benefit
(Question No. 661)

Ms Bird asked the Minister representing the Minister for Family and Community Services, in writing, on 7 March 2005:

(1) For the electoral division of Cunningham and for each year of the operation of Family Tax Benefit (FTB), how many families and/or individuals, (a) in total and (b) as a proportion of all FTB recipients, have an outstanding debt to the Commonwealth due to an overpayment of the FTB.

(2) For the electoral Division of Cunningham and for each year of the FTB operation, what is the (a) sum of FTB debt, (b) average debt per family, and (c) average income of the families and/or individuals that have incurred a debt.

(3) For the electoral division of Cunningham and for each year of the operation of the FTB, how many FTB debts (a) have been referred to debt collectors and (b) are currently with debt collectors.

(4) What was the most common method of payment for FTB debts of the families and individuals in the electoral division of Cunningham?
(5) For the electoral Division of Cunningham and for each year of the FTB operation, how many families and/or individuals with a FTB debt had part or all of their tax return withheld to repay the debt?

Mr Hockey—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) For the electoral division of Cunningham and for each year of the operation of Family Tax Benefit (FTB), the number of customers who have an outstanding reconciliation debt, (a) in total and (b) as a proportion of all FTB recipients, is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Customers with Outstanding Reconciliation Debt (in total)</th>
<th>Customers with Outstanding Reconciliation Debt (as a proportion of FTB recipients)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>95</td>
<td>1.0%</td>
</tr>
<tr>
<td>2001/02</td>
<td>362</td>
<td>3.9%</td>
</tr>
<tr>
<td>2002/03</td>
<td>760</td>
<td>8.3%</td>
</tr>
<tr>
<td>2003/04</td>
<td>420</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

Notes:
(i) The figures above were prepared in accordance with the agreed FaCS/Centrelink methodology for determining reconciliation debts.
(ii) Proportions were prepared using the current instalment population for that electorate as at the end of the relevant financial year, in accordance with the agreed FaCS/Centrelink methodology.
(iii) Outstanding debt figures as at 28 February 2005.

(2) For the electoral division of Cunningham and for each year of the FTB operation, the (a) sum of reconciliation debt, (b) average reconciliation debt per family, and (c) average income of the customers that have incurred a reconciliation debt is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sum of FTB reconciliation debt</th>
<th>Average reconciliation debt per customer</th>
<th>Average final income per customer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>$3.47m</td>
<td>$919</td>
<td>$49,686</td>
</tr>
<tr>
<td>2001/02</td>
<td>$3.15m</td>
<td>$889</td>
<td>$54,845</td>
</tr>
<tr>
<td>2002/03</td>
<td>$2.75m</td>
<td>$882</td>
<td>$58,066</td>
</tr>
<tr>
<td>2003/04</td>
<td>$0.79m</td>
<td>$959</td>
<td>$79,216</td>
</tr>
</tbody>
</table>

Notes:
(i) The figures above were prepared in accordance with the agreed FaCS/Centrelink methodology for determining reconciliation debts.
(ii) Debt and income figures as at 31/12/04.
(iii) Final income is the final income used to reconcile the customer’s FTB payment and includes estimated incomes for those customers who were exempt from lodging tax returns.
(iv) Average debt amounts include debts where recovery was waived on all or part of the debt.
(v) Average income for 2003/04 has increased for debtors as a result of the FTB-A Child Supplement and the reduction in debt to customers in the lower income bands.

(3) For the electoral division of Cunningham and for each year of the operation of the FTB, the number of reconciliation debts which (a) have been referred to mercantile agents and (b) are currently with mercantile agents, is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>(a) Customers with Outstanding Reconciliation Debt</th>
<th>(b) Customers with Outstanding Reconciliation Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>95</td>
<td>1.0%</td>
</tr>
<tr>
<td>2001/02</td>
<td>362</td>
<td>3.9%</td>
</tr>
<tr>
<td>2002/03</td>
<td>760</td>
<td>8.3%</td>
</tr>
<tr>
<td>2003/04</td>
<td>420</td>
<td>4.6%</td>
</tr>
</tbody>
</table>
(a) Reconciliation debts referred to mercantile agents (at any time)  
(b) Reconciliation debts currently with mercantile agents  

<table>
<thead>
<tr>
<th>Year</th>
<th>(a)</th>
<th>(b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>97</td>
<td>10</td>
</tr>
<tr>
<td>2001/02</td>
<td>146</td>
<td>18</td>
</tr>
<tr>
<td>2002/03</td>
<td>137</td>
<td>41</td>
</tr>
<tr>
<td>2003/04</td>
<td>42</td>
<td>21</td>
</tr>
</tbody>
</table>

Notes:
(i) The figures above were prepared in accordance with the agreed FaCS/Centrelink methodology for determining reconciliation debts.
(ii) Mercantile agent figures as at 28 February 2005.

(4) The most common method of re-payment of FTB reconciliation debt by customers in the electoral division of Cunningham over the four years of the operation of FTB has been withholdings from ongoing payment entitlement (without any other type of re-payment option being used).

Notes:
(i) The figures above were prepared in accordance with the agreed FaCS/Centrelink methodology for determining reconciliation debts.
(ii) “Most common” has been defined as that method which was chosen by the highest number of customers to repay their debt.

(5) For the electoral Division of Cunningham and for each year of the FTB operation, the number of customers with a FTB debt where part or all of their tax return was withheld to repay the debt is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>(a) Reconciliation debts where part or all of the customer’s tax refund was withheld to repay the debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>0</td>
</tr>
<tr>
<td>2001/02</td>
<td>1,287</td>
</tr>
<tr>
<td>2002/03</td>
<td>1,187</td>
</tr>
<tr>
<td>2003/04</td>
<td>249</td>
</tr>
</tbody>
</table>

Notes:
(i) The figures above were prepared in accordance with the agreed FaCS/Centrelink methodology for determining reconciliation debts.
(ii) Tax offsetting was not in force until 1/7/02 and therefore did not occur for 2000/01 reconciliation debts.
(iii) Tax offset figures as at 28 February 2005.

### Light Armoured Vehicles
(Question No. 677)

**Mr McClelland** asked the Minister representing the Minister for Justice and Customs, in writing, on 7 March 2005:

(1) In respect of the statement about armoured protection vehicles made by Australian Federal Police (AFP) Commissioner Keelty at the Senate Estimates Committee hearing on 15 February 2005, what are the details of the armoured vehicles used by the AFP for close personal protection duties, in particular, (a) what types of armoured vehicles are used, (b) how many of each type does the AFP have, (c) how many Australian manufactured vehicles were acquired by the AFP during

QUESTIONS IN WRITING

(2) Which company or companies manufactures these vehicles in Australia.

(3) What do these vehicles usually cost to manufacture in Australia.

(4) What are the detailed costs involved in having these vehicles bullet-proofed, including the costs associated with transporting them to and from the USA.

(5) Which company or companies bullet-proofs these vehicles in the USA.

(6) Is there the capacity in Australia in the (a) private and (b) public sector to have these vehicles bullet-proofed.

(7) Have enquiries been made as to whether the vehicles can be bullet-proofed in Australia; if so, what is the estimated cost.

(8) What are the “maintenance and other” issues which arise in the course of the use of these vehicles that make them “some of the most difficult to use”.

(9) Why are the vehicles inappropriate for use in the Solomon Islands and Papua New Guinea.

(10) Have any AFP armoured vehicles been deployed to Solomon Islands and Papua New Guinea for the protection of AFP officers; if so, (a) which vehicles, (b) how many, and (c) when were they deployed abroad.

(11) What is the nature of the review being conducted into these vehicles.

(12) Has consideration been given to the manufacture and use of other armoured vehicles that would be appropriate for use in the Solomon Islands and Papua New Guinea (PNG).

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) (a) The AFP use Holden Caprices as armoured vehicles. While these vehicles are manufactured locally, after market armouring occurs abroad.

(b) The AFP has eight Light Armoured Vehicles (LAV). Four of these vehicles are in current use, and the other four are decommissioned.

(c) The only vehicles purchased during these periods occurred during 2002. Four Australian manufactured vehicles were purchased and were received in 2003 following after-market armouring of the vehicles in the United States (US).

(d) The AFP does not intend to purchase armoured vehicles for the period 2004-05. The AFP is liaising with the Protective Security Coordination Centre regarding cooperative arrangements to identify and purchase suitable armoured vehicles during the financial year 2005-2006.

(2) Holden manufactures the Caprice in Australia. Ballistic protection has been fitted “after market” in the United States.

(3) The purchase price of a base vehicle is normally approximately $60,000.

(4) The last armoured vehicle purchased by the AFP was received in 2003. The supply and installation of the armour protection cost between $100,000-120,000 per vehicle. It costs approximately $20,000.00 to transport the vehicle between Australia and the US. With import duties and engineering costs, the total cost to deploy a Holden Caprice with ballistic protection has been approximately $200,000.00 each.

(5) The AFP has only used O’Gara-Hess and Eisenhardt Armouring Company which is approved by the US Government.

(6) (a) Yes, there is a private capacity to armour vehicles in Australia. As far as the AFP is aware, Tenix Defence Systems is the only company equipped to perform this role domestically.

QUESTIONS IN WRITING
(b) The AFP is not aware of any public sector capacity to armour vehicles.

(7) Vehicles can be armoured in Australia. The costs vary dependant upon agreement arranged and the level of armouring.

(8) The armoured vehicles require significant ongoing maintenance, due to the physical weight of the armouring which places considerable strain on the mechanical components. These vehicles subsequently require additional servicing and repairs above what would be considered normal for a vehicle of this type.

(9) The vehicles available to AFP Protection are armoured sedans, which would not be suitable for deployment in the Solomon Islands or PNG, due to the poor condition of roads in these countries.

(10) No.

(11) In October 2004 the AFP researched various technologies and capabilities applicable to Protection and Force protection operations deployed overseas.

(12) Yes. As a result of initial research conducted, the AFP implemented project Heavy Support Vehicle. This project is examining the types of armoured support required to meet the AFP International Deployment Group’s commitments, including Solomon Islands and PNG.

The AFP continues to explore options for the manufacture and use of other armoured vehicles but no final decisions have yet been taken. The AFP intends to conduct an open tender process during 2005.

Money Laundering
(Question No. 694)

Mr McClelland asked the Minister representing the Minister for Justice and Customs, in writing, on 7 March 2005:

(1) When will the Government release an exposure draft bill, based on the recommendations of the Financial Action Task Force, to implement new global standards to combat money laundering and terrorist financing.

(2) What has been the reason for the delay in the release of the exposure draft bill.

(3) Have the Financial Action Task Force recommendations been implemented.

(4) Has his department provided any advice on the Financial Action Task Force.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) The Government has not yet made a decision on the timing of public release of an exposure bill. Release of the bill is expected in the first half of 2005, followed by a period of public consultation.

(2) There has been extensive consultation with industry on the development of money laundering reform. This has allowed for all sectors that may be affected by the reforms to contribute to the development of the proposed legislation.

(3) In December 2003 the Government committed to implementing the revised Forty Recommendations through significant reforms to Australia’s anti-money laundering system. Australia is already compliant with many of the FATF 40 Recommendations, while the rest will be implemented following the passage of new anti-money laundering legislation.

(4) The Attorney-General’s Department leads Australia’s delegation to the Financial Action Task Force. This role has required regular and extensive consultation with industry groups and government agencies. The Department regularly advises the Minister on matters arising from the Financial Action Task Force.
Embryo Export Approvals
(Question No. 697)

Mr McClelland asked the Minister representing the Minister for Justice and Customs, in writing, on 7 March 2005:

(1) Who was the Minister responsible for granting embryo export approvals in (a) 2002-2003 and (b) 2003-2004.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) The Minister for Justice and Customs was responsible for granting embryo export approvals in 2002-2003 and 2003-2004. Prior to 27 March 2003, there was no system for issuing permissions for the export of embryos under the Customs (Prohibited Exports) Regulations 1958.
(2) Yes, the Customs (Prohibited Exports) Regulations 1958 were amended in March 2004 to extend the existing controls on the exportation of human embryos until 31 July 2006.

Shipping Industry: Visas and Permits
(Question No. 764)

Mr Laurie Ferguson asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 9 March 2005:

(1) How many Special Purpose Visas for the shipping industry have been issued since they were first introduced.
(2) Can the Minister confirm that all the vessels which hold a CVP or SVP permit depart Australia before a future permit is issued.
(3) Is it the case that under s 33, of the Migration Act the grant of a special purpose visa is conditional on a ship undertaking international travel, ie involving a visit to a port in another country; if so, how is this verified and monitored by the department.
(4) Is a crew member’s visa status linked to the grant of a CVP or SPV of up to 3 months duration.
(5) What individual checks are carried out on crew prior to the issue of SVP or CVP.
(6) How were checks in (5) undertaken by the Department in 2003-2004.
(7) Once a vessel leaves Australia and returns, what checking is done to account for changes to the crew.

Mr McGauran—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) The Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) does not record this information. The Australian Customs Service (Customs) records the arrival and departure of all vessels and crew to and from Australia. Special Purpose Visas (SPV) are not issued, but granted by operation of law to each individual foreign crewmember on board provided they meet the regulatory requirements.
(2) The Department of Transport and Regional Services (DOTARS) administers SVPs and CVPs. It is DOTARS’ practice that the grant of an SVP (Single Voyage Permit) or CVP (Continuing Voyage Permit) is conditional on the vessel departing Australia to a foreign port at least once in any three month period.
(3) Yes. To hold an SPV under section 33 of the Migration Act 1958 a person must be a member of crew on a non-military ship that will depart to a place outside Australia during the course of its voyage. Customs monitors the movement in Australia of any vessel granted an SVP or CVP and records when the vessel indicates that it intends to depart to a place outside Australia. Applicants for an SVP or CVP are required by DOTARS to name the last foreign port visited by the vessel before it arrives in Australia as well as the foreign port it will go to no later than three months after arrival in Australia.

(4) Yes.

(5) and (6) Customs undertakes checks against DIMIA and Customs alert lists in relation to all crew on non-military ships entering Australia. These checks are carried out based on pre-arrival reporting from vessels which is provided 48 hours before arrival. Applications for SVPs and CVPs are processed in the Operations Centre of the Office of Transport Security in DOTARS.

(7) Crew are checked on each arrival into Australia, regardless of crew changes outside Australia and previous entry by some members of crew.

**Detention Centres**

(Question No. 774)

Mr Brendan O’Connor asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 9 March 2005:

Is the Minister aware of solitary confinement being used as punishment in Australia’s Immigration Detention Centres.

Mr McGauran—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

Solitary confinement is not used in Immigration Detention Centres (IDCs), nor is detention in more restrictive accommodation used as punishment.

IDCs are communal living arrangements where people live in compounds. Within these communities, like any community, there are expectations that people will behave consistently with the community’s rules for the benefit of the group and the individuals within it.

The Detention Services Provider seeks the constructive participation of detainees through recreational and educational programs, counselling and mediation and an effective complaints mechanism.

When these strategies do not work and people cause disruption to the facility or to other detainees, a more restrictive management environment including observation rooms and Management Support Units can be appropriate to ensure the detainee’s welfare and the welfare of the community as a whole. There are procedures covering these facilities.

Any detainee placed in more restrictive accommodation is placed on a management plan specifically designed to re-integrate them back into the general detainee population as soon as possible. During this time their physical and mental health are monitored closely.

Transfers to more restrictive accommodation, such as Management Support Units, may also occur at the request of a detainee wishing to have some ‘time out’ of their usual accommodation area.

**Special Purpose Visas**

(Question No. 809)

Mr Martin Ferguson asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 14 March 2005:

(1) For (a) 2002, (b) 2003, and (c) 2004, how many Special Purpose Visas (SPVs) were issued (i) in total and (ii) to each nationality represented.

QUESTIONS IN WRITING
(2) For (a) 2002, (b) 2003, and (c) 2004, how many international seafarers were refused SPVs (i) in total and (ii) from each nationality represented.

(3) What is the current process that must be followed when applying for a SPV.

(4) Has there been any change in the policy in relation to the issuing of SPVs since 1 July 2004 and the commencement of the application of the International Ship and Port Security Code (ISPS) through the Maritime Transport Security Act 2003.

(5) What are the conditions that apply to SPVs, including (a) whether any restrictions are placed on visa holders in relation to shore-based work and (b) whether and under what circumstances visa holders are permitted to undertake shore-based work within Australian port facilities.

Mr McGauran—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) The Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) does not record this information. The Australian Customs Service (Customs) records the arrival and departure of all vessels and crew to and from Australia. Special Purpose Visas (SPVs) are not issued, but granted by operation of law to each individual foreign crewmember on board provided they meet the regulatory requirements.

(2) DIMIA has recorded this information in a manner that allows the ready extraction of statistics from 2004. Data recorded prior to 2004 is not able to be extracted other than manually. (a) (b) and (c) (i) In both 2002 and 2003 less than 50 international seafarers were refused SPVs. In 2004 some 280 seafarers were refused SPVs. (ii) The top ten nationalities of seafarers refused SPVs in 2004 were, in descending order; Tonga, the Russian Federation, the Peoples Republic of China, Indonesia, Greece, Turkey, Ukraine, the Philippines and India.

(3) SPVs are granted by operation of law. There is no application process.

(4) Yes. From 1 July 2004, to be taken to hold an SPV crew members of non-military ships must present both a passport that is in force and another document that identifies the seafarer as employed on that ship on arrival in Australia. There has been no change in SPV requirements associated with the introduction of the ISPS code or the Maritime Transport Security Act 2003.

(5) (a) and (b). Members of crew, to hold an SPV, must only perform work of a kind they normally perform during the course of their duties on their ship.

Family Tax Benefit
(Question No. 813)

Ms Annette Ellis asked the Minister representing the Minister for Family and Community Services, in writing, on 14 March 2005:

(1) How many Family Tax Benefit (FTB) Part B recipients currently reside in the (a) ACT, (b) electoral division of Canberra, and (c) postcode area (i) 2600, (ii) 2603, (iii) 2605, (iv) 2606, (v) 2607, (vi) 2609, (vii) 2620, (viii) 2900, (ix) 2902, (x) 2903, (xi) 2904, (xii) 2905, and (xiii) 2906.

(2) What sum was spent for 2003-2004 for the FTB part B in the (a) ACT, (b) electoral division of Canberra, and (c) postcode area (i) 2600, (ii) 2603, (iii) 2605, (iv) 2606, (v) 2607, (vi) 2609, (vii) 2620, (viii) 2900, (ix) 2902, (x) 2903, (xi) 2904, (xii) 2905, and (xiii) 2906.

(3) What sum would be spent through FTB part B in the (a) ACT, (b) electoral division of Canberra, and (c) postcode area (i) 2600, (ii) 2603, (iii) 2605, (iv) 2606, (v) 2607, (vi) 2609, (vii) 2620, (viii) 2900, (ix) 2902, (x) 2903, (xi) 2904, (xii) 2905, and (xiii) 2906 if the maximum rate of FTB Part B was increased by $300.

QUESTIONS IN WRITING
(4) Can the Minister confirm that under the Coalition election policy, ‘Extra assistance for families’, families were promised that “a re-elected Coalition Government will increase the maximum rate of FTB Part B by $300” and that “these increases will take effect from 1 July 2005”; if not, why not.

(5) Can the Minister confirm that a press release issued by the Minister’s office on 9 February 2005 announced that families waiting for the $300 increase in FTB Part B, expected to “take effect from 1 July 2005” will have to wait until 2006 before they are eligible for the increase promised in the lead up to the 2004 federal election.

(6) What is the difference between the sum allocated for FTB Part B in 2005 and the sum required in 2005 to meet the $300 increase in the maximum amount payable under FTB Part B promised in the Coalition election policy, ‘Extra assistance for families’ on 26 September 2004 in the (a) ACT, (b) electoral division of Canberra, and (c) postcode area (i) 2600, (ii) 2603, (iii) 2605, (iv) 2606, (v) 2607, (vi) 2609, (vii) 2620, (viii) 2900, (ix) 2902, (x) 2903, (xi) 2904, (xii) 2905, and (xiii) 2906.

Mr Hockey—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) The number of Family Tax Benefit (FTB) Part B recipients as at March 2005 who are paid in fortnightly instalments and currently residing in the:

| (a) ACT | 18,848 |
| (b) electoral division of Canberra | 9,228 |

(c) specified postcode areas (including postcode 2611) is:

<table>
<thead>
<tr>
<th>Postcode</th>
<th>Total FTB (B) Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) 2600</td>
<td>170</td>
</tr>
<tr>
<td>(ii) 2603</td>
<td>135</td>
</tr>
<tr>
<td>(iii) 2605</td>
<td>450</td>
</tr>
<tr>
<td>(iv) 2606</td>
<td>309</td>
</tr>
<tr>
<td>(v) 2607</td>
<td>546</td>
</tr>
<tr>
<td>(vi) 2609</td>
<td>7</td>
</tr>
<tr>
<td>2611</td>
<td>1,130</td>
</tr>
<tr>
<td>(vii) 2620</td>
<td>55</td>
</tr>
<tr>
<td>(viii) 2900</td>
<td>59</td>
</tr>
<tr>
<td>(ix) 2902</td>
<td>1,073</td>
</tr>
<tr>
<td>(x) 2903</td>
<td>663</td>
</tr>
<tr>
<td>(xi) 2904</td>
<td>772</td>
</tr>
<tr>
<td>(xii) 2905</td>
<td>2,446</td>
</tr>
<tr>
<td>(xiii) 2906</td>
<td>1,413</td>
</tr>
</tbody>
</table>

(2) The estimated sum spent for 2003-2004 for the FTB part B in the:

(a) ACT was $36,828,000;

(b) electoral division of Canberra was $17,803,000;

(c) specified postcode areas (including postcode 2611) was:

<table>
<thead>
<tr>
<th>Postcode</th>
<th>FTB (B) Expenditure $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) 2600</td>
<td>$0.310</td>
</tr>
<tr>
<td>(ii) 2603</td>
<td>$0.258</td>
</tr>
<tr>
<td>(iii) 2605</td>
<td>$0.867</td>
</tr>
<tr>
<td>(iv) 2606</td>
<td>$0.619</td>
</tr>
</tbody>
</table>

QUESTIONS IN WRITING
The Department of Family and Community Services only produces forward estimates for FTB Part B at the aggregate level.

The Coalition committed to increasing the maximum rate of FTB Part B by $300 and this will become effective from 1 July 2005.

- Over and above the election commitment, the increase has been bought forward by six months.
- The increase, paid as a supplement, will be a maximum of $150.23 from 1 January 2005 to 30 June 2005.
- In subsequent years the full year supplement will be $300, plus indexation. Entitlement will accrue from 1 July each year and the supplement will be paid at reconciliation. For 2005-06, it will be $306.60.
- As well as providing extra assistance to families, the supplement is available, if required, to offset any overpayment that might have occurred.

See answer to question (4).

Forward estimates of expenditure are made at the national level and cannot be allocated to smaller geographic areas.

**Employment: People with Disabilities**

(Question No. 826)

Dr Emerson asked the Minister for Employment and Workplace Relations, in writing, on 16 March 2005:

1. Why has the Department of Employment and Workplace Relations set outlet capacities for each disability Employment Agency, limiting the number of people with disabilities that each agency can assist, and creating unnecessary waiting lists for people with disabilities who are wishing to re-enter the workforce.

2. Can he explain how limiting the number of clients each Disability Employment Agency can place in employment is consistent with the Government’s stated policy in this area.

3. Will the Government remove the outlet capacity to enable Disability Employment Agencies to assist as many clients as their funding will allow.

Mr Andrews—The answer to the honourable member’s question is as follows:

1. Limits have been set on the capacity of disability employment outlets since the Disability Employment Assistance Program was first funded under the Disability Employment Act in 1986 as a capped appropriation.
(2) The Government is committed to making efficient use of all available employment assistance for people with disabilities, including Disability Employment Assistance. Continued improvements to independent assistance and referral processes will ensure that people with disabilities are directed to the services that best meet their employment assistance needs. The introduction of case based funding will deliver further improvements by linking funding to individual needs and outcomes.

In addition to Disability Employment Assistance, Job Network and vocational rehabilitation also provide services to people with disabilities. All Job Network members are able to assist people with disabilities and some Job network members specialise in helping people with disabilities. Vocational Rehabilitation Services assist people with disabilities to enter and remain in the workplace by assessing work capacity and providing support such as injury management and job preparation, training and placement.

(3) The Government is currently considering a range of options for the Disability Employment Assistance Program arising out of consultations with the disability employment assistance sector in early 2005. For the present, efficiencies in better targeting services have made it possible to respond to fluctuating demand. The Government recently announced that it will fund an extra 250 employment places across 10 new outlets in areas of greatest need for job seekers with disabilities. In addition, it will fund a further 1500 places in existing outlets also assessed as having high need.

**Repatriation Pharmaceutical Benefits Scheme**

(Question No. 837)

**Mrs Irwin** asked the Minister for Veterans’ Affairs, in writing, on 16 March 2003:

(1) How many Repatriation Pharmaceutical Benefits Scheme (RPBS) prescriptions were filled for DVA treatment card holders during (a) 2003-2004 and (b) 2004-2005 in (i) New South Wales, and (ii) the electoral division of Fowler.

(2) How many RPBS prescriptions were filled for DVA treatment card holders during (a) 2003-2004, and (b) 2004-2005 in postcode area (i) 2163, (ii) 2165, (iii) 2166, (iv) 2168, (v) 2170, (vi) 2176, and (vii) 2177.

**Mrs De-Anne Kelly**—The answer to the honourable member’s question is as follows:

(1) The number of Repatriation Pharmaceutical Benefits Scheme (RPBS) prescriptions filled for DVA treatment card holders during (a) 2003-2004, and (b) 2004-2005 in (i) New South Wales, and (ii) the electoral division of Fowler are as follows:

<table>
<thead>
<tr>
<th>Area</th>
<th>2003-2004@</th>
<th>2004-2005*@</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Electoral Division of Fowler</td>
<td>74,798</td>
<td>52,646</td>
</tr>
<tr>
<td>(ii) New South Wales</td>
<td>5,358,589</td>
<td>3,619,558</td>
</tr>
</tbody>
</table>

*Prescription Data from 1 July 2004 until 7 March 2005.

@ RPBS Prescription items dispensed for DVA treatment card holders of the requested geographical area.

(2) The number of RPBS prescriptions filled for DVA treatment card holders during (a) 2003-2004, and (b) 2004-2005 in the postcode area (i) 2163, (ii) 2165, (iii) 2166, (iv) 2168, (v) 2170, (vi) 2176, and (vii) 2177 are as follows:

<table>
<thead>
<tr>
<th>Postcode Area</th>
<th>2003-2004@</th>
<th>2004-2005*@</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) 2163</td>
<td>6,396</td>
<td>4,007</td>
</tr>
<tr>
<td>(ii) 2165</td>
<td>10,625</td>
<td>7,857</td>
</tr>
<tr>
<td>(iii) 2166</td>
<td>16,476</td>
<td>11,814</td>
</tr>
<tr>
<td>(iv) 2168</td>
<td>7,826</td>
<td>5,873</td>
</tr>
<tr>
<td>(v) 2170</td>
<td>29,692</td>
<td>20,287</td>
</tr>
<tr>
<td></td>
<td>2003-2004@</td>
<td>2004-2005*@</td>
</tr>
<tr>
<td>---</td>
<td>------------</td>
<td>------------</td>
</tr>
<tr>
<td>(vi)</td>
<td>2176</td>
<td>3,156</td>
</tr>
<tr>
<td>(vii)</td>
<td>2177</td>
<td>627</td>
</tr>
</tbody>
</table>

* Prescription Data from 1 July 2004 until 7 March 2005.
® RPBS Prescription items dispensed for DVA treatment card holders of the requested geographical area