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SITTING DAYS—2005

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>8, 9, 10, 14, 15, 16, 17</td>
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<tr>
<td>March</td>
<td>7, 8, 9, 10, 14, 15, 16, 17</td>
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<td>May</td>
<td>10, 11, 12, 23, 24, 25, 26, 30, 31</td>
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<td>June</td>
<td>1, 2, 14, 15, 16, 20, 21, 22, 23</td>
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<tr>
<td>August</td>
<td>9, 10, 11, 16, 17, 18</td>
</tr>
<tr>
<td>September</td>
<td>5, 6, 7, 8, 12, 13, 14, 15</td>
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<tr>
<td>October</td>
<td>10, 11, 12, 13, 31</td>
</tr>
<tr>
<td>November</td>
<td>1, 2, 3, 7, 8, 9, 10, 28, 29, 30</td>
</tr>
<tr>
<td>December</td>
<td>1, 5, 6, 7, 8</td>
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</tbody>
</table>

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- ADELAIDE 972 AM
- PERTH 585 AM
- HOBART 747 AM
- NORTHERN TASMANIA 92.5 FM
- DARWIN 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—FOURTH 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 Henry 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 Kim 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. Mark Anthony James Vaile MP
Deputy Leader—The Hon. Warren Errol Truss MP
Chief Whip—Mr John Alexander Forrest MP

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 David Danby MP and Ms Jill Griffiths Hall MP

Printed by authority of the House of Representatives
Members of the House of Representatives

<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Party</th>
<th>State</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
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Members of the House of Representatives

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<th>Division</th>
<th>Party</th>
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<td>Gilmore, NSW</td>
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<td>Hindmarsh, SA</td>
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<td>Throsby, NSW</td>
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<td>Georgiou, Petro</td>
<td>Kooyong, Vic</td>
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<td>Bendigo, Vic</td>
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<td>Lalor, Vic</td>
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<td>Wannon, Vic</td>
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<td>Werriwa, NSW</td>
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<td>North Sydney, NSW</td>
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<td>Bennelong, NSW</td>
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<td>Scullin, Vic</td>
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<td>Tangney, WA</td>
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<td>Dobell, NSW</td>
<td>LP</td>
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<td>CLP</td>
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<tr>
<td>Truss, Hon. Warren Errol</td>
<td>Wide Bay, QLD</td>
<td>Nats</td>
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<td>Tuckey, Hon. Charles Wilson</td>
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<td>LP</td>
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<td>Turnbull, Malcolm Bligh</td>
<td>Wentworth, NSW</td>
<td>LP</td>
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<td>Vaile, Hon. Mark Anthony James</td>
<td>Lyne, NSW</td>
<td>Nats</td>
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<td>Member</td>
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<td>Vamvakinou, Maria</td>
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<td>ALP</td>
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<td>Vasta, Ross Xavier</td>
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<td>Windsor, Antony Harold Curties</td>
<td>New England, NSW</td>
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</tr>
<tr>
<td>Wood, Jason Peter</td>
<td>La Trobe, VIC</td>
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</tr>
</tbody>
</table>

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

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

Prime Minister
Minister for Trade and Deputy Prime Minister
Treasurer
Minister for Transport and Regional Services
Minister for Defence and Leader of the Government in the Senate
Minister for Foreign Affairs
Minister for Health and Ageing and Leader of the House
Attorney-General
Minister for Finance and Administration, Deputy Leader of the Government in the Senate and Vice-President of the Executive Council
Minister for Agriculture, Fisheries and Forestry and Deputy Leader of the House
Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs
Minister for Education, Science and Training
Minister for Family and Community Services and Minister Assisting the Prime Minister for Women’s Issues
Minister for Industry, Tourism and Resources
Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service
Minister for Communications, Information Technology and the Arts
Minister for the Environment and Heritage

The Hon. John Winston Howard MP
The Hon. Mark Anthony James Vaile MP
The Hon. Peter Howard Costello MP
The Hon. Warren Errol Truss MP
Senator the Hon. Robert Murray Hill
The Hon. Alexander John Gosse Downer MP
The Hon. Anthony John Abbott MP
The Hon. Philip Maxwell Ruddock MP
Senator the Hon. Nicholas Hugh Minchin
The Hon. Peter John McGauran MP
Senator the Hon. Amanda Eloise Vanstone
The Hon. Dr Brendan John Nelson MP
Senator the Hon. Kay Christine Lesley Patterson
The Hon. Ian Elgin Macfarlane MP
The Hon. Kevin James Andrews MP
Senator the Hon. Helen Lloyd Coonan
Senator the Hon. Ian Gordon Campbell

(The above ministers constitute the cabinet)
HOWARD MINISTRY—continued

Minister for Justice and Customs and Manager of Government Business in the Senate
Senator the Hon. Christopher Martin Ellison

Minister for Fisheries, Forestry and Conservation
Senator the Hon. Ian Douglas Macdonald

Minister for the Arts and Sport
Senator the Hon. Charles Roderick Kemp

Minister for Human Services
The Hon. Joseph Benedict Hockey MP

Minister for Citizenship and Multicultural Affairs
The Hon. John Kenneth Cobb MP

Minister for Revenue and Assistant Treasurer
The Hon. Malcolm Thomas Brough MP

Special Minister of State
Senator the Hon. Eric Abetz

Minister for Vocational and Technical Education
The Hon. Gary Douglas Hardgrave MP

and Minister Assisting the Prime Minister

Minister for Ageing
The Hon. Julie Isabel Bishop MP

Minister for Small Business and Tourism
The Hon. Frances Esther Bailey MP

Minister for Local Government, Territories and Roads
The Hon. James Eric Lloyd MP

Minister for Veterans’ Affairs and Minister Assisting
the Minister for Defence
The Hon. De-Anne Margaret Kelly MP

Minister for Workforce Participation
The Hon. Peter Craig Dutton MP

Parliamentary Secretary to the Minister for Finance and Administration
The Hon. Dr Sharman Nancy Stone MP

Parliamentary Secretary to the Minister for Industry, Tourism and Resources
The Hon. Warren George Entsch MP

Parliamentary Secretary to the Minister for Health and Ageing
The Hon. Christopher Maurice Pyne MP

Parliamentary Secretary to the Minister for Defence
The Hon. Teresa Gambaro MP

Parliamentary Secretary (Trade)
Senator the Hon. John Alexander Lindsay MacDonald

Parliamentary Secretary (Foreign Affairs) and
Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs
The Hon. Bruce Fredrick Billson MP

Parliamentary Secretary to the Prime Minister
The Hon. Gary Roy Nairn MP

Parliamentary Secretary to the Treasurer
The Hon. Christopher John Pearce MP

Parliamentary Secretary to the Minister for the Environment and Heritage
The Hon. Gregory Andrew Hunt MP

Parliamentary Secretary (Children and Youth Affairs)
The Hon. Sussan Penelope Ley MP

Parliamentary Secretary to the Minister for Education, Science and Training
The Hon. Patrick Francis Farmer MP

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry
Senator the Hon. Richard Mansell Colbeck
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, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services 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 Attorney-General Nicola Louise Roxon MP
Shadow Minister for Industry, Infrastructure and Industrial Relations Stephen Francis Smith MP
Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security Kevin Michael Rudd MP
Shadow Minister for Defence Robert Bruce McClelland MP
Shadow Minister for Regional Development The Hon. Simon Findlay Crean MP
Shadow Minister for Primary Industries, Resources, Forestry and Tourism Martin John Ferguson MP
Shadow Minister for Environment and Heritage, Shadow Minister for Water and Deputy Manager of Opposition Business in the House Anthony Norman Albanese MP
Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories Senator Kim John Carr
Shadow Minister for Public Accountability and Shadow Minister for Human Services Kelvin John Thomson MP
Shadow Minister for Finance Lindsay James Tanner MP
Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services Senator the Hon. Nicholas John Sherry
Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women Tanya Joan Plibersek MP
Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility Senator Penelope Ying Yen Wong

(The above are shadow cabinet ministers)
<table>
<thead>
<tr>
<th>Shadow Ministry Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shadow Minister for Consumer Affairs and</td>
<td>Laurie Donald Thomas Ferguson MP</td>
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<tr>
<td>Shadow Minister for Population Health and</td>
<td>Gavan Michael O’Connor MP</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture and Fisheries</td>
<td>Joel Andrew Fitzgibbon MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow Minister for</td>
<td>Senator Kerry Williams Kelso O’Brien</td>
</tr>
<tr>
<td>Small Business and Competition</td>
<td>Senator Kate Alexandra Lundy</td>
</tr>
<tr>
<td>Shadow Minister for Transport</td>
<td>The Hon. Archibald Ronald Bevis MP</td>
</tr>
<tr>
<td>Shadow Minister for Sport and Recreation</td>
<td>Alan Peter Griffin MP</td>
</tr>
<tr>
<td>Shadow Minister for Homeland Security and</td>
<td>Anthony Stephen Burke MP</td>
</tr>
<tr>
<td>Shadow Minister for Veterans Affairs and Shadow Special Minister of State</td>
<td>Senator Jan Elizabeth McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Defence Industry, Procurement and Personnel</td>
<td>Senator Joseph William Ludwig</td>
</tr>
<tr>
<td>Shadow Minister for Immigration</td>
<td>Robert Charles Grant Sercombe MP</td>
</tr>
<tr>
<td>Shadow Minister for Aged Care, Disabilities and Carers</td>
<td>Peter Robert Garrett MP</td>
</tr>
<tr>
<td>Shadow Minister for Justice and Customs and Manager of Opposition Business in the</td>
<td>John Paul Murphy MP</td>
</tr>
<tr>
<td>Senate</td>
<td>The Hon. Graham John Edwards MP</td>
</tr>
<tr>
<td>Shadow Minister for Overseas Aid and Pacific Island Affairs</td>
<td>Kirsten Fiona Livermore MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Reconciliation and the Arts</td>
<td>Jennie George MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>Bernard Fernando Ripoll MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence and Veterans’ Affairs</td>
<td>Ann Kathleen Corcoran MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Education</td>
<td>Catherine Fiona King MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Environment and Heritage</td>
<td>Senator Ursula Mary Stephens</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Industry, Infrastructure and Industrial Relations</td>
<td>The Hon. Warren Edward Snowdon MP</td>
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<td>Shadow Parliamentary Secretary for Immigration</td>
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<td>Shadow Parliamentary Secretary for Treasury</td>
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<tr>
<td>Shadow Parliamentary Secretary for Science and Water</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs</td>
<td></td>
</tr>
</tbody>
</table>
CONTENTS

THURSDAY, 1 DECEMBER

CHAMBER

Business ....................................................................................................................... 1
Committees—
  Public Works Committee—Approval of Work.......................................................... 4
  Public Works Committee—Reference ...................................................................... 4
  Public Works Committee—Reference ...................................................................... 5
Employment and Workplace Relations Legislation Amendment (Welfare to Work and
Other Measures) Bill 2005 and
Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005—
  Second Reading ....................................................................................................... 5
  Consideration in Detail ............................................................................................ 42
  Third Reading .......................................................................................................... 57
Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005—
  Second Reading ....................................................................................................... 58
  Third Reading .......................................................................................................... 58
Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 2) 2005—
  Second Reading ....................................................................................................... 58
Ministerial Arrangements .......................................................................................... 70
Questions Without Notice—
  Workplace Relations ............................................................................................. 70
  Australian Export Awards ...................................................................................... 71
Distinguished Visitors................................................................................................. 72
Questions Without Notice—
  Workplace Relations ............................................................................................. 72
  Economy .................................................................................................................. 72
  Workplace Relations ............................................................................................. 73
  East Timor ............................................................................................................... 73
  Forestry ................................................................................................................... 74
  Housing Affordability ............................................................................................. 74
  Mr Robert Gerard .................................................................................................. 75
  Workplace Relations ............................................................................................. 76
  Mr Robert Gerard .................................................................................................. 76
  Iraq .......................................................................................................................... 77
Distinguished Visitors................................................................................................. 78
Questions Without Notice—
  Mr Robert Gerard ................................................................................................ 78
  Workplace Relations ............................................................................................. 78
  Mr Robert Gerard ................................................................................................ 79
  National Security ................................................................................................... 80
  Mr Robert Gerard ................................................................................................ 81
  Transport ............................................................................................................... 81
  Mr Robert Gerard ................................................................................................ 82
Treasurer—
  Censure Motion .................................................................................................... 82
Questions to the Speaker—
  Oath or Affirmation of Allegiance ......................................................................... 90
  Government Responses ......................................................................................... 90
  Standing Orders .................................................................................................... 90
  Standing Orders .................................................................................................... 91
CONTENTS—continued

Auditor-General’s Reports—
Report No. 19 of 2005-06.................................................................................................. 91
Documents .......................................................................................................................... 91
Matters of Public Importance—
Howard Government: Leadership ................................................................................. 91
Defence Legislation Amendment Bill (No. 2) 2005—
Report from Main Committee ....................................................................................... 103
Third Reading ................................................................................................................... 103
Census Information Legislation Amendment Bill 2005—
Report from Main Committee ....................................................................................... 103
Third Reading ................................................................................................................... 103
Adjournment—
World AIDS Day ............................................................................................................. 103
Mr Nguyen Tuong Van .................................................................................................... 103
Ms Shirley Ward .............................................................................................................. 105
Mr Robert Gerard .......................................................................................................... 106
Brisbane Landmark ......................................................................................................... 108
Australian Capital Territory: Jail ..................................................................................... 109
Western Australia: Great Eastern Highway ..................................................................... 110

Notices .............................................................................................................................. 111
Questions Without Notice: Additional Answers—
Regional Partnerships ................................................................................................... 113

MAIN COMMITTEE

Statements By Members—
Pharmaceutical Benefits Scheme .................................................................................. 114
Isis Shire ......................................................................................................................... 115
Welfare to Work .............................................................................................................. 115
Wakefield Electorate: Floods ......................................................................................... 116
HIV-AIDS ......................................................................................................................... 117
Paterson Electorate: Citizen of the Year Awards ............................................................. 118
Water Management ........................................................................................................ 119
Flinders Electorate: Telecommunications ....................................................................... 120
Byron Shire ..................................................................................................................... 121
Fishing Industry ............................................................................................................... 122
Workplace Relations ...................................................................................................... 122
Defence Legislation Amendment Bill (No. 2) 2005—
Second Reading ............................................................................................................ 123

Committees—
Environment and Heritage Committee—Report ............................................................ 131
Census Information Legislation Amendment Bill 2005—
Second Reading ............................................................................................................. 141
Adjournment—
Research and Development ......................................................................................... 146
Roads: Perth to Bunbury Highway .................................................................................. 147
HIV-AIDS ....................................................................................................................... 148
Welfare to Work Legislation ......................................................................................... 148
Tiger Airways .................................................................................................................. 150
Prime Minister ............................................................................................................... 151
Ryan Electorate: Volunteers ......................................................................................... 152
### CONTENTS—continued

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged Care Facilities</td>
<td>154</td>
</tr>
<tr>
<td>Former Western Sydney Australian Defence Industries Site</td>
<td>155</td>
</tr>
<tr>
<td>Breast Cancer: Herceptin</td>
<td>156</td>
</tr>
<tr>
<td>Queensland: Health</td>
<td>157</td>
</tr>
<tr>
<td>Workplace Relations</td>
<td>158</td>
</tr>
<tr>
<td><strong>QUESTIONS IN WRITING</strong></td>
<td></td>
</tr>
<tr>
<td>Explosives—(Question No. 480)</td>
<td>160</td>
</tr>
<tr>
<td>Opinion Polls—(Question No. 1071)</td>
<td>160</td>
</tr>
<tr>
<td>Opinion Polls—(Question No. 1076)</td>
<td>161</td>
</tr>
<tr>
<td>Consultancy Services—(Question No. 1087)</td>
<td>162</td>
</tr>
<tr>
<td>Consultancy Services—(Question Nos 1088 and 1090)</td>
<td>164</td>
</tr>
<tr>
<td>Consultancy Services—(Question No. 1739)</td>
<td>167</td>
</tr>
<tr>
<td>Consultancy Services—(Question No. 1742)</td>
<td>167</td>
</tr>
<tr>
<td>Consultancy Services—(Question No. 1752)</td>
<td>168</td>
</tr>
<tr>
<td>Religious Organisations: Funding—(Question No. 1893)</td>
<td>168</td>
</tr>
<tr>
<td>Amphibious Ships—(Question No. 2239)</td>
<td>168</td>
</tr>
<tr>
<td>Commonwealth Funded Programs—(Question No. 2261)</td>
<td>169</td>
</tr>
<tr>
<td>Christmas Island Detention Centre—(Question No. 2270)</td>
<td>170</td>
</tr>
<tr>
<td>Rwanda—(Question No. 2280)</td>
<td>170</td>
</tr>
<tr>
<td>Consultancy Services—(Question No. 2362)</td>
<td>170</td>
</tr>
<tr>
<td>Photographic Services—(Question No. 2363)</td>
<td>171</td>
</tr>
<tr>
<td>Commonwealth Property—(Question No. 2380)</td>
<td>171</td>
</tr>
<tr>
<td>Commonwealth Property—(Question No. 2384)</td>
<td>172</td>
</tr>
<tr>
<td>Defence Property—(Question No. 2407)</td>
<td>172</td>
</tr>
<tr>
<td>Domestic and Overseas Air Travel—(Question No. 2432)</td>
<td>173</td>
</tr>
<tr>
<td>Domestic and Overseas Air Travel—(Question No. 2438)</td>
<td>174</td>
</tr>
<tr>
<td>Domestic and Overseas Air Travel—(Question No. 2441)</td>
<td>175</td>
</tr>
<tr>
<td>Domestic and Overseas Air Travel—(Question No. 2446)</td>
<td>177</td>
</tr>
<tr>
<td>Defence Medal—(Question No. 2469)</td>
<td>178</td>
</tr>
<tr>
<td>Editorial Services—(Question No. 2535)</td>
<td>178</td>
</tr>
<tr>
<td>Consultancy Services—(Question No. 2537)</td>
<td>179</td>
</tr>
<tr>
<td>Surveillance Services—(Question No. 2554)</td>
<td>179</td>
</tr>
<tr>
<td>Consultancy Services—(Question No. 2568)</td>
<td>179</td>
</tr>
<tr>
<td>Air Warfare Destroyer—(Question No. 2578)</td>
<td>179</td>
</tr>
<tr>
<td>West Papua—(Question No. 2581)</td>
<td>180</td>
</tr>
</tbody>
</table>
Thursday, 1 December 2005

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

BUSINESS

Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (9.02 am)—On behalf of the Leader of the House, I move:

That, in relation to proceedings on the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 and the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005, so much of the standing and sessional orders be suspended to enable:

(1) at the conclusion of the second reading cognate debate on both bills or at 11.30 a.m. on Thursday 1 December 2005, whichever is the earlier, a Minister to be called to sum up the second reading debate and thereafter the following occurring without delay:

(a) in respect of the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 the immediate question before the House to be put, then any question or questions necessary to complete the second reading stage to be put; the bill then to be taken as a whole during consideration in detail for a period not exceeding 60 minutes (during which a Minister may move Government amendments together and one question be proposed on the amendments), immediately after which the question then before the House to be put, then the putting without amendment or debate of any question or questions necessary to complete the consideration of the bill; and

(b) in respect of the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005 any question necessary to complete the second reading stage to be put; then the putting without amendment or debate of any question or questions necessary to complete the consideration of the bill; and

(2) any variation to this arrangement to be made only by a Minister moving a motion without notice.

Ms GILLARD (Lalor—Manager of Opposition Business) (9.02 am)—Clearly we are opposed to the gagging of debate on this legislation, the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 and the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005. This is hugely important legislation that will affect hundreds of thousands of Australians. It will cut their payments for no good reason other than this government cruelly believes that those payments should be cut. The incompetence and arrogance of this government are once again on display in this parliament. The Parliamentary Secretary for Children and Youth Affairs, who is at the table, is dithering around, not even sure what she is doing. But I can tell the House what she is doing—she is stopping debate on incredibly complex legislation that will hurt Australians—

Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (9.03 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.07 am]

(The Speaker—Hon. David Hawker)

Ayes ............ 80
Noes ............ 61
Majority ........ 19

AYES

Andrews, K.J.  Bailey, F.E.
Baird, B.G.  Baker, M.
Baldwin, R.C.  Barresi, P.A.
Bartlett, K.J.  Billson, B.F.
Bishop, B.K.  Bishop, J.I.
Question agreed to.

Ms MACKLIN (Jagajaga) (9.11 am)—This is taking food off the tables of single parents and people with disabilities—

Ms LEY (Farrer—Parliamentary Secretary (Children and Youth Affairs)) (9.11 am)—I move:

That the question be now put.

Question put.

The House divided. [9.12 am]

(The Speaker—Hon. David Hawker)

Ayes............. 81
Noes............. 61
Majority......... 20

AYES

Adams, D.G.H.
Beazley, K.C.
Bird, S.
Burke, A.E.
Byrne, A.M.
Crean, S.F.
Edwards, G.J.
Ellis, A.L.
Emerson, C.A.
Ferguson, M.J.
Garrett, P.
George, J.
Gillard, J.E.
Griffin, A.P.
Hatton, M.J.

Brough, M.T.
Causley, I.R.
Cobb, J.K.
Downer, A.J.G.
Elson, K.S.
Farmer, P.F.
Ferguson, M.D.
Gambaro, T.

Jenkins, H.A.
King, C.F.
Livermore, K.F.
McClelland, R.B.
Melham, D.
O’Connor, B.P.
O’Connor, G.M.
Owens, J.
Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Sercombe, R.C.G.
Snowdon, W.E.
Tanner, L.
Vamvakou, M.
Windsor, A.H.C.

Hoare, K.J.
Jull, D.F.
Katter, R.C.
Laming, A.
Lindsay, P.J.
Macfarlane, I.E.
May, M.A.
McGauran, P.J.
Nairn, G.R.
Neville, P.C.
Pearce, C.J.
Pyne, C.
Robb, A.
Schultz, A.
Secker, P.D.
Smith, A.D.H.
Stone, S.N.
Ticehurst, K.V.
Truss, W.E.
Turnbull, M.
Vaile, D.S.
Wakelin, B.H.
Wood, J.

Kerr, D.J.C.
Lawrence, C.M.
Macklin, J.L.
McMullan, R.F.
Murphy, J.P.
Plibersek, T.
Quick, H.V.
Roxon, N.L.
Sawford, R.W.
Smith, S.F.
Swan, W.M.
Thomson, K.J.
Wilkie, K.

* denotes teller

CHAMBER
Georgiou, P. Hardgrave, G.D.
Hartsuyker, L. Henry, S.
Hockey, J.B. Jensen, D.
Hunt, G.A. Jull, D.F.
Johnson, M.A. Keenan, M.
Katter, R.C. Kelly, J.M.
Kelly, D.M. Ley, S.P.
Laming, A. Lloyd, J.E.
Lindsay, P.J. Markus, L.
Macfarlane, I.E. McArthur, S. *
May, M.A. McArthur, S. *
McGauran, P.J. Moylan, J.E.
Nairn, G.R. Nelson, B.J.
Nairn, G.R. Nelson, B.J.
Pearce, C.J. Prosser, G.D.
Pyne, C. Randall, D.J.
Robb, A. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Slipper, P.N.
Smith, A.D.H. Somlyay, A.M.
Stone, S.N. Thompson, C.P.
Ticehurst, K.V. Toller, D.W.
Truss, W.E. Tuckey, C.W.
Turnbull, M. Vaile, M.A.J.
Vale, D.S. Vasta, R.
Walkein, B.H. Washer, M.J.
Wood, J.

NOES
Adams, D.G.H. Andren, P.J.
Beazley, K.C. Bevis, A.R.
Bird, S. Bowen, C.
Burke, A.E. Burke, A.S.
Byrne, A.M. Corcoran, A.K.
Crean, S.F. Danby, M.
Edwards, G.J. Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Ferguson, J.A.
Garrett, P. Georgiou, P.
George, J. Gemmell, T.
Gillard, J.E. Gibson, S.W.
Griffin, A.P. Grierson, S.J.
Hatton, M.J. Hall, J.G.
Hoare, K.J. Hayes, C.P.
Jenkins, H.A. Irwin, J.
King, C.F. Kerr, D.J.C.
Livermore, K.F. Lawrence, C.M.
McClelland, R.B. Macklin, J.L.
Melham, D. McMullan, P.F.
O’Connor, B.P. Murphy, J.P.
Owens, I. O’Connor, G.M.

Price, L.R.S. Quick, H.V.
Ripoll, B.F. Roxon, N.L.
Rudd, K.M. Sawford, R.W.
Sercombe, R.C.G. Smith, S.F.
Snowdon, W.E. Swan, W.M.
Tanner, L. Thomson, K.J.
Vamvakouinou, M. Wilkie, K.

* denotes teller

Question agreed to.
Original question put:
That the motion (Ms Ley’s) be agreed to.
The House divided. [9.16 am]
(The Speaker—Hon. David Hawker)

AYES
Anderson, J.D. Andrews, K.J.
Bailey, F.E. Baird, B.G.
Baker, M. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Bishop, J.J. Broadbent, R.
Brough, M.T. Cadman, A.G.
Causley, I.R. Ciobo, S.M.
Cobb, J.K. Costello, P.H.
Downer, A.J.G. Draper, P.
Elson, K.S. Entsch, W.G.
Farmer, P.F. Fawcett, D.
Ferguson, M.D. Forrest, J.A. *
Gambler, T. Gash, J.
Georgiou, P. Hardgrave, G.D.
Hartsuyker, L. Henry, S.
Hockey, J.B. Hull, K.E.
Hunt, G.A. Jensen, D.
Johnson, M.A. Jull, D.F.
Katter, R.C. Keenan, M.
Kelly, D.M. Kelly, J.M.
Laming, A. Lloyd, J.E.
Lindsay, P.J. Markus, L.
Macfarlane, I.E. McArthur, S. *
May, M.A. McArthur, S. *
McGauran, P.J. Moylan, J.E.
Nairn, G.R. Nelson, B.J.
Nairn, G.R. Nelson, B.J.
Neville, P.C. Panopoulos, S.
Pearce, C.J. Prosser, G.D.
Price, L.R.S. Quick, H.V.
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Neville, P.C. Panopoulos, S.
Pearce, C.J. Prosser, G.D.
COMMITTEES

Public Works Committee

Approval of Work

Dr STONE (Murray—Parliamentary Secretary to the Minister for Finance and Administration) (9.18 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: CSIRO Minerals Laboratory extensions, Waterford, Perth.

The CSIRO proposes to construct additions and alterations, at an estimated cost of $12 million, to the main buildings on the CSIRO Waterford site at Perth, Western Australia. The proposal will replace existing unsatisfactory temporary support facilities, provide additional accommodation for new staff, students and collaborators as well as permanent amenities, research support facilities and storage. It will increase the safety and efficiency of existing buildings at Waterford.

In its report, the Public Works Committee has recommended that these works proceed. Subject to parliamentary approval, tenders are planned to be called early next year, with completion of construction by mid-2007. I would like to thank the committee for its support and its hard work. 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) (9.19 am)—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 Post 1945...
Conflicts Galleries and Discovery Room for the Australian War Memorial, Canberra.

The Australian War Memorial proposes to redevelop its post-1945 conflicts galleries—the Korea, Vietnam, peacekeeping and recent conflicts galleries—and discovery room at a potential total estimated cost of $17.8 million. The development will create over 1,700 square metres of exhibition space.

The new galleries will feature world-class, state of the art museum exhibitions appropriate to represent the service of more than 110,000 Australians who have served since 1945. This development will allow the display of significant iconic objects like the Vietnam Iroquois helicopter, armoured personnel carrier and bridge section from HMAS Brisbane. Subject to parliamentary approval, construction could begin in July next year and be completed by October 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) (9.21 am)—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: Fit-out of new leased premises for the Department of Agriculture, Fisheries and Forestry in Civic, ACT.

The Department of Agriculture, Fisheries and Forestry’s central office in Canberra is accommodated primarily in the Edmund Barton Building, Kings Avenue, Barton, with some overflow in the nearby Bligh House. Restrictions imposed by the Edmund Barton Building structure and its heritage listing make it difficult to achieve Commonwealth and other statutory specifications without significant costs. The Edmund Barton Build-

ing lease expires in February 2007, with no option to renew.

The proposal is for the department to lease the whole of the proposed new building, known as 18 Marcus Clarke Street, with overflow office space into the adjacent new building, known as the NICTA Building at 3-5 London Circuit. The building is being developed by Universal Portfolio Services, jointly owned by Leighton Properties Pty Ltd and the James Fielding Group, and will be leased, on its completion, by the department for an initial period of 15 years.

The proposal will provide the department with a new, state-of-the-art building which meets all of the Commonwealth’s energy and security requirements and offer the department significant economic and operational advantages over remaining in the current location. The developer will commence work on building construction in January next year. Subject to parliamentary approval, the proposed integrated fit-out, with an estimated cost of $36 million, will commence in March 2007. Both are due for completion by September 2007. I commend the motion to the House and thank the Public Works Committee for the work they did.

Question agreed to.

**EMPLOYMENT AND WORKPLACE RELATIONS LEGISLATION AMENDMENT (WELFARE TO WORK AND OTHER MEASURES) BILL 2005**

Cognate bill:

**FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (WELFARE TO WORK) BILL 2005**

Debate resumed from 9 November, on motion by Mr Andrews:

That this bill be now read a second time.
upon which Ms Macklin moved by way of amendment:

That all words after “That” be omitted with a view to substituting the following words:

“the House declines to give the Bill a second reading, because the House condemns the Government for:

(1) failing to allow the parliament and the Australian people proper scrutiny of the Bill;
(2) ignoring the concerns raised in the Senate’s inquiry into this Bill;
(3) after nine long years, failing to implement real welfare reform that tackles the reason someone isn’t working and delivers practical solutions;
(4) simply dumping people from one welfare payment to a lower welfare payment;
(5) making extreme cuts to the household budgets of vulnerable Australian families;
(6) decreasing the rewards from moving from welfare to work, to the extent that people may actually end up poorer from work than they would have been on welfare;
(7) failing to provide any modelling to support their case for putting people on a lower welfare payment to help them gain work;
(8) failing its own test of welfare reform by failing to address the growing number of people on welfare;
(9) failing to provide adequate assistance for people moving from welfare to work, particularly for making insufficient investment in vocational education and training;
(10) failing to guarantee in legislation that welfare recipients can meet their Newstart obligations by improving their job skills through training, and restricting access to the Pensioner Education Supplement;
(11) implementing an unduly punitive compliance system;
(12) failing to provide that parents can legitimately decline a job where the costs of child care would wipe out their income or worse; and
(13) providing insufficient protections for vulnerable Australians in legislation, and relying too much on guidelines”.

Mr GIBBONS (Bendigo) (9.24 am)—Offering this training bonus to single parents and people with a disability provides a better incentive and more help to get a job. However, most single parents have no post-school qualifications and real welfare reform would give these people a chance to get off the dole queue and into a job. This is a practical step the Howard government could take today that would help Australians to move off the dole and into work and out of poverty. Many sole parents want to work but struggle to balance paid work with their parenting responsibilities.

The Howard government’s changes show how out of touch they are with parents who struggle to find work while their children are at school, and then struggle to find child care when their children are not at school. In future, a parent will be put on the dole when their youngest child turns six. Adding parents to the dole queue does not provide the training and other help they need to gain work. But it does show how badly the Howard government has mismanaged this welfare reform issue. Instead of helping parents, the Howard government is punishing children and taking food off the tables of our most vulnerable families.

According to the National Centre for Social and Economic Modelling, if a sole parent with one child does the right thing and works 15 hours a week, they will only keep $81 of their earnings, while the Howard government claws back the other $114. That makes such a parent $91 per week worse off by moving into work under these changes than if they moved into work under the current arrangements. The Howard government is effectively asking sole parents to work for a return of $3.88 an hour, because for their 15 hours work a week they are only $58
ahead of someone not working. This extreme punishment is made worse because the Howard government has failed to provide enough child care and many workplaces do not offer family-friendly working hours—which will not be helped by the Howard government’s extreme changes to industrial relations.

The Howard government is also leaving parents who receive welfare unprepared by failing to offer enough training, even though the Australian Council of Social Service says that 60 per cent of jobless single parents only have year 10 schooling or less. That means that 600,000 parents will have to fight with 60,000 mature age unemployed for 12,300 vocational training places. The Prime Minister promised that single parents would not have to accept a job that resulted in low or negative financial gain once the cost of child care had been taken into account. But there is nothing in the legislation that delivers on the Prime Minister’s promise. Instead, he has left it up to bureaucrats in Canberra to decide.

Single parents stand to lose by reconciling with their partners under these extreme welfare changes. The Howard government promised parents who currently receive the single parenting payment that they would not face a loss of income when their youngest child turned eight. But if a single parent leaves the payment when they attempt to reconcile with a former partner, they will not be able to regain the payment if they need it later. Instead, they would be confined to the dole once their youngest child turns eight. This is yet another perverse and incompetent outcome of the changes. Sole parents are punished for attempting to build a relationship, because they would be worse off if that relationship failed. The Prime Minister must explain why he thinks it is appropriate to penalise sole parents for attempting to reconcile with a former partner or trying to build a new relationship.

As I have said in this House before, the Howard government should develop a whole-of-government agenda and a community action plan like that which Labor outlined for the 2004 election. The federal government should engage with state and territory governments, churches and community groups to develop a plan of action to tackle poverty.

In July 2004, federal Labor and each of the state and territory leaders signed a communique committing to put poverty on the agenda of COAG. Labor had also agreed to hold a summit of political, church and community leaders to devise a national plan for tackling poverty. For years church leaders have requested that action be taken to address growing poverty in our community. Labor is the only political party that pledged to support such action. The endless debate about poverty measures and poverty lines is used by those who try to deny there is a problem and a need for action. Any future Labor government would be accountable for the level of poverty in our community. We should be prepared to measure our efforts to tackle the problem.

Labor committed to develop a comprehensive set of poverty reduction targets across all areas of government. I think it is worth while outlining again the series of initiatives put forward by Labor prior to the last election. The targets concern living standards, income poverty and income inequality; unemployment, long-term unemployment and employment security; skill and educational participation, attainment and competence; health status and access to health services; access to affordable housing; and available and affordable child care, aged care and disability services.

A future Labor government will again make a significant investment in services that assist in tackling poverty. For example,
prior to the last federal election, Labor announced $1.9 billion funding for health to boost Medicare and increase bulk-billing rates and $300 million for a Commonwealth dental scheme to provide up to 1.3 million additional dental procedures for people on low incomes; $2.4 billion funding for education, including an additional 20,000 university places and 20,000 TAFE places; and $1.4 billion funding for labour market and literacy programs and new affordable housing.

Affordable and accessible health care is essential in addressing poverty. For this reason Labor is determined to lift the bulk-billing rate from 67 per cent to 80 per cent so that every Australian can afford to see a doctor when they are sick. Poor dental health can cause other medical complications and it strips the unemployed of work opportunities and dignity. Labor’s national dental scheme would have ensured that people on low incomes did not miss out on basic dental healthcare.

Labor pledged to invest $400 million to help secure affordable housing for low-income earners. This $400 million would have delivered an additional 11,350 new homes for low-income families and new housing partnerships aimed at delivering 9,000 units of affordable housing. Under Labor’s national strategy for housing, additional funding would have been made available for homeless people and for Indigenous housing projects.

Labor committed to a $700 million youth guarantee to assist young people who leave school early. Under Labor’s plan, all 15- to 18-year-olds would get support to either study at school, TAFE or university, or be in a job or apprenticeship. Labor also committed to invest an additional $212 million in programs and support for the mature-age unemployed. Labor announced a commitment to a universal tax-free baby care payment for new parents which would have been indexed to net minimum wages.

Labor supports welfare reform that goes far beyond moving people from a welfare queue to a dole queue. Labor believes people who can work should work—and those who cannot, we should care for. Everyone benefits when more people participate in the social and economic mainstream. That is why Labor wants real welfare reform that tackles the reasons someone is not working and delivers practical solutions.

Real welfare reform gives people the chance to gain the skills an employer needs. Real welfare reform encourages employers to give people with a disability the opportunity to demonstrate their ability. Real welfare reform understands that being a parent is an important job in itself and that work makes families more secure. Real welfare reform helps parents find the balance between supporting their families and raising their kids. Real welfare reform involves strong support from government in breaking down barriers to participation—such as skills, work-family balance and employer attitudes—alongside fair and reasonable requirements for job seekers. And under a Labor government, we will ensure that real welfare reform makes sure people get a fair reward for effort.

Mr ANDREN (Calare) (9.32 am)—First of all, may I put on the record the absolute dismay of my colleagues the member for New England and the member for Kennedy at the way the debate on the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 and the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005 has been truncated, denying them and others the opportunity to speak, again on such important legislation. This is another example of gov-
ernment behind closed doors and contempt being shown for the people’s house. So it goes—we see it time and time again. Here, yet again, there is a confected urgency—for whatever purposes escape me—to have this legislation through not by the end of this sitting fortnight but by lunchtime today. It is an absolute disgrace.

The government’s rhetoric surrounding the bills has been all about encouraging people into work. The government’s definitions of ‘encouragement’ and ‘incentive’ are quite blatantly at odds with those of organisations such as ACOSS, St Vincent de Paul and the Salvation Army, all of whom have serious concerns about the impact of these Welfare to Work changes on some of the most vulnerable people in our society.

Moving people onto Newstart allowance from the parenting payment or disability support pension reduces their income, increases the demands of the activity test and increases income reduction rates. These are punitive measures, not incentives. These reforms are all about saving the government money. While the encouragement of greater participation in the work force is no doubt a worthy goal, these bills make it very clear that the government aims to achieve this by reducing the amount of taxpayer funded benefits for those it believes should be working. It is very much a stick rather than a carrot approach. If the government is serious about getting people back into work, this legislation should look a lot different. The lack of interest by the government in this is further exaggerated and emphasised by the lack of any government officials in this chamber to note any of the comments that are being made here this morning. I believe that is another example of the absolute contempt the government has for this chamber.

I want to look first at the changes, proposed in schedule 4 of the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005, to parenting payments. Most sole parents want to get back into work—but not when their children are at a young age, when they most need parental care and not just child care. The best thing for kids is to have a parent able to care for them outside school hours. The government believes this; that is why we had the baby bonus, the family tax benefit payments, and the non-income and assets tested baby payments. These payments are designed to help parents be at home looking after their children. Perhaps this is only for the ideal two-parent family, and sole parent families do not figure in this picture.

Sole parents who apply for parenting payment single from 1 July next year will find themselves transferred to Newstart when their youngest child reaches eight years of age—and the same goes for when the youngest child reaches six years for partnered parents in receipt of parenting payment. Those currently on parenting payments will remain on this payment until their youngest child is 16 years of age, as provided for under the current arrangements. So potentially we will have people in the same circumstances on different types of payments with different income levels and conditions. How fair is that?

An activity test will be introduced for both groups, with a requirement to look for paid work of 15 hours a week or more. For those who apply from 30 June 2006 this will occur when their youngest child turns six. For those currently receiving parenting payments, the activity test will apply from 1 July 2007 and begin when their youngest child turns seven. A sole parent with one child, on Newstart, will receive $58 a fortnight less benefit than a parent in the same circumstances on parenting payment single at current payment levels.
Moreover, the rate of reduction of benefit for each dollar of private income earned is much harsher under Newstart than parenting payment, which is hardly an incentive to find work. Under Newstart, as soon as a person’s private income reaches $62 a fortnight their benefit is reduced at a rate of 50c in the dollar up to $250, then by 60c in the dollar above $250. For those on parenting payment, the benefit is not reduced until they earn $152 a fortnight, and then it is reduced by 40c for each dollar over this amount. This is the only rate of reduction.

This is a significant gap in disposable income for parents on the different payments. Further, Newstart does not allow for the receipt of the pensioner education supplement and is a taxable payment which could see a further reduction of disposable income that parents on parenting payment are not subject to. The National Centre for Social and Economic Modelling’s analysis of the various differences between the two payments, accounting for different benefit rates, additional allowances and other conditions, found the disposable income of sole parents on Newstart could be as much as $100 a week less than that of their counterparts on the parenting payment.

There has been much rhetoric in this debate so far that participation in the work force and the boost to a person’s self-esteem and happiness and sense of satisfaction this brings are more important than the money. Tell that to a sole parent trying to stretch the budget each week. Money is important. Raising kids costs money, and if there are no real incentives for sole parents to get into work in actual benefit to their bottom line, which I do not think putting sole parents on Newstart will deliver, then they will be treading water under greater financial pressure only to satisfy the government’s agenda to appear tough on welfare.

Newstart is a payment that is designed for short-term income support for individuals seeking full-time employment. As the member for Pearce so clearly pointed out in her quite powerful and passionate speech on these bills, Newstart is not meant to provide support for people trying to cope with all the demands and costs of raising a family. Just because a child turns eight or six does not mean that their needs and the costs of meeting their needs decrease. School uniforms, sports gear, shoes, clothes, doctors, dentists—if you can find one and afford one—and food and drink: these costs increase as children get older, as any parent will tell you. I said when these measures were announced in the May budget that I was concerned that, whilst the requirement that sole parents try and find 15 hours work a week is not in itself a bad thing, there may not be the jobs available to suit a sole parent’s needs: a job that falls within school hours of 9 am and 3 pm, with enough time either side to be there for the children.

Part of this Welfare to Work package includes an increase in the number of hours of child-care benefit a family may receive. These measures are contained in the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005 and facilitate parents in returning to paid work. According to the Minister for Workforce Participation’s second reading speech, a family may now receive up to 24 hours of child-care benefit a week without meeting any work/training/study test and up to 50 hours if they satisfy the same test by averaging 15 hours of study, work or training each week. It seems to me this may be problematic for sole parents who end up on Newstart, as this payment does not allow study or training with its mutual obligation requirements, as I understand it. I would have appreciated some clarification from the minister if there were some advisers in the box to take the message
back to him from this cavernous, empty chamber where we are supposed to be debating and passing on information. The ghosts of the minister’s staff are somewhere in this building but they are not in this chamber. They are not listening and they do not care what is said in this place.

The Treasurer in his budget speech also provided an additional 84,300 outside school hours child-care places. These are the types of measures that should assist sole parents back to work, as long as there are adequate facilities, especially in rural and regional areas, to accommodate these places. I live in hope that the funding for these child-care places will be accompanied by a commensurate increase in capital funding for child-care providers to accommodate them. Such positive measures do not need to be accompanied by measures that will simply reduce much needed income to single parent families. Indeed, these reforms would be all the more effective if education and training were acceptable activities to fulfil any mutual obligation requirements. In an economy with a chronic skills shortage, surely getting skilled sole parents back into the work force once their children are teenagers and do not require the same after school care as younger kids would be more beneficial than forcing parents into unskilled, casual work before they are ready. It would certainly be more beneficial to the children.

A friend and colleague of mine summed up the challenge for sole parents, and she knows because she has been there. She says:

The main thing for sole parents is the financial stuff. Really, they should keep the money paid to sole parents as it is, and require them to look for part-time work, or study or voluntary work. They should retain the education allowance and sole parents should not have to accept work outside school hours …

What sort of society are we when a child who only has the benefit of one, usually exhausted parent, no longer has the right to come home to that one parent? Or does a child not have the right to see that parent at their school play during the week? Or turn up to the eisteddfod or to be there when they’re sick …

We have to understand how much a child of a sole parent yearns for their parent to actually be a part of their lives because that parent is so busy doing everything, doing the housework, doing the cooking, doing the cleaning, putting the washing out at night when home from work or study or both and feeling guilty they can’t take them on holiday like the other kids, or pay for soccer or music, or pay for petrol to go for a drive in the country … or staying up into the night watching their child who is burning up with fever and fighting for their breath. It’s so hard—I would never want to go there again … It’s about the kids.

These are some thoughts she put down when considering the ramifications of this legislation. Perhaps focusing on this aspect of parenting might be a better way than pushing parents into work when their kids are six years old. This may be the secret to a more stable, skilled and satisfied work force of the future—and indeed a more harmonious, coherent and functional society.

Schedule 2 of the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 introduces a similar transition of certain new applicants for the disability support pension to Newstart allowance. The bill introduces a stricter work test for those applying for the disability support pension, with a new definition of ‘partial capacity to work’. This test basically means that those who are assessed as being able to work at least 15 hours a week will go on the enhanced Newstart allowance rather than DSP. This change will not apply to those already on DSP as at 11 May 2005. Those who claim DSP after 11 May 2005 and before 1 July 2006 will be subject to the new test at their two- or five-year review, and the test will apply immedi-
ately to all those who claim DSP from 1 July 2006.

These changes to the work test, and other changes in this bill relating to the DSP, have been debated in this place on three previous occasions. As with this current bill, these prior attempts have been the government’s endeavour to rein in the burgeoning cost of the disability support pension. Those who no longer qualify for DSP will be moved onto the new, enhanced Newstart allowance on a payment rate $84 less than the disability pension. They will also be subject to the requirements of the Newstart allowance activity test and breaching provisions. Whilst I do not have a problem with the theory that those who are able to work between 15 and 30 hours a week be ineligible for the disability support pension, I do have a number of concerns with the government’s haste to target those with, as the Treasurer suggested, ‘bad backs’. Having had a bad back for several years, I resent the generalisation of this generic term for those who in some way are allegedly avoiding their responsibilities. Measures targeting those with ‘bad backs’ may have consequences for those in genuine need of the DSP.

Again, this legislation will result in two separate payment systems for people in very similar situations. There will be people who, under the old system, would have qualified for DSP but will now have to make do with the lesser Newstart allowance. I am concerned that those who require regular medication and medical attention for their disability, which enables them to work generally more than 15 hours a week, may find it difficult to meet the costs of their treatment. I am referring particularly to those suffering mental illness, especially episodic illnesses, who may be disadvantaged under these new arrangements.

It also raises questions about the breaching rules associated with enhanced Newstart, which will also apply to those sole parents who are moved off parenting payment. Rather than a reduction in payments, as the system currently allows, the new system will stop payments for the time of the breach. For example, if a person fails to attend a job interview but attends two days later they will be docked two days worth of payments. Is there enough flexibility in this to meet those, for instance, who have episodic illnesses and incidences of mental illness in particular? A third breach results in a loss of payments for eight weeks. There are also reasons for an automatic loss of eight weeks payment, such as refusing a job offer, not completing or starting a program of work or failure to comply with the conditions of that program. And, incidentally, for those who have to travel from Bathurst to Orange, Oberon to Orange or Mudgee to Bathurst to take up a job offer, what are the extra provisions for the cost of fuel? You could blow the advantage of the extra income that may be available just in a tank of fuel between Bathurst and Orange and return one day a week.

One other area of DSP reform I think may have an adverse impact on people in my electorate is the removal from the qualification test of those DSP applicants over 55 years of age who are only assessed against their local labour market. This test will now apply to the market in general, which will affect people in regional and rural areas to a far greater extent. It does not bode well for those in country areas, as I said, where jobs are hard to come by for all ages and local businesses are having a hard time competing against imports made with cheap labour.

I have concentrated my remarks on the sole parent and disability support pension aspects. The legislation also offers additional support services for mature age workers and the long-term unemployed which I hope will
provide real benefits to these groups rather than simply offering additional bonus payments to Job Network providers and subsidies to employers. Recent criticism of the Department of Employment and Workplace Relations in its management of Job Network, Newstart and Youth Allowance by the Australian National Audit Office does not make me overly confident. It is encouraging that the government has included some exemptions from the new arrangements for families in certain circumstances, such as large families with more than four children. But what about three children? Under various circumstances, what about some with a kid with a disability within that family or various combinations of difficulties with children’s learning and so on? Why this arbitrary four children? I note, though, that registered and active foster carers and those with a disabled child are included as exemptions.

I do feel that I have to agree with those church and community organisations who warn that these reforms, in conjunction with the industrial relations agenda of the government, will increase the numbers of working poor and push us even closer to a society where human beings are no more than units of cost in the production line. There are better ways to encourage and prepare people to get back into the work force. Cutting their income is not one of them. I refer again to the member for Pearce—a rare breed, a true liberal—who has the conscience and the constitution to tell it as it is. The member for Pearce said in her contribution:

The impact of the changes produces some extremely adverse results for some of the most vulnerable groups in our community. These groups include those with a disability and sole parents.

Again, she says:

... we have lost a golden opportunity to reform welfare in a meaningful way and put in place a package of measures that would strongly support not just the incentives for employers but true and real incentives for employees with additional caring responsibilities and disabilities to be supported in their efforts to access the workplace.

Spot on.

I just want to finish with a couple of words from my first speech in this place. I said then:

May my colleagues in the 38th Parliament of Australia embrace the feeling my parents had for this country and represent all Australians: those with skills and those without, those with means and those without. Unless we provide for all, with real opportunities and not just handouts, then the profits, the growth and dividends we create are a fraud, a mirage.

As a nation we have failed those tests. The mirage in these bills is the confected argument that they represent a fair transition to work. They do not. They will entrench poverty among the most vulnerable. I condemn these bills.

Mr Bowen (Prospect) (9.51 am)—I take this opportunity to congratulate the member for Calare on his contribution to the debate on the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005. As is usually the case, it was a very well thought-out contribution in this House. I do not always agree with everything the member for Calare says, but he always brings a level of thoroughness to the House, as he did on that occasion. I thank him for that and congratulate him on it.

This nation needs a proper Welfare to Work bill. Australia needs a proper plan to assist people from the sole parent payment and the disability support pension into work. We need a proper plan for two major reasons: firstly, the ageing of the population means that as many people as possible should be in work; and, secondly, work provides people with a sense of worth and young people with role models in their parents, other members of their family and their...
neighbours. A proper Welfare to Work plan would involve increased assistance to single parents and recipients of the disability support pension who can work.

Many people who are in this situation want to work but it has proven too difficult because they cannot get a job in a practical location, they cannot find suitable child care or they simply cannot get a job with the skills that they have. It is a simple fact that single parents and disabled people cannot always travel as far as the rest of us to get work. If you have one or two children at home whom you are trying to bring up by yourself, you cannot travel to work on public transport from one end of Sydney to the other, for example, and then home again in time to pick up your children from child care and school. Similarly, if you are physically disabled, getting around on public transport can also be difficult. Long hours on trains and buses are in some ways impractical.

Labor has been calling for a proper Welfare to Work plan for many years. We have been saying in this House: do something about effective marginal tax rates; do something about helping people improve their skills so that they can move from welfare to work. We are not the only ones that have been saying it. Every economic commentator worth their salt has been saying it. This government has been in office 10 years and has done nothing. In fact, it has made the situation worse. The OECD has been saying it. I recall the OECD saying that one of the major economic challenges facing this nation was to reduce effective marginal tax rates and to encourage people from welfare back into work.

The United States introduced welfare to work reforms in 1996 and the United Kingdom in 1998. In both nations, reducing effective marginal tax rates was the centre point of their reforms. They reduced their effective marginal tax rates by introducing an earned income tax credit. It does not really matter how you do it as long as you do it. This is also the view of the Standing Committee on Employment, Workplace Relations and Work Force Participation. In its recent report entitled Working for Australia's future: increasing participation in the workforce, the committee made a number of bipartisan unanimous recommendations. Recommendation No. 4 states:

The Committee recommends the Australian Government review the tax free threshold, taper rates, effective marginal tax rates and income test stacking to maximise incentives to move from income support payments to increased participation in paid work.

The bad news is that the government did review this and made it worse. They have not made it better; they have made it worse. They have ignored their own members on that committee, as well as the opposition. The opposition is used to being ignored, but they have ignored their own members on that committee, thrown out that report and made effective marginal tax rates worse.

To be fair, it is true that the recent budget did reduce the lowest marginal tax rate from 17 per cent to 15 per cent, but it would have been a lot more effective had Labor’s plan been adopted and an extended low-income-earner’s rebate had been introduced. That would have seen the effective tax-free threshold rise to $10,000 a year. The effect of the 17 per cent to 15 per cent cut is very trifling and very disappointing.

More importantly perhaps, this bill worsens effective marginal tax rates by changing the taper rates. The government is proposing to move people from the disability support pension, which has taper rates of 40c in the earned dollar at low incomes, to the so-called enhanced Newstart allowance, with taper rates at 60c in the earned dollar. So they move from an allowance where they lose 40c
for every dollar they earn to an allowance where they lose 60c for every dollar they earn—not only ineffective but counterproductive.

Other honourable members have referred to the case studies developed by Catholic Welfare Australia, which deal with the worsening incentive for people to move from welfare to work under this package. For example, if a single parent with one child were to take a job of 15 hours a week at $13.30 an hour today—before this bill is enacted—her net income would increase by $146 a week when tax and the loss of the parenting payment et cetera are taken into account. However, if she gets a job after this bill is enacted in this House and in the other place, her net income will increase by $83—a drop of about $60 a week. Like the honourable member for Calare, I too found very little that I could disagree with in the contribution made by the member for Pearce—somebody whom I have some respect for—on this matter. In particular, I was drawn to her conclusion. She said:

In my view, we have lost a golden opportunity to reform welfare in a meaningful way and put in place a package of measures that would strongly support not just the incentives for employers ... with additional caring responsibilities and disabilities to be supported in their efforts to access the workplace ... In my view, that part of the legislation which cuts income support and imposes disincentives and high effective or marginal rates of tax on some of the most vulnerable groups in our community does not deserve the support of this parliament.

As I said, I find little in that contribution that I could disagree with. There are also some other perverse and adverse impacts of this bill, and one of them relates to training. At the moment, a person who is on the single parent payment is able to access the pensioner education supplement. However, if they are moved onto Newstart allowance, they will not be able to access that supplement. So, if a single parent is trying to better themselves, trying to get skills to enter the work force and trying to juggle their family responsibilities to get into training, there is some support there at the moment for them to do it. The pensioner education supplement provides $62.40 for full-time study and $31.21 for part-time study each fortnight. It is not a huge amount of money, it is a very small amount of money, but at least it is something for people on low incomes to help them when they are doing their best to improve their skills and their employability.

Yet this government say: ‘We’re going to help people move from welfare to work by reducing the assistance for them when they try to improve their skills. We’re going to increase their effective marginal tax rates, we’re going to take more money off them when they move from welfare into work and we’re going to make it harder for them to study and get extra skills.’ Well done, Minister. What a remarkable achievement—the double whammy of increasing effective marginal tax rates and reducing support for people as they try to improve their employability in the work force.

I want to make some comments about what I regard as the pincer effect of this bill along with the proposed industrial relations changes. The bill under debate reduces people’s income if they are on income support, introduces more punitive penalties if they reject what the government, the department and bureaucrats might regard as reasonable job offers and, at the same time, reduces minimum wages, abolishes the no disadvantage test on Australian workplace agreements and makes it easier for employers to force employees onto contracts. So the government take away the test that provides for individual contracts to be no worse than the award—they can now contain much reduced employment conditions. They make it easier for an employer to say to an employee, ‘If
you want this job, you take this contract.’ Then they make it more difficult for people trying to get work to say: ‘Actually, I’m more than willing to work, I’m more than willing to do my bit for society, I’m more than willing to go out and earn a wage, but I’m not going to be exploited here. I want a job offer which matches the employment conditions that have been built up in this nation for over 100 years. I want a degree of certainty that, if I need to work on a weekend and must pay somebody to look after my children because I am a sole parent, I will receive increased remuneration through penalty rates.’

The government has thrown that out. We have all seen the advertisements on television where a mother gets a call to say she has to go to work or face the sack. It is not clear in that advertisement whether there is a father or husband. He may well be at work or she may well be a sole parent. That ACTU ad makes the point very powerfully and it applies in either case. If you are a sole parent at home looking after your children and you get a call to say, ‘Come into work or you’ll be sacked,’ you will have no choice.

I also want to put in a word here for a group of people who sometimes get forgotten in this debate, and that is non-custodial parents—parents from a relationship which has broken down who do not have custody of their children. Often it is the case that these parents have access to their children on every second or third weekend, whatever the case may be. What about their situation? If they are called into work on a weekend when they were meant to have access to their children, they need to make other arrangements; but, more importantly, that is one of their few chances to see their children. That is one of the few chances they get to take their children out and spend some time with them. Yet they can be forced into work with no penalty rates and, effectively, no recourse when they are called into work with very little notice in an unfair situation.

A proper Welfare to Work bill would deal with the matter of child care. Even the Treasury, in its submission to the Standing Committee on Employment, Workplace Relations and Workforce Participation, said that women might find it easier to return to the work force if there was better child care. I am glad Treasury came to that view. I would put it a lot more strongly than Treasury, but I am glad they are with the general sentiment. I think it is pretty clear that women would find it easier to return to the work force if more child care were available.

The government trumpets the fact that they will create 80,000 child-care places under this bill. That is better than nothing, but there are a few points to make. Half of those child-care places do not come on line until the financial year 2008-09. This bill, if it passes through this House today after the government has guillotined debate, and presuming it passes through the other place next week, will come into effect early next year. But half of the child-care places will not come into effect until 2008-09 and, even when they do, to a large degree they will only be providing for the child-care shortage that we already have in this nation. We already have a shortage of 30,000 after school care places across the country. I invite any member opposite or any minister who is interested to come to my electorate and meet some of the people who have been trying to get after school care for a long time. I am sure the member for Reid, who is at the table, is in the same situation. He represents an electorate that neighbours mine and I am sure the situation there is very similar. There is a shortage of after school care across this nation and this government says: ‘Don’t worry about it. We’re going to create 80,000 places. By the way, most of them won’t be for three or four years and we know we’ve
already got a shortage of 30,000.’ It says it is going to move 85,000 sole parents from the parenting payment into the workplace. The government knows we are going to have a massive shortage of child care, but it says it will all be all right on the day.

I have made a prediction before in this House and I am going to make it again: in 2007 or 2008 the government, if they are still in government, are going to come into this House and say, ‘We’re going to create even more places.’ They will try and claim some credit for that. All they will be doing is catching up on the places that they should be creating now both to meet the shortfall and to cater for people moving from welfare into work.

These changes do not represent a Welfare to Work package but a welfare to welfare package. As has been outlined by both the honourable member for Calare and the honourable member for Pearce, these changes simply reduce the disposable income for people who are the most vulnerable in our society—those with physical or mental disabilities and sole parents. This is a cost-cutting bill. This is a bill which reduces their weekly payments.

Mr Brough—Just read the budget papers, you clot!

Mr BOWEN—As is normal, the minister at the table gets very excited, but I am not going to entertain his ridiculous interjections. This bill cuts costs and reduces payments to the most vulnerable in our society. Along with the workplace relations changes, it represents a double whammy, a pincer movement, which will affect the people that this government punishes. The government say it is okay to rip off the taxpayer by $150 million—‘We’ll put you on the Reserve Bank board’—but if you knock back a job at the other end of Sydney and you are a sole parent or on the disability support pension they will cut your income for eight weeks. That is the approach of the government: outrageous double standards and hypocrisy that is breathtaking. If hypocrisy were a crime, these guys would be in prison. They are an outrageous mob who have double standards in every respect. They say, ‘It is okay to rip off the taxpayer. We’ll get $150 million off you and we’ll fine you $36 million and we’ll put you on the Reserve Bank board, which sets interest rates and ensures financial stability. We’re going to punish the most vulnerable in our society.’

What frustrates me most about this bill is that it represents a missed opportunity. This government could have adopted the precedent of the United States and the United Kingdom and said, ‘We are going to encourage people from welfare back to work. Indeed, we’re going to put some incentives in and we’re going to put some penalties in if people have a genuine opportunity to return from welfare to work and they don’t do it.’ Nobody on this side of the House would object to that. Nobody on this side of the House would object to a genuine effort of reform which would see the people who can work but refuse to work dealt with appropriately. Nobody would object to that, and there are already things in place which deal with that.

If sensible proposals came forward to change that, this side of the House would agree with them. But this bill represents a missed opportunity: if it dealt in a proper way with effective marginal tax rates, if it dealt in a proper way with child care and assistance for people genuinely attempting to move from welfare to work, then this side of the House would support it—but we cannot support this bill. This government is guillotining this debate—another day, another gag—so I am going to conclude my remarks so that other honourable members may have more of an opportunity to speak before 11.30 am, when the government will ram this bill
through the House in its normal arrogant way without any advisers in the box to take notes and without any cognisance of the views of this House. That will be another mark on this government’s record, after the Telstra bill and the workplace relations bill, of ramming through the House, in its normal arrogant and extremist manner, legislation with very severe impacts.

Dr Lawrence (Fremantle) (10.11 am)—I would like to endorse the remarks of the previous speaker on the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 and cognate bill, particularly as to the fact that the vulnerable people at whom this legislation is targeted are the ones not able to get the ear of the government. They are not able to walk these corridors with expensive, paid consultants to influence the government’s policy, and the government refuses to listen to their advocates.

A sensible view of this legislation has been expressed in the dissenting report put down by the Australian Labor Party, the Australian Democrats and the Australian Greens after the Senate Community Affairs Legislation Committee inquiry which looked at these bills, albeit fairly briefly but nonetheless fairly comprehensively. The dissenting report stated:

There emerged a very clear convergence in the analysis offered to the committee by the range of employment support providers, crisis care services and advocates for the disadvantaged—all those, in other words, who deal with people with disabilities and sole parents.
All agreed that finding those on welfare meaningful work would help them improve their lives—we all agree with that—but did not believe that the provisions of this legislation would help them do so—a view reflected by the contribution of the member for Pearce. I will come back later to that phrase ‘meaningful work’ because it is extremely important.

Firstly, I want to draw attention to what I believe is a very telling contrast in the government’s so-called reform agenda. Within the government, the tax reform debate—or the leader-in-waiting stoush, as it appears to be—is always chiefly concerned with those at the top end of the scale, the very high income earners. It is always about reducing the top rate, usually on the basis of an argument that we need to unleash the dynamism and productivity of Australia’s best workers and entrepreneurs—or some such flabby, unsubstantiated rhetoric. Tax reformers on the other side of the House rarely deign to talk about the marginal rates that affect those on low incomes, particularly those trying to move from welfare to work. In fact, they largely ignore those marginal tax rates. But we know that those marginal rates, which are produced by the combination of income tax and loss of benefits, devour something like 70c to 80c of every dollar earned. That is not much of an incentive to go back to work.

This government loves nothing more than to talk about incentives, especially for those at the top end—but where is the incentive in this legislation? The only incentive, if you can call it that, lies in the fear of this government in its well-established punishment mode. Be afraid, be very afraid, of big government saying to families, ‘This is how you’re going to conduct your lives.’ It has often lectured about the nanny state—but it is right in there, let me tell you. When your youngest child turns six or eight, in the case of single parents, you will get your marching orders from this government. It will tell you how to live your life; it will tell you how to manage your own circumstances.

Financial punishment is what this legislation gives to those who need financial help. There is no reward for work in this legisla-
And so we see two very different ‘incentive schemes’: we are supposed to encourage high-income earners by giving them more by reducing tax and giving them tax rebates, but we are supposed to encourage low-income earners by giving them less. It is hard to understand the psychology of that analysis. In other words, for those at the top it is the carrot; for those at the bottom it is the stick. For those who do not need it at all there are further rewards, and for those who do need it there is punishment. This is not a fanciful characterisation; these are the whole of the hard, cold, black-and-white Howard government policy facts if you look at this legislation—and the analysis has been done, including analysis by the Senate committee.

What makes this ‘fear incentive’ worse is that the Howard government has provided no clear evidence at all that punishing people in this way will actually lead to greater rates of participation in the workplace. In my view, this lack of justification, this lack of analysis, is fast becoming one of the Howard government’s hallmarks. It does not bother to justify its legislation; it simply asserts that it is necessary, that the changes will be good for the nation or individual, and goes ahead. For a conservative party it is genuinely queer to see so much change for change’s sake rather than change on the basis of an argued case. We have not been given any evidence, let alone any Treasury analysis, of the productivity gains that the ‘What Choices? Bill’—that is what it should be called if plain speaking were ever to come back into fashion on the other side of the House—is supposed to deliver. We certainly have not been given—nor was the Senate committee given—any evidence that the ‘Welfare to Even Harsher Welfare Bill’ will result in greater rates of market participation. The government has simply asserted that it will produce these effects.

I know that members on the other side are well aware of and, indeed, quite fond of apparent macroeconomic paradoxes such as the Laffer curve, so you might think they could countenance the real possibility that the kind of ‘incentive by punishment’ policy that they are introducing with this legislation may well retard the progress of single parents and disability pension recipients and low-skilled workers towards meaningful work. It may make it harder in the long term for them to get back to work and stay there. There is evidence, if the government cared to look at it, that that may be the case, particularly from the United States, where they have been experimenting with these sorts of programs for a very long time. Studies such as those recently conducted by the WE Upjohn Institute for Employment Research in the United States show that temporary agency jobs in particular, which are a common employment outcome for Job Network providers, do not move low-skilled workers away from welfare dependence and poverty in the long term. They do not have that effect. In fact, such jobs can lengthen or obstruct the process by which low-skilled workers move out of the poverty-welfare trap. That is the paradox.

An Upjohn Institute working paper from August 2005 examined a program in Michigan called Work First, from which this legislation is almost certainly copied. The program requires welfare recipients to use job search assistance to seek rapid workplace or they lose their benefits. As the authors of the working paper observed:

Participants are encouraged to obtain work quickly and officially, are required to accept any offer of employment offering the minimum wage and sufficient hours.

Sound familiar? They go on to say:

‘In summary, we find that placements in temporary agency jobs help participants escape welfare and poverty only in the short term.'
Sure, you are slightly better off in the short term. They go on to say:
Over longer horizons, these placements do not increase, and may even reduce, participants’ chances of attaining earning levels sufficient to leave welfare and escape poverty.
Surely that is not an outcome this government wants. You would think the government would look at the evidence in the United States and make the necessary adjustments if it really wants to support people returning to the work force.

I come back to the emphasis I gave earlier to the phrase ‘meaningful work’. What this legislation is likely to achieve, when coupled with the government’s new ‘law of the jungle’ IR bill, is at the very best a sequence of temporary low-skill, low-pay jobs—dead-end jobs—for those crying out for meaningful work. Remember that these people are not volunteers to their status. The government should encourage people to move from welfare to meaningful work in three ways—things they have not done in this legislation. First, they should provide real incentives; second, they should provide training opportunities; and, third, they should recognise at the outset that there are two sides to a job—an employer and an employee. Where are the incentives for employers to take on disabled employees such as someone who has a mental health problem and, from time to time, may be an unreliable employee—willing but, because of their illness, unable to attend?

As others have mentioned, this government’s own record on the employment of people with a disability is abysmal. This government is certainly no kind of model. The proportion of Australian government employees with a disability has dropped by one-third, from 5.6 per cent of all employees in 1996 to just 3.8 per cent. These are the facts. And there is no reason to think this trend will not get worse. How many single parents and people with a disability are going to find themselves kicked out for operational reasons under the new IR regime, which will make it even worse?

I know from the experience in my electorate that this government does not particularly care about creating opportunities for those people. Challenger TAFE, which has its main campus in Fremantle, delivers approximately 20 per cent of the total Western Australian training output across the south metropolitan and regional area. They have received no funding growth since 2000, despite the fact that it covers one of the fastest-growing regions in the country. They deliver 3.5 million student curriculum hours and they have both the current capacity and the demand to deliver another 500,000 curriculum hours. But guess what? There is no funding growth from the Commonwealth. You can imagine how galling it was when the member for Moreton rolled into Fremantle in April with his technical colleges road show.

If Challenger TAFE were to get its share of the money earmarked for the Western Australian colleges, about $6 million, it could fund right now the 500,000 additional curriculum hours for which it has both the existing capacity and—I underline—the existing demand. Of special relevance to this debate is a Challenger TAFE employment training module for young disabled Australians. This year it was oversubscribed in the ratio of two to one. In other words, for every young disabled Australian receiving work-entry training at the Fremantle campus in 2005, there were two who missed out—and the changes in this legislation will do little to assist them. Having denied them the opportunity that proper training would provide, the government’s only welfare to work incentive is punishment.

I now want to focus a little more closely on a category of welfare recipients which I
do not think has been given due consideration by those who drafted this bill. Within the labour market and among its constituent categories, women have not fared well. You can look at this in a number of ways—whether that be in terms of straightforward participation rates for full-time secure work or by reference to the ever-resilient gender pay gap. There is every reason to believe that this ‘Welfare to Even Harsher Welfare Bill’ will continue this historical trend. The government does not care about this very much. Its negative effects are likely to be particularly harsh in the case of single mothers. The Australian Bureau of Statistics data from 2002 showed that 22 per cent of families with children aged under 15 are single-parent families. A huge majority of those families are led by single mothers, but the same observations would apply if they were single fathers.

In the Autumn 2003 issue of *Family Matters*, the journal of the Australian Institute of Family Studies, Peter Butterworth contributed a paper entitled ‘Multiple and severe disadvantage among lone mothers receiving income support’. He noted, quite rightly, that there are specific barriers and obstacles that stand between these women and workforce participation. This is well recognised and well understood—if you bother to read the research. These barriers include access to child care, transport issues, the availability of part-time work and financial disincentives. I note that this bill does nothing constructive to address any of these obstacles. It certainly does not go far enough in any of those cases. There is no creation of opportunity and no recognition that certain welfare recipients face specific challenges. All we see is the stick of big government.

The National Council of Single Mothers and their Children has cited the fact that, over a 12-month period, 75 per cent of sole parents were either working or studying. They are doing what they can to assist themselves. Why does the welfare support system need to be harsher for these people? They are already in a very difficult situation. Where is the justification, if one were possible, for taking such a vulnerable group, which is already substantially satisfying a very reasonable mutual obligation standard of its own accord, and subjecting them to financial punishment? There is financial punishment, but no effort whatsoever to tackle the barriers to entry. As the convenor of the national council, Elspeth McInnes, said:

Government departments are easily able to devise new tests, requirements and punishments for parents—in fact they are getting very good at it—but the needed investments in education and training support, family friendly workforce conditions—which are out the door with the IR legislation coming in—child care, transport and affordable housing which would actually remove the barriers for parents are as invisible as the Emperor’s New Clothes.

It is also important to note in this context the American research, and the Australian research, that has found a strong association between long-term welfare and domestic violence. A lot of women who leave relationships do so because they are being abused. That is a very traumatic situation from which it takes a considerable time to recover. Many of them continue to be harassed by violent ex-partners. The National Survey of Mental Health and Wellbeing conducted by the Australian Bureau of Statistics in 1997 found that, of the nearly 400 lone mothers surveyed whose main source of income was government support, 47 per cent had suffered physical or sexual violence at some stage. The survey also confirmed that approximately 25 per cent of women in this category experienced more than one form of work
barrier—that is, they experienced personal circumstances, like domestic violence, which impeded their transition into employment. The government appears not to understand any of this. It has a very curious idea about people’s lives. It is completely out of touch with the circumstances that a great many Australians face.

Australian research into the coexistence of domestic violence and welfare support is at a relatively early stage of development. In the United States the 1996 Personal Responsibility and Work Opportunity Reconciliation Act—I can see where the government has been stealing their bill titles from—sparked a proliferation of such research. This research and its outcomes are explored in a recent paper that appeared in the Australian Journal of Social Issues entitled ‘Making connections between domestic violence and employment practices’. One of the findings is that women who have experienced severe and persistent abuse are twice as likely to be welfare recipients than non-abused women. In terms of the transition from welfare to work, the paper had this to say:

The North American research documents the impacts of domestic violence on women seeking and maintaining employment, education, and training. First, the substantial health and emotional consequences of violence including temporary or permanent physical and mental disabilities—the government appears not to understand that so many of the people affected by this bill are already suffering from these disabilities—are often incompatible with paid employment.

Indeed some of them may be harassed by former partners when they are in the work force. The paper goes on to say:

Fears about safety, especially for children, may also have a substantial impact on employment opportunities.

They are often very reluctant to leave their children for fear of those violent partners. In this legislation there is only token recognition of the particular problems faced by women who have been subjected to violence and have left relationships as a result. There are some minor modifications: they can seek exemption for up to 16 weeks from the requirement that they look for work, but they will still lose the benefits—they go backwards financially. They get less consideration than home schoolers, and I think that says something about this government’s priorities.

Research confirms, and we would advocate, the benefits of employment for women affected by domestic violence. It is important that they get back into the work force, but they need understanding and support to do so. I want to return to, and paraphrase, the dissenting report’s commonsense conclusion: ‘Providing meaningful work for those on welfare is the true objective.’ Supporting people to get that work and to sustain it over a long period should be its objective. Innovative, thoughtful, comprehensive reform in any area needs to consider the variety of individuals affected by the reform. You cannot have a one-size-fits-all framework—big government should always be wary of intervening in a way that makes blanket assumptions; extraordinary from this mob who talk about their small ‘l’ liberal credentials, at least some of the time. But these are blanket assumptions that will impose blanket policy outcomes on a range of different individuals—especially when the means of intervention are as blunt and punitive as those contained in this legislation.

This legislation in effect says, ‘We don’t care who you are. We don’t believe in the range of life circumstances that exist and contribute to unemployment. We will punish you unless you conform to our narrow view of the unemployed as lazy, irresponsible
people who have chosen their circumstances. I want to remind members opposite that single parenthood is not an easy ‘choice’. Indeed most of the time it is not a choice at all. Few people would choose such a difficult road. Similarly, those people who have disabilities have not ‘chosen’ to be disabled. This ‘Welfare to Even Harsher Welfare Bill’ is blind to these kinds of circumstances. Domestic violence and violence against women in general are issues that do not receive enough attention as it is, and domestic violence is growing under this government. This bill only continues that ignorance by its one-size-fits-all framework. The paper I referred to earlier gives an idea of the reform that needs to be conducted in this area, having examined the circumstances of real people in detail. It says:

Even for those women who are able and wish to work, a strong system of transitional support is essential to maximise the prospects of sustainable employment. As identified by the workers interviewed, this support should not only include the needs of women generally, such as affordable childcare, affordable and accessible training and education, and jobs that pay a living wage, but also the special needs of women affected by domestic violence such as fears of safety.

I am aware that, earlier this year, in May 2005, the budget general manager in the finance department was not able to give Senator Wong the savings projected to result from the financial punishment that is going to be visited on parents and disability support recipients. The reply to the senator was: ‘Senator, I cannot give you that, but can I say that if that figure were produced it would be a very misleading figure.’ So we are going with this bill that cuts welfare benefits to vulnerable people without knowing what the financial consequences for the Commonwealth will be. I am not quite sure what to make of this but, if this government wants to demonstrate the fiscal prudence it keeps crowing about, you would think it would be happy to share these numbers with the Australian public. Furthermore, you would think it might care to explain why there are spending initiatives like the baby bonus payment which are not means tested and why there have been revenue-cutting measures like the 50 per cent capital gains tax reduction, when the most vulnerable in our society are getting set up to receive a heavy dose of financial punishment.

To return to the government’s contrasting incentive schemes, especially as we approach a massive budget surplus, and after seeing the grossest and most wasteful example of publicly funded political propaganda in Australian history, it is those in the top tax bracket who mewl expectantly for their carrot while the single mothers and the disabled brace themselves for the stick.

Mr RIPOLL (Oxley) (10.30 am)—I rise today to speak on the government’s rather ambitiously named Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005. Labor supports welfare reform that goes far beyond moving people simply from one welfare queue to the dole queue. Labor believes people who can work should work and that we have a responsibility to care for those who cannot work. Everyone benefits when more people participate in the social and economic mainstream. That is why Labor advocates real welfare reform that tackles the reasons someone is not working and delivers practical solutions. But Labor does not support this extreme, harsh, radical nonsense that the government keeps trying to dress up as Welfare to Work.

The Howard government’s changes to welfare are extreme and they are also incompetent. The changes are extreme because they cut the household budget for families who can least afford it for no good reason at all. The changes are incompetent because
they will not help people find jobs. It is as simple as that. They make work less financially worth while because the Howard government will now take more money out of every dollar these people earn than it does now. We know that no-one benefits from unemployment. Labor believes that, wherever possible, people who can work should work. But at the cold heart of these changes is a cut to family budgets that will leave the most vulnerable people in our community worse off. If you have a look at some of the detail of the bills, you will see that some people—people who earn very little money in the first place—will be up to $46 a week worse off.

Instead of moving people from welfare to work, all the Howard government is doing is dumping people from one welfare payment to a lower welfare payment. That is at the core of what these changes are about. Instead of reducing the number of people who depend on welfare, the Howard government is just dumping people from one Centrelink database to another. The government has not even provided any evidence to show that putting people on a lower welfare payment will help them get a job. Many people who are on the disability support pension or the parenting payment will instead be put onto what the government calls Newstart—or what most people refer to as the dole. The government has admitted that well over 200,000 people will be financially worse off under these changes, but perhaps only 109,000 will gain work. But there is a catch in this: while the government says that perhaps 100,000 people will find work, it does not actually detail how this is going to take place.

Those who find work may actually end up poorer than before. The Howard government may take more off them under these incompetent changes than it does now through the current tax arrangements, so it will penalise people for going out and getting a job. Under these changes, when single parents and people with a disability go to work, they will give most of what they earn back to the government, so they will get punished for doing the right thing. They will also have little, if any, bargaining power under the Howard government’s extreme industrial relations changes. Employers will know that a person with a disability must accept any job that they are offered—no matter how unreasonable, how unfair or how disadvantaged they are by accepting that job offer—or they will lose their income support. This is a catch-22 situation for the most vulnerable people in our community.

Labor believe that, with over one million Australians on welfare and the nation facing a skills crisis and an ageing population, we should be investing in the skills of welfare recipients. After all, a person will not get a job unless they have the skills that an employer needs, particularly in the environment that we are now living in where there is a demand for high skills, and simply forcing people by lowering their welfare payments to seek low-end jobs does not do anything for either employers or welfare recipients. Instead, the government is leaving these people unprepared for work by providing only a tiny fraction of the training opportunities that are needed. The money would be much better spent on providing the training skills and the opportunities these people need.

The government should be addressing the appalling disincentives to move from welfare to work by considering ideas like the welfare to work tax bonus which Labor proposed at the last budget. It would have improved the financial reward for those moving from welfare to work by increasing the tax-free threshold to $10,000 for people earning under $20,000. This would be a real bonus for people and a real incentive for them to find work. If you know you are going to be better
off not only in the work that you do but in how much income you bring home to the family you will work that much harder to get that job.

The Howard government has admitted that hundreds of thousands of Australians will be worse off—there is no doubt about that. They will be dumped onto the dole under these extreme changes. That is completely unfair. They include 60,000 people with a disability, 77,000 single parents and, as well, at least 77,000 children of these parents. This is just another veiled attack by this government on families and ordinary working Australians—people who cannot afford to lose any income support or any income at all. These people live on sustenance and barely have enough money or any disposable income left at the end of the week or fortnight after they pay for housing, food, children’s education and a few basics. There is no money left; there is no way out in their situation.

If you look at the government and their motives and what they are all about, you will see that they attack the weak. They are very strong on people who are weak, but they are very weak on people who are very strong. Have a look at the case of Mr Gerard that parliament has been discussing over the last few days and which has been on the front page of the newspapers. Here is a man who has a tax liability of $150 million to the Australian Taxation Office and who has tax havens on faraway islands. He is somebody who is very wealthy and very strong but, because he is a huge political donor to the Liberal Party, he can do anything he likes. Not only can he do anything he likes and get away with it but he can then be appointed to the board of the Reserve Bank of Australia—an esteemed posting for a man who has done some pretty bad things.

If you look at that a little closer and look at what this government does in its pursuit of people who get overpayments or, through no fault of their own, have been paid a little extra in their Centrelink or other welfare payments, you will see the government chases them down every hole, every burrow, right down to the last cent and makes their life a living hell. It chases them down not because they have done something wrong—and not because in any way they even knew they had done something wrong—but because the government has a flawed system, and people pay the penalty for that flawed system. It is a very unfair and unjust piece of legislation and, if we take into account just how many people will lose out, it is quite extraordinary.

The recently announced exemptions to this bill will barely make a dent in the figures that I mentioned before and some of those exemptions from work obligations still face a cut to payments. That is the real tragedy. People trying to do the right thing are still facing a cut to payments, no matter what they try to do. The Howard government has estimated that about 100,000 people should be able to gain work out of these changes, but there is no evidence that they actually will. Where are these jobs going to be found? Which employers are going to put these people on? Which employers are going to put on people with a disability who are in their 50s? These are people who want to work but cannot because there are no incentives—no incentives for the employers and no incentives for them.

This is a blunt, rude instrument to force people from one welfare queue onto another. It is going to have an enormous impact in my electorate of Oxley. These changes will impact on my constituency probably more than just about any other electorate in the country. Studies undertaken by ACOSs show that more than 2,700 Ipswich families in the south-west of Ipswich will have their enti-
tlements drastically reduced when the Howard government’s extreme Welfare to Work changes become law. Dumping 2,700 people onto the dole does not help them in any way. It does not do anything for their households, anything for their families or anything for their prospects of bettering their own lives. These extreme changes mean people with a disability and children in low-income families will have less food on the table. That is the bottom line: less food on the table or they cannot afford the house they are living in or they will have to cut back in other areas. And then there is the cost of fuel. This legislation does not even take into account the extra costs of having a job. This bill simply reduces the rewards from moving from welfare to work and leaves vulnerable Australians worse off.

Many people with a disability want to work, as I said before; they genuinely want to work. I have met many of my constituents, people with disabilities, who would desperately love a job but there just are not too many people lining up to give them one. They would love to work, if they could earn more money. They would love to work, if there were more opportunities for them. They would love to get more skills, but they cannot afford to gain these skills. They cannot afford to take time off from looking after people in their own families who might also have a disability. This legislation does not take that into account.

The problem with this government is that it just does not understand ordinary people. It does not understand how people live today. People with disabilities do struggle. They struggle maybe with periodic or cyclical disabilities; they might be okay to do a little bit of work—and often they volunteer and help out in the community—but they cannot sustain that on a five-day a week nine to five basis. That they cannot do. They might be able to work six hours a day for three days a week. They have complex lives, lives which they struggle to maintain. The government should try and assist people in these situations, not make life more difficult for them. The government’s extreme welfare changes—just like its extreme industrial relations changes—show how out of touch it is with ordinary, middle Australians, people with disabilities, with children and with difficult circumstances at home. This government has no sympathy for, no empathy with and no understanding of how people live.

The Howard government should lead by example. The first thing I would say the government ought to do would be to legislate right now, move an amendment right now, to employ more people with a disability. It is one thing to preach to other employers that they should employ people with a disability, but why does the government not do so itself? Its real record on employing people with a disability has dropped by a massive amount. It has gone from 5.6 per cent in 1996 to just 3.8 per cent and it is getting lower. There is no commitment from the government. It makes no commitment to people with a disability, but it will harm them. It will force them onto less money. From July 2006, all people who apply for the disability support pension will be assessed under the extreme new capacity test. In addition, everyone who applies for the DSP between 10 May 2005 and 1 July 2006 will soon be reassessed under this extreme new test—a test which will disadvantage them. If they are judged as being able to work a minimum of 15 hours a week, they will be put on what the Howard government calls Newstart—most people call it the dole.

Research by the National Centre for Social and Economic Modelling, which is an organisation that the Prime Minister has described as ‘respected’, ‘objective’ and ‘independent’, has shown just how much people with a disability will lose under these
Changes. According to NATSEM, if a person with a disability works 15 hours a week at the minimum wage, they will keep only 25c of every dollar they earn. What can be fair about that? Where is the incentive for people to seek and keep a job if they know up-front that for every dollar they earn they will only keep 25c? This is something that needs to be redressed. That makes people $122 per week worse off by moving into work under these changes than if they moved into work under the current arrangements. The Howard government is effectively asking people with a disability to work for a return of merely $2.27 an hour. That is something which any reasonable person would not want to do.

Once the Howard government's industrial relations changes are introduced, it could be even worse. People with a disability will have very little bargaining power in the workplace. They will lose their social security payments if they refuse to work. This is the double whammy for people. You have two pieces of legislation that work in unison to harm people. One says that if you are offered a job, even if you are worse off because they get rid of the no disadvantage test, you are forced to take up that job. If you do not take that job, they will cut your payments. They are going to force you into that job. I do not know how this is going to work for employers but I know that, if I were an employer forcing somebody to do something like that, I would be a little worried about two things: firstly, productivity and, secondly, safety in the workplace. I would be concerned about their commitment to the job and effective productivity.

As well as cutting household budgets, these changes force many people with disabilities to look for work. But the Howard government leaves them unprepared by not offering enough opportunities for training and skill development. That is the first place that we should start. It is about offering more opportunities, more skills and more development. Only 7,600 new vocational training places have been allocated. If you consider the 200,000 people and the so-called 100,000 who are going to be placed into work, that is not a lot of opportunity for training. Many opportunities will not even be open to people who currently receive the DSP. What this really means is that the government again has got its priorities all wrong. It should be looking at skills first, providing opportunities, fixing the tax system and giving these people a break; then the job opportunities will present themselves. The job opportunities are there now but we need people with the skills to fill them.

Many sole parents want to work, but they really struggle to balance paid work with their parenting responsibilities. Talk to a mother or a young man looking after a couple of kids at home about what their real opportunities are—not only to get a job and stay in work but that continual process of trying to manage the family, keep food on the table and really do the job that we, as a parliament, want these people to do. We should be advocating for these people to look after their kids, to give them support and to do all the things that we want parents to do with their children. We often hear in this place that we should be better parents and that we should have more incentives for people to do more for their own children—yet every bit of legislation that comes through this House is antifamily legislation. It makes it harder for families, it makes it harder for single parent families and it actually makes it harder for children as well.

It is no wonder we have so many social problems in today’s society, like obesity and literacy problems. There are just no longer any opportunities. People are struggling day to day, hand to mouth, and this legislation makes it even more acute. This legislation will make it harder for people who do not
have the life opportunities that many privileged people have and who do not have the access, the resources, the knowledge or the networks. For them there is no way out. When you see how people with disabilities, in particular, live and how they struggle on a day-to-day basis, it makes me sick to see the government attack these people. It makes me sick to the stomach to think that we are going to get these changes in here. There is nothing we can do but wait two years and hope that people can make the big change that is needed so we can redress some of these very unfair, very unjust laws that make people’s lives much worse.

What the government is effectively asking sole parents to work for in return, if we look at how much money they actually keep, is about $3.88 an hour. For their 15 hours of work a week, if you look at all the minimums—just the bare bones—they are only $58 ahead of somebody in the same situation who is not working. That is great—at least it is nearly $60 extra in the kitty at the end of the week to try and keep the family household running—but it does not take into account the extra costs associated with actually being employed, such as buying the extra clothes and shoes that you need and getting to and from work, whether on public transport or by car, using petrol, the price of which is through the roof. Then your $58 starts to not look like too much. With $58 extra a week, when you take in all the real costs of having that job, you suddenly find yourself going backwards and bringing less money home. You are more tired, you have spent less time with your kids, you are actually more stressed—and you have less money at the end of the week. It just does not add up. Just like everything this government does in terms of industrial relations, whether it is Welfare to Work or anything else, it just does not add up.

The government are going to be leaving single parent families really struggling. I just cannot understand why they are going down this path. The Prime Minister promised also that single parents would not have to accept a job that resulted in low or negative financial gain once the costs of child care had been taken into account. We will see how that works out. But there is nothing in this legislation that delivers on the Prime Minister’s promise—nothing at all, nothing in writing, just an idle non-core promise from the Prime Minister. Instead, he is going to leave it up to the bureaucrats in Canberra to see what they can do. Single parents also stand to lose—would you believe it?—by reconciling with their partners under these new extreme welfare changes. What the government promised to parents who currently receive the single parenting payment is that they will not face a loss of income when their youngest child turns eight. But if a single parent leaves the payment when they attempt to reconcile with a former partner, they will not be able to regain that payment if they need it later. Instead, they will be confined to the dole once their youngest child turns eight—another punitive measure, another attack, another disincentive for families. Government members carry on about ‘family friendly’ and ‘family this’ and ‘family that’, but it is all here in black and white. It is actually in their legislation: it is antifamily.

To compound the impact of these laws, we will of course have the government’s very extreme changes to industrial relations. That means that people with a disability and sole parents—who already have very little bargaining power, if any at all, in the workplace—will have even less protection from exploitation at work, about the days and the hours they work and the amount of income they receive. The government is removing any reference to awards from the test of
suitable employment’, which determines what work a welfare recipient must accept. My biggest concern is, with all these new rules and the pressure that Centrelink and other agencies are already under, who is going to be monitoring all this? When an employer says, ‘I offered a job and there wasn’t an acceptance,’ and when a person is taken off all payments, breached and their life is spun into living hell, who monitors this? Who reconciles this? Who actually deals with it? Where is the transparency and the accountability? There will be more angry, disillusioned people coming into the offices of local members of parliament to try to find some redress when they just cannot comprehend the complexity of the changes that this government makes. I think employers are also going to be at a bit of a loss in this. While there might be the odd unscrupulous employer who thinks he might get a win, as I said earlier, I would be really concerned about productivity and safety in the workplace. These changes are bad, and they should be opposed. Labor has a better plan for this country. (Time expired)

Mr TANNER (Melbourne) (10.50 am)—Both pieces of legislation before the parliament today, the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 and the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005, have within their title the phrase ‘Welfare to Work’. They would be better off being titled the ‘Pandering to Urban Myths Bill 2005’, because that is precisely the logic that is behind these pieces of legislation. It is precisely the thinking that is underneath the government’s approach to these issues. These are driven by concerns about the electoral standing of the Howard government and a desire to reflect attitudes that are abroad in parts of the community about people who are on the disability pension and parenting payment. They are designed to reflect prejudice, urban myths and resentment that are abroad in many parts of the community, but they do not address the very serious problems that we face in our nation, both with respect to employment opportunity and work force participation for people in these categories and also the ever-growing burden that the welfare bill imposes upon the federal budget. They did not really address either of those issues.

The bills seek to change the eligibility rules with respect to the disability support pension and parenting payments and, in effect, provide that a group of people who are currently eligible for those payments will henceforth only have access to unemployment benefits, to the dole—or Newstart, as the government calls it. In particular, they change the eligibility test for the disability support pension to capability to engage in employment of 15 hours a week rather than 30 hours a week—therefore, in effect, substantially tightening the test.

For parenting payments, sole parents with children over eight will henceforth effectively be subject to the same kinds of activity testing that people seeking unemployment benefits are and people in the partnered parenting payment category with children over six will be in the same category. The legislation is also in effect restricting access to the pensioner education supplement and is going to force large numbers of people who otherwise would have been eligible for either of these payments onto unemployment benefits.

There are a number of ancillary consequences that will flow from the legislation. For example, we are now going to have for an extended period of time three separate categories of disability support pension recipients. It will start to resemble the complexity that we see in the superannuation system—the nature of an individual recipient of a disability support pension and the rules...
which apply to them will vary according to when they first applied and received the pension. There will be a pre-11 May 2005 category, who are effectively grandfathered and whose eligibility will continue to be governed by the previous arrangements. There will be a second category of people who applied between 11 May and 30 June this year, who will be reviewed, and there will be a third category of those who apply after 30 June this year.

One of the unfortunate consequences of the legislation is that those who have been on the disability support pension prior to 11 May this year will now have a very big incentive not to take the risk of obtaining employment. For a person who is on the disability support pension it is often a very marginal thing as to whether or not they can obtain and—more particularly—remain in paid employment. The big disincentive that will now be in place for people in that category is that, once they are off the disability support pension, getting back on it may be quite difficult. Therefore, given that it is a gamble for them to take employment at the risk that they will be unable to sustain it or that the job that they do obtain will not last, it will be a very big disincentive against them seeking work.

The fraud that is entailed in this legislation is revealed by the fact that the vast bulk of people affected by it will not numerically be able to obtain access to further training and assistance in order to make themselves more employable. Although the government announced in the budget that it is going to extend further assistance for training people in these categories, the extent to which it is doing so is virtually trivial compared with the nature of the need that this legislation is going to create. It is merely a fig leaf suggesting that the government is serious about helping people find employment, when in fact it is simply reshuffling the welfare roles, reshuffling people between different kinds of payments and seeking to save the government money by putting people on a lower payment—namely, unemployment benefits. The legislation is also going to expose people to even higher effective marginal tax rates. Many single parents and disability support pensioners who seek to work part time will face effective marginal tax rates as high as 75c in the dollar. That is not much of an incentive to work more. It is not much of an incentive to take the risks or make the investment in the costs that are necessary for and associated with work if your return for that investment is only going to be 25c in every dollar that you receive for employment.

The coalition government’s approach to welfare reform is a highly cynical and highly selective one. The government is all in favour of doling out endless welfare to its supporters, but for people—like people on the disability support pension—who it sees as predominantly voting for other political parties like Labor it has a much harsher approach. At the same time and in the very same budget that the Howard government was sinking the slipper into single mums and people on the disability support pension, by the back door it was very generously extending the criteria for welfare payments to farmers. It prefers to call them drought relief payments. Farmers do not like the idea that they are on welfare, so they do not use that terminology. The government, with typical generosity to its own supporters, very substantially extended the eligibility for access to drought relief or farmer welfare payments in the same budget as it cracked down on welfare payments for people with disabilities.

The contrast could not be more stark. For supporters of the coalition there is generosity and a helping hand—in some cases where it is questionable whether that is economically appropriate. But for people it sees as sup-
porters of other political parties, and particularly supporters of Labor, there is a crackdown and a kick in the teeth. That is the Howard government way. Over recent years we have seen similarly lavish welfare payments provided for people like self-funded retirees: generous tax reductions and very generous access to the health care card. Again, it is all because they are directed to people who are seen as supporters of the government, even though some of these payments are going to lead to a very substantial burden on the federal budget within 10 to 15 years because of the rapidly expanding numbers of people who will be in the category to which they apply. So there has been very generous treatment of people in that category too, but when it comes to sole parents and people on the disability support pension: no, they are a burden on society. They are the undeserving poor and they are the people who need to have their payments reduced and their opportunities in life reduced.

We also see very generous welfare from this government for various favoured friends of the National Party scattered around the country. They get money—hundreds of thousands of dollars—to extend their pub, to set up a caravan park or to dredge a creek that did not need dredging. We see hundreds of millions of dollars doled out to favoured supporters of the Howard government for all sorts of dubious purposes—often matters that governments have got no business interfering in or, if they have, at most there should perhaps be a role for local government. So we have seen enormous generosity with taxpayers’ money for people who are friends of the National Party and who have got some businesses they need to assist or want to get a little bit of money on the side to help them out, to improve their position, such as running a pub in Atherton. We have seen enormous generosity.

So National Party welfare is fine. We see considerable generosity to employers who are purportedly engaging in training workers. There are schemes which provide subsidies for employers to put on workers who are purportedly training in particular areas. But there are notorious rorts and abuses by many employers who simply pocket the money. In some cases they are ostensibly training people who already have the relevant skills but they refuse to recognise them. In other cases they are effectively using those people as unskilled or low-skilled labour and not really delivering the kind of training they are supposed to. But, again, they are friends of the government and they are entitled to their bit of lucre and to have their snouts in the trough—but not sole parents trying to bring up kids and not people with serious disabilities.

We can see the same kind of generosity and the same kind of approach to welfare in the family tax benefit system—where something like 70 spouses of millionaires receive family tax benefits, and thousands of Australians in families earning over $100,000 a year receive family tax benefits. We wonder why we have a serious problem with the welfare bill in this country, why the expenditure associated with welfare in the federal budget is ever expanding and why we have an unsustainable level of growth in the welfare bill. According to the government it is because of disability support pensioners and single parents.

In fact, the real problem lies with the welfare recipients among the friends of the Howard government, for whom no price has been too high, no cheque has gone unsigned, and no donation, gift or sling has been left undone. The real problem with welfare in this country is the generosity of the Howard government to its supporters—in many cases, people who really do not need or de-
serve the level of support that the Howard government is delivering.

I want to conclude by focusing particularly on the disability support pension and the plight of people with disabilities in our community. I want to make a true assessment of the issues and the kinds of things that our government should be doing to deal with those issues. The Howard government is making little effort to tackle the obstacles to work and employment opportunities that face people with disabilities. In fact, it is creating new ones by restructuring entitlements in a way that means effective marginal tax rates for some people with disabilities will be even higher than they are now.

All of this is occurring because the government are pandering to urban myths. The people who are in the Howard government’s sights are people with serious injuries, serious illnesses and serious psychiatric conditions. Many of these people have enormous difficulties in life and in some cases have suffered not only serious disability, injury or illness but a lot of social difficulties associated with that—for example, marriage breakdown, loss of a house and of course loss of employment.

The fastest-growing categories of disability support pension recipients are not older men with bad backs, as the urban myth would tell you; they are mature age women and younger men. The growth in the categories of DSP recipient from these cohorts reflects factors like the abolition of previous specific welfare entitlements relating to older women and the fact that modern medicine has become even better at saving lives. So for a proportion of people who are now on the disability support pension, their equivalents 15 or 20 years ago would have died. The fact that we are becoming better and better at saving the lives of people who, for example, are seriously injured in car accidents means that there is a structural factor pushing more and more people into the disability support pension category when their predecessors in the same situation simply died. Those are some of the factors that are driving up the number of people on the DSP.

It is important to note that the percentage of working age people in Australia who are on the disability support pension is about the average level for the OECD, about the average level for the various countries in the developed world, and is significantly lower than the equivalent percentage in Britain and the United States. The Howard government constantly like to compare us with Britain and the United States when they talk about industrial relations regulation and their attempt to deregulate the labour market and expose Australian workers and Australian families to the unequal bargaining that goes on between a low-skilled worker and a large employer. They say we have a big problem with the number of people who are on the disability support pension and yet the percentage of working age people who are in that position in Australia is significantly lower than it is in the United States and the United Kingdom.

A substantial number of people, as a result of these changes, will in effect be $40 per week, or thereabouts, worse off than they would have been had the previous arrangements prevailed. Australia is still in the Dark Ages when it comes to issues associated with disability. We readily accept the often dramatic curtailment of opportunity and enjoyment of life which serious disabilities impose on our fellow citizens and we are very susceptible to every passing urban myth about bludgers and malingerers. Inevitably there will be some bludgers and malingerers but far fewer than talkback radio would have you believe. Yes, there will inevitably be some, but should we blight the lives of people who have serious illnesses, serious disabilities
and genuine incapacity—should we push down hard on them and withdraw their opportunities and capacity to live decent lives—because there are some roters, however small their number may be in practice? The answer, very firmly from Labor, is no.

Although some aspects of our treatment of people with disabilities have improved over the years, in some cases we have gone backwards. The Howard government, far from being a model employer, has actually reduced, over the period it has been in office, the percentage of its total work force with disabilities—from 5½ per cent to something below four per cent. Many larger employers have become very adept at screening out people with disabilities. They have human resources departments who informally have, as one of their responsibilities, an obligation to screen out anybody who might be perceived as a workers compensation risk or might require any kind of modification to the workplace or to work arrangements.

It is getting harder and harder for people with disabilities to get genuine work opportunities. There are many good employers, particularly in small business, who do undertake an obligation to help people with disabilities and to give them opportunities, and I applaud their efforts. But it is getting more and more difficult for those employers to do the right thing in an ever more competitive world, and they do not get much help from governments to do it.

It is about time that we had a bit of a revolution in thinking on disability in this country—not the kind of mean-spirited crackdown that the Howard government is putting forward to parliament today. We need real assistance to create genuine employment opportunities for people with disabilities and better income support for the seriously disabled. We need a universal national injury compensation system to replace the patchwork, ramshackle system of workers compensation, vehicle accident and injury insurance schemes that we have in this country. We need a change of mentality and a change of attitude in the community so that we can all accept our collective responsibility to ensure that people with disabilities enjoy the fullest possible opportunity to participate in our society, both in employment and in our broader social life.

This is one of the big challenges that faces Australia: to put much greater effort into ensuring that people with serious disabilities in our community can fully participate. It is not something we are going to be able to do overnight; it is not something that a single act of parliament or a single piece of expenditure will achieve. Some good steps have been taken—by the previous Labor government, for example, with the Disability Discrimination Act—but much more remains to be done. The last thing we need is this kind of nasty, resentful, mean-spirited legislation that is simply designed to pander to prejudice in sections of the community, that is designed to make the Howard government look like it is cracking down on bludgers when in fact what it is going to do is create a great deal of suffering and disadvantage and further restrict the opportunities for people in our community who already do it tough, who already have significant problems and who really have to battle to get a decent fair go. Labor oppose this legislation, and over the next year or so we will be engaging in a big conversation with the broader community about starting the process of tackling the problems of people with disabilities in a much more serious and systemic way than our society has been capable of doing thus far.

Ms HOARE (Charlton) (11.09 am)—I join with my colleagues on this side of the House in expressing our strong opposition to this most serious legislation being put for-
ward to this parliament in relation to unem-
ployment benefits and social security recipi-
ents. The Employment and Workplace Rela-
tions Legislation Amendment (Welfare to
Work and Other Measures) Bill 2005 and the
Family and Community Services Legislation
Amendment (Welfare to Work) Bill 2005
will abolish the parenting payment for sole
parents with a youngest child aged eight or
more and for partnered parents with a
youngest child aged six or more. The cut-off
age at the moment is 16 years of age.

Existing recipients at 1 July 2006 will stay
on the parenting payment unless their rela-
tionship status changes or they leave the pen-
sion for 12 weeks or more. The bills will
abolish the disability support pension for
people with a partial capacity: that is, those
people who could work 15 hours a week or
more—that currently stands at 30 hours—
those on award wages and those who could
be expected to work at that level within two
years, with or without rehabilitation, training
or education. Again, existing recipients at 11
May 2005 remain qualified and those people
granted the DSP between 11 May 2005 and
30 June 2006 will be reviewed.

The bills will modify Newstart so that
people affected by these changes can be re-
quired to seek and accept work of 15 hours
or more or undertake other activities as di-
rected by Centrelink, such as an approved
program for work like Work for the Dole or
any other activity. The bills modify the activ-
ity test to take account of the availability of
child care and add in some new exemp-
tions—for example, for victims of domestic
violence, parents of a child with a disability,
foster carers, home-schoolers and distance
educators. Some of these exemptions have
been forced upon the government due to a
wide range of community concerns.

The bills will apply Newstart style activity
tests to parenting payment sole parents with
a youngest child aged six to seven and to all
those existing recipients staying on benefit as
at 1 July 2006 with a child aged six or over.
The bills remove a number of safeguards
from the Newstart legislation and replace
them with greater discretion for Centrelink in
determining the obligations of recipients.
They will weaken the suitable work require-
ment. The definition of unsuitable work cur-
cently includes work below award wages,
and this is changed to ‘below the minimum
terms and conditions under the Australian
fair pay and conditions standard’. Unsuitable
work also includes jobs which would involve
unreasonably difficult travel. That is cur-
cently defined as travel taking 90 minutes
each way. This definition has been removed,
again leaving it to judgments made by Cen-
trelink officers using guidelines.

The bills extend the seasonal work preclu-
sion period to the carer payment, disability
support pension, sickness allowance, parent-
ing payment single and Austudy and include
work from intermittent or contract employ-
ment. The bills include redundancy payments
in the income maintenance waiting period
and change the breaching penalty rules to
provide, among other things, an eight-week
non-payment period for failing the activity
test or the activity agreement three times in
12 months, for leaving a job voluntarily, for
being dismissed from a job for misconduct,
for failing to take up a so-called suitable job
offer or for failing to participate in an ap-
proved program for work—eight weeks or
two months of nonpayment.

The bills remove a number of concessions
for mature age unemployed people on New-
start and extend pensioner concession cards
and pharmaceutical allowances to Newstart
for the groups precluded from pensions by
the changes but do not extend the pensioner
education supplement to them. They provide
a higher rate of mobility allowance for peo-
ple with disabilities affected by all of these
changes and a top-up supplement for foster carers, home-schoolers and distance educators to align the Newstart sole parent rate with the rate of parenting payment single.

Labor is opposed to the changes in this bill and it opposes them on the basis that these changes simply dump people from one welfare payment onto a lower welfare payment and push the most vulnerable Australians over the edge by making extreme cuts to their household budgets. We have seen evidence of that in the very short, inadequate Senate inquiry that was held last week. The changes will decrease the rewards for moving from welfare to work, to the extent that some people may actually end up poorer from working than they would have been on welfare. That is a discussion that we have been having in this country for quite a few years, and this bill does nothing to address that—and actually makes that situation worse.

This bill dumps people from one Centrelink database to another, and this government is failing to address the growing number of people on welfare. The supports are inadequate, including a woefully inadequate investment in vocational education and training. We believe that people who can work should work and that those who cannot work should be cared for. We support real welfare reform which goes far beyond dumping people from one Centrelink database to another and which tackles the reason someone is not working and delivers practical solutions. Labor believes that real welfare reform involves a strong commitment and support from the government in breaking down those barriers to participation, which the member for Melbourne was just speaking about, such as skills, work-family balance and employer attitudes, alongside fair and reasonable requirements for job seekers.

I, along with many of my colleagues on both sides of this parliament, have received many emails and letters about these changes since they were first mooted in the budget of May this year. I share my constituents’ concerns that low-income people will be the hardest hit by the announced changes to Australia’s welfare system, particularly single parents and recipients of the disability support pension. The changes to payments for single parents do not address the issues that will arise concerning the appropriate care of children. It is deeply disturbing that single parents will be penalised in the instance of their children taking ill and not being able to secure appropriate child care. This, of course, will be further exacerbated by the government’s extreme and draconian changes to the industrial relations regime where a single parent, for example, can be penalised and can be sacked for not being able to secure child-care arrangements on a day when that person might not have been rostered on. They might not have had enough time to make appropriate arrangements for their children to be looked after.

There is no link between funding for additional after school care places and the welfare changes which will force sole parents into the labour force. This means that the next generation of sole parents needing income support has no guarantee of any before and after school care and must compete with partnered parents for the same spots. These sole parents who have been unfairly and, I believe, discriminated against by the government under these changes are not your so-called dole bludgers; they are not people who would choose to be on income support from the government. Any parent in this place would know that what we as parents want for our children is the best we can offer them. We cannot offer the best to our children if we are relying solely on income support from the government.
I do not know how many people in this place would have had to rely solely on income support from the government for any period of their lives. I have had a very short experience of it and it is not a very pleasant way to try and manage a household budget and to try and provide the best for your family. The fact is that many sole parents want to work. They want to be able to provide more for their children and they want to be able to provide their children with the same opportunities and advantages from their own resources as children from a double income family have.

Unfortunately, the jobs for these people are just not out there. Sole parents would be working if there were jobs out there which provided flexible hours so that they could work during school hours. They would be working if there were sufficient child-care places out there for before and after school and if those child-care places were provided at a reasonable cost. These people would be working if they knew that they could rely on the compassion of their bosses when they do have to take time off, whether it be to look after sick children or if private arrangements for child care have fallen awry. These people, of course, would be working if those jobs existed in the areas in which they live. Unfortunately they do not, and this legislation does nothing to address that and does nothing to create the types of positions that sole parents with young children would be working in if they could.

The changes to the disability support pension are frightening many current recipients into thinking the government is going to rip their pension entitlements away and that they will have to try and survive without their pension. People with disabilities who will be required to look for up to 15 hours work per week will not have access to any provision that will take into account illnesses associated with their disability. It would appear that at this stage, if someone is sacked for failing to turn up for work because of their illness or disability, which would be possible under these laws and also under the proposed industrial relations changes, they will also be penalised by receiving reduced Centrelink payments. Mr Deputy Speaker, you and I know from the meetings that we have with our constituents in our electorates that people with disabilities—in particular, those people whose disability is a mental illness—do not have the short-range or a long-range ability to forecast when their illness or their disability might affect them in a more severe way, with the result that they would not turn up for work maybe for a week, two weeks or a month.

We have just had a major Senate inquiry into mental illness in this country. We know that mental illness will affect one in three Australians across the country. The government is saying to these people in relation to these laws: if a Centrelink officer or a doctor assesses you today as being able to work more than 15 hours a week then you will be required to take a job that is offered to you. Unfortunately, these people, particularly people with a mental illness, are not able to forecast when they are going to be more affected by their illness. It is possible that there will be days, weeks or months when a person with a mental illness will not turn up to work simply due to the fact that they have a mental illness which is affecting them at that time.

The legislation does not take into account that many sole parents and people with disabilities have a minimum of a year 10 leaving certificate and do not have formal qualifications. The legislation does not take into account that many of these people are not only carers of their own children but also carers of extended family, such as elderly parents. None of the proposed changes in the legislation take into account the particular circumstances of sole parents, people with...
disabilities, the jobs that are not out there and people’s family circumstances which they are unable to reasonably forecast in relation to their child-care arrangements, their disability or their illness.

There are currently 700,000 people on the disability support pension. This legislation does nothing for those people. The legislation does not provide those people with adequate training opportunities. It does not provide those people with adequate support services. It does not provide those 700,000 people on the disability support pension—many of whom may be able to work for a short time—with any support. It does not give incentives to employers to provide for flexible arrangements to those prospective employees. The forecasts are that, even with this legislation, an extra 50,000 people per year will be relying on the disability support pension as their sole income. The legislation does nothing to address that fact.

I have received, along with many of my colleagues, emails and correspondence about the incidence of poverty in our country. My constituents are concerned about the profound effect that poverty has on our population. Recent representations I have made on this matter to the Minister for Employment and Workplace Relations, who is in the chamber at the moment, has failed to allay any fears that the government’s changes to the welfare system are going to have a detrimental effect on people with low incomes. Indeed, the revelation that the extreme changes to Australia’s industrial relations system will make job seekers take on jobs with low pay and poor conditions or lose their entitlement to income support is another clear indication that poverty and people on low incomes are given no priority of importance by this government.

You may be aware that International Day for the Eradication of Poverty was observed on 17 October. This provided an opportunity for us to reflect on how comfortably we are living as a nation where the ‘fair go’ is disappearing for many and where poverty is hidden but increasingly entrenched in our community. The latest census figures reveal a rapidly growing gap between the incomes of people living on the North Shore in the eastern suburbs of Sydney and those from the western suburbs and regional New South Wales. This growing polarisation means that the wealthy no longer share public space or come in contact with the 2.4 million Australians living below the poverty line. It is also leading to a growing blindness on the part of the affluent to the problems that poverty and inequality pose for our community.

In 2004, Labor initiated a major Senate inquiry into poverty which recommended a large range of actions to fight poverty, including the development and implementation of a national antipoverty strategy. That inquiry did not recommend legislation, such as the major piece of legislation before us, be introduced and passed in the parliament to further drive down the incomes of those people most vulnerable in our society.

Labor is strongly committed to coordinated action between governments and the community to try and make a real difference to Australians who are struggling. We would consider all avenues to confront the scourge of poverty, including a national antipoverty strategy. Under this government, though, we ask ourselves as a nation whether we are content with growing poverty and the poverty of opportunity in our suburbs and regions or whether we believe that the notion of a ‘fair go’ still has some currency. We lend our support to those in the community who are working towards that aim already.

Yesterday, Australia’s welfare 2005 report was released. That showed that income inequality in Australia has become worse since
The Howard government was elected in 1996. The report indicated that the share of total income received by the richest households increased between 1996-97 and 2002-03 while the share paid to poorer households went backwards. In 1996-97, the poorest households received 11 per cent of total income and the richest received 37 per cent of income. By 2002, the poorest households were getting only 10.6 per cent of income and the richest received 38.3 per cent. The number of households receiving half the median income has gone from 1.4 million households in 1996-97 to 2.2 million households in 2002-03.

The changes in the legislation that we are opposing today were introduced in the 2005 federal budget where the government unveiled wide-ranging changes to the welfare system. The government said that the changes were about moving people from welfare to work. However, there are large problems, as we have heard in this debate, with the government’s policies. Currently, about 1.4 million Australians receive welfare payments, but in the budget the government put up only 136,000 training and support places. This means that there are still more than 1.2 million Australians whom the federal government will not support in getting a job. (Time expired)

The DEPUTY SPEAKER (Mr Quick)—In accordance with the resolution agreed to earlier today, I call the minister to sum up the debate.

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (11.30 am)—I thank the honourable members who have participated in this debate on the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 and Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005. The government’s $3.6 billion Welfare to Work package recognises that every Australian of working age has the right and deserves the opportunity to participate in Australia’s prosperity. The best way for people to do this is by having a job and engaging in the economic and social life of our nation. At a time of sustained economic growth and unemployment at a 29-year low, it is unacceptable to have 2.6 million people, or 20 per cent of working age Australians, on income support. More than 1.3 million people in receipt of income support have little, if any, participation requirements. It is also unacceptable to have 700,000 children growing up in jobless households, in which many generations of Australians do not know what it is like to have a job, let alone steady employment and a regular income.

No-one denies the fact that a government must preserve a well-targeted social safety net while, at the same time, encouraging working age people to find jobs and remain employed. The welfare reforms demonstrate the government’s strong commitment to this principle. At the same time, people on welfare deserve more support and it is vital for Australia’s continuing prosperity that they be given every assistance and opportunity to achieve better outcomes. To quote the Leader of the Opposition in an interview with Mike Carlton on Radio 2UE on 15 April this year: There’s no solution to poverty like a job. There’s no question about that.

Moving from welfare to work helps people achieve higher incomes and a better standard of living, participate in mainstream social and economic life and achieve a better future for their families. It also reduces the obligation on taxpayers, creating a positive cycle of work, higher incomes and more sustainable and better targeted welfare expenditure.
Throughout this debate, and indeed for the last 10 years, the Labor Party has been a policy-free zone, opposing reform for the sake of it without providing any alternative ideas. Members on the other side have claimed that people are worse off if they are working. Such claims fail to recognise the importance of a job not only to a person’s financial wellbeing but also to their physical and mental wellbeing. The benefits of having a job far outweigh any costs. As a government and society, we should never find it acceptable to condemn people who have the capacity and the availability to work to a sedentary existence on welfare.

This bill also addresses the very real problem of intergenerational poverty. There is widespread agreement in the literature that the principal cause of poverty is joblessness. It is estimated that just three per cent of households overall suffer hardship, but among unwaged households this is as high as 20 per cent. Children need positive role models in their lives. This includes the 700,000 children growing up in households where no adult of working age has a job. Two-thirds of these households are headed by single parents. The incidence of jobless households in Australia is one of the highest in the OECD. Many OECD countries, including Australia, have experienced rising percentages of jobless households even though employment participation has risen. Young people living with parents on income support are much more likely than average to leave school early and become unemployed or become teenage parents and end up on welfare themselves. Young people whose parents work, even in low-paid jobs, have the benefit of positive role models in their lives and fare much better.

This is not to take away from the important job of being a parent, be it partnered or single. However, these reforms do not ask parents to choose between being a parent and being a worker, which has been suggested by opposition speakers and welfare lobby groups. Rather, these reforms recognise the role of parents and require a parent to seek at least 15 hours work per week once their youngest child is of school age. This is not an unreasonable expectation by community standards.

Throughout this debate claims have been made by the opposition and, indeed, by welfare lobby groups that there are no jobs available for people to move from welfare to work. Australia currently has an unemployment rate of 5.2 per cent as it is experiencing both skilled and unskilled labour shortages. Growth in employment has not just occurred in the cities of Australia. Over the year to October 2005 employment growth has been exceptionally strong in non-metropolitan areas of Australia, up 3.7 per cent compared to 2.8 per cent in metropolitan areas. Strong labour market conditions in regional areas are also reflected in the fact that 61.8 per cent of non-metropolitan areas recorded a fall in their unemployment rate over the year to October 2005, compared to 56.1 per cent in metropolitan areas. The fact is there has never been a better time to work in Australia.

The ageing of the population will result in fewer new entrants to the labour force. If we do nothing to address this issue, then we will see a substantial reduction in the growth of the labour force over the next 10 to 15 years. The MONASH model forecasts published last week predict that the impact of the ageing of the population will result in a shortfall of 195,000 workers in this country by 2010. As a nation we can do nothing and suffer the consequences of an inevitable reduction in our national income and economic growth or we can take action now and ensure that Australia’s economic pie continues to grow and provides an ever-larger share to every Australian. This bill deserves the full support of the parliament and all parties because it will
assist many Australians to move from welfare dependency to paid employment. Most importantly, it will give them the opportunity to realise their aspirations for both themselves and their families.

I turn to the related bill that is being debated, the Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005. This bill amends the A New Tax System (Family Assistance) Act 1999 and the A New Tax System (Family Assistance) (Administration) Act 1999. This bill relates to the number of hours of assistance that can be claimed under the child-care benefit provisions. Schedule 1 of the bill increases from 20 to 24 the base limit of the number of hours per week for which child-care benefit may be paid without claimants needing to meet stipulated work, training and study requirements. Increasing the hours from 20 to 24 will assist parents to maintain some level of work force participation and help their transition to a greater level of participation once their children are older. It also recognises that child-care requirements often exceed actual working hours.

Schedule 2 alters the work, study, training or activity test. To be eligible for up to 50 hours of child-care benefit per week for each child in approved child care, parents will be required to demonstrate that they have engaged in work or in work related commitments, training or study activities for at least 15 hours a week and for an average of 15 hours for two consecutive weeks. This measure ensures that the greatest level of support is directed to those families with higher levels of work related participation. It also recognises that there are parents who work a fortnightly rotating roster or irregular hours over a week, so the amendment includes the ability to average hours over two weeks.

The Howard government is providing unprecedented support to Australian families with child care. The government has doubled funding for child care compared to Labor. The projected expenditure is $9.5 billion over four years to 2008-09. In fact, the Howard government announced more outside school hours care places—over 84,000—in the last budget than Labor had in total in their last year in government; that was just 72,000. If you recall, Labor announced a mere 8,000 places. The then shadow minister for children and youth said of Labor’s child-care policy:

It is not many places; it certainly is a drop in the ocean.

Under the Howard government, families are now receiving on average over $2,000 per year in child-care benefit. We have also introduced the 30 per cent child-care tax rebate. Parents may be eligible for up to $4,000 per child per year for out of pocket child-care expenses. We must not forget that the reality is that under Labor child-care fees grew at twice the rate and that there were only 72,000 outside school hours care places.

Ms Macklin interjecting—

Mr ANDREWS—I hear the interjection by the Deputy Leader of the Opposition. I remind her that under the Labor Party there were only 72,000 outside school hours care places; there are now 285,000 places. The figures speak for themselves. And still the Labor Party has no child-care plan! The reality is that this government is getting on, doing the job and putting in place legislation that will encourage more Australians off welfare and into a job, because we fundamentally believe that the best form of welfare is a job. I commend the bill to the House.

Question put:

That the words proposed to be omitted (Ms Macklin’s amendment) stand part of the question.
Thursday, 1 December 2005 HOUSE OF REPRESENTATIVES

CHAMBER

The House divided. [11.44 am]

(The Deputy Speaker—Mr Lindsay)

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AYES

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- Bishop, J.J.
- Brough, M.T.
- Causley, I.R.
- Cobb, J.K.
- Draper, P.
- Entsch, W.G.
- Fawcett, D.
- Forrest, J.A.
- Gash, J.
- Haase, B.W.
- Hartseyker, L.
- Hockey, J.B.
- Hunt, G.A.
- Johnson, M.A.
- Keenan, M.
- Kelly, J.M.
- Ley, S.P.
- Macfarlane, I.E.
- May, M.A.
- McGauran, P.J.
- Nelson, B.J.
- Panopoulos, S.
- Prosser, G.D.
- Randall, D.J.
- Robb, A.
- Schultz, A.
- Secker, P.D.
- Smith, A.D.H.
- Stone, S.N.
- Ticehurst, K.V.
- Truss, W.E.
- Turnbull, M.
- Vale, D.S.
- Wakelin, B.H.
- Wood, J.

NOES

- Adams, D.G.H.
- Beazley, K.C.
- Bird, S.
- Burke, A.E.
- Byrne, A.M.
- Crean, S.F.
- Edwards, G.J.
- Ellis, A.L.
- Emerson, C.A.
- Ferguson, M.J.
- Garrett, P.
- George, J.
- Gillard, J.E.
- Griffin, A.P.
- Hatton, M.J.
- Hoare, K.J.
- Jenkins, H.A.
- Kerr, D.J.C.
- Lawrence, C.M.
- Macklin, J.L.
- McMullan, R.F.
- Murphy, J.P.
- O'Connor, G.M.
- Plibersek, T.
- Quick, H.V.
- Roxon, N.L.
- Sawford, R.W.
- Smith, S.F.
- Swan, W.M.
- Thomson, K.J.
- Wilkie, K.

* denotes teller

Question agreed to.

Mr Price—Mr Deputy Speaker, I rise on a point of order. Did the tellers advise you how many abstentions there were on that vote?

The DEPUTY SPEAKER (Mr Lindsay)—They did not.

Question put:

That this bill be read a second time.

The House divided. [11.52 am]
(The Deputy Speaker—Mr Lindsay)

**Ayes** ............... 79
**Noes** ............... 62
**Majority** ............ 17

**AYES**

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**NOES**

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**Edwards, G.J.**        **Elliot, J.**
**Ellis, A.L.**          **Ellis, K.**
**Emerson, C.A.**        **Ferguson, L.D.T.**
**Ferguson, M.J.**       **Fitzgibbon, J.A.**
**Garrett, P.**          **Georganas, S.**
**George, J.**           **Gibbons, S.W.**
**Gillard, J.E.**        **Grierson, S.J.**
**Griffin, A.P.**        **Hall, J.G. * **
**Hatton, M.J.**         **Hayes, C.P.**
**Hoare, K.J.**          **Irwin, J.**
**Jenkins, H.A.**        **Katter, R.C.**
**Kerr, D.J.C.**         **King, C.F.**
**Lawrence, C.M.**       **Livermore, K.F.**
**Macklin, J.L.**        **McClelland, R.B.**
**McMullan, R.F.**       **Melham, D.**
**Murphy, J.P.**         **O’Connor, B.P.**
**O’Connor, G.M.**       **Owens, J.**
**Plibersek, T.**        **Price, L.R.S.**
**Quick, H.V.**          **Ripoll, B.F.**
**Roxon, N.L.**          **Rudd, K.M.**
**Sawford, R.W.**        **Sercombe, R.C.G.**
**Smith, S.F.**          **Snowdon, W.E.**
**Swan, W.M.**           **Tanner, L.**
**Thomson, K.J.**        **Vamvakoumi, M.**
**Wilkie, K.**           **Windsor, A.H.C.**

* denotes teller

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

**Consideration in Detail**

The **DEPUTY SPEAKER** (Mr Lindsay)—In accordance with the resolution agreed to earlier this day, the House will now consider the bill in detail and take the bill as a whole. The question is that this bill be agreed to.

**Mr SNOWDON** (Lingiari) (11.54 am)—At the outset let me point out that this is the third piece of legislation in a row that I have been prevented from addressing in the second reading debate. I was elected as a representative of the people of Lingiari. They expect me to advocate on their behalf, express
views on their behalf and debate legislation which impacts upon them, as this legislation does. Unfortunately, I have been prevented from doing so during the second reading debate because of the gag which has been continually applied by the government. That is a matter of great shame. I know that the people of Lingiari will be marking the government down for not allowing us to debate fully and appropriately the legislation before the House. Every elected member of this parliament deserves the right and opportunity to speak on every piece of legislation that he or she chooses to when it is listed for debate.

I want to ask the minister whether he can inform me how the electors of Lingiari are going to be better off as a result of this legislation, particularly when we know, as a result of an ACOSS report, that there is a very high number of welfare recipients in the Northern Territory. The report tells us that the Northern Territory has a disproportionate level of welfare recipients, and it says:

As with the worse-off data, Queensland and the Northern Territory are overrepresented among disability support payment and parenting single parent payment recipients.

The NT will be the hardest hit by the welfare to work reforms. The report tells us that 3½ thousand Territorians will be worse off under this legislation. It states:

A disproportionate number of people with a disability worse off live in ... the Northern Territory. A disproportionate number of single parents worse off live in the Northern Territory ... In overall terms, a disproportionate number of those worse off live in Queensland, Western Australia and the Northern Territory ... 44% of those worse off coming from these States.

In all of that, Lingiari, the electorate I represent, will be the worst off in Australia. It is bad across the whole of the Territory, but it is particularly bad for the people I represent, the people of Lingiari. I remind the House that Lingiari comprises all of the Northern Territory, except Darwin and Palmerston, and includes the Indian Ocean territories of Christmas Island and Cocos (Keeling) Islands. In Lingiari, the report tells us, there are 6,788 people, 11.7 per cent of my electorate, who are on disability support payment or parenting single benefits. Lingiari will be the worst off in Australia under these proposed changes. It tops the ACOSS list of the top 50 electorates, ranked by percentage, that will be worse off. Lingiari is No. 1. I ask the minister how people on these benefits in the Northern Territory are going to be better off, particularly as many of them live in very small and remote communities where the labour market is all but nonexistent.

I note that, in his summing up, the Minister for Employment and Workplace Relations said, ‘The principal cause of poverty is joblessness.’ That might well be, but I note that there are components as to what poverty is all about. I would describe the situation in the Northern Territory, at least in the seat of Lingiari, as one of gross poverty, because almost 40 per cent of my constituents are Indigenous Australians. The bulk of them live in poverty.

What are the indices that I look at when I think about poverty and the things the government should be addressing if they really wanted to address the difficulties of access to the labour market by Indigenous Australians? They are the lack of housing; poor health outcomes; the lack of job opportunities; the lack of access to education and training; the lack of access to job opportunities in their own regions or to business opportunities; and the nature of the labour market in which they need to survive. Let me make this observation: how are these people expected to get entry into the work force when we know that between 3,000 and 5,000 young Territorians who live in the seat of Lingiari have no access whatsoever to any educational service? Whose responsibility is that? Historically, it
has been the responsibility of the conservative parties in the Northern Territory. The CLP, which ran the Territory for in excess of 25 years, did not develop secondary educational services or training opportunities for Indigenous Australians. That is a primary reason why they do not get access to the job market.

This legislation put forward by the government will have a dramatically negative impact upon the people of the Northern Territory, particularly the people of Lingiari. I ask the minister to tell us in detail how people in those remote communities are going to be better off as a result of this legislation. How is this legislation going to address the difficulties they have in confronting the work environment they need to access? (Time expired)

Mr ROBB (Goldstein) (11.59 am)—This legislation is based on the premise that people who can work should work. This is fair and it is very important for two reasons, in particular in response to the member for Lingiari who asked what this legislation will do for his constituents. Firstly, it is best for the individual because work increases self-esteem and self-confidence, work reduces anxiety and depression, work provides financial security and peace of mind, work provides for a sense of fulfilment and a sense of achievement. Has the member for Lingiari not learnt any lessons from the last 35 years of passive welfare in his electorate? What has happened to the Indigenous community in his electorate? We have destroyed a culture, 25,000 of years in the making, in the space of 35 years, with passive welfare. Have we learnt no lessons at all?

This legislation—for the benefit of the member for Lingiari and all those opposite—is designed to address the insidious problems of passive welfare, to try to give people some self-respect, to reduce anxiety and depression and to provide some self-fulfilment. Secondly, people who can work should work because it is really important for the future of our community. Currently, we have 705,000 working age Australians on the disability support pension, 630,000 on the parenting payment, 260,000 over 50 years of age receiving income support and 500,000 Australians on unemployment benefit. The trouble with the existing arrangements is that too many of these Australians on welfare are on passive welfare, with no obligations attached. Again, I repeat: this is a recipe for condemning people to a lifetime of poverty. We have an experiment in the Northern Territory with this.

Mr Snowdon interjecting—

Mr ROBB—You are letting down the people you represent. You are not observing the lessons of history. A wonderful culture, thousands of years in the making, has been destroyed in the space of 35 years with well-intentioned but highly destructive passive welfare. This legislation seeks to impose mutual obligations on those people who can do some work. If we do not do this, we are aiding and abetting an emerging cultural problem in Australia where these millions of Australians on passive welfare are losing the habit of self-reliance. They are losing that great Australian trait of taking some responsibility for themselves. That is something you are undermining; that is something you are ignoring. Those on the other side of the House have made no attempt to mount an intellectual case against the legislation. We have just heard again today a series of meaningless platitudes and outrageous claims about the consequences of these measures and no recognition of the insidious and hugely destructive effects of passive welfare. We are seeing it in Indigenous communities. There has not been a lesson learnt out of all this. And they are your people; they are your constituents—
Mr Snowdon—They voted for me, not for you.

Mr ROBB—Look at them, look at their situation and do something about it.

The DEPUTY SPEAKER (Mr Lindsay)—Order! I remind the member for Lingiari of standing order 65(b). I will take action if this nonsense continues.

Mr ROBB—As I said, the member for Lingiari is implying that simply throwing more money at the problem will solve this. It has been proven again and again that it is not a solution. It is intellectually lazy and it is lacking in any moral courage to do what has to be done to encourage those who have some capacity to work to do so to the best of their ability. Let us not hide behind a disingenuous notion of things such as effective marginal tax rates and so on. The bottom line is that the best form of welfare is a job and that people who can work should work, and this legislation is guided by these two important principles.

Mr Snowdon interjecting—

The DEPUTY SPEAKER—I warn the member for Lingiari!

Ms MACKLIN (Jagajaga) (12.04 pm)—As this is the time for consideration in detail, I think it is important that we try to get some more detail from the minister about some of the things that are still outstanding and some of the questions that have still not been answered during the debate in this chamber. The member for Goldstein has just talked about not going into issues of effective marginal tax rates. I draw the minister’s attention to a comment made by the member for Pearce in her contribution yesterday when she said, in part, ‘This is going to only drive some of the more vulnerable people and families in our community deeper into poverty.’ As she said yesterday, that question has not been answered. I wonder whether the minister would give an answer, both to the member for Pearce and to other members of this parliament who are concerned that this question has not been answered either in the Senate inquiry or in here.

There are two issues here which concern us. Firstly, as the member for Pearce said, more people are going to be driven further into poverty. Secondly, the minister would also be aware that there was an independent piece of research done for the National Foundation for Australian Women—and a large number of other women’s organisations—which shows that people will be paying far higher effective taxes. I understand, Minister, that your department has in fact agreed that that research from NATSEM is correct and that we will see people working for less because of the changes in this bill. I would appreciate it if the minister could respond to the detail of these points.

Mr TUCKEY (O’Connor) (12.06 pm)—The member for Lingiari has just left the chamber and obviously has ceased to have any interest in this matter. I noticed in the last three days in this House, when the Labor opposition saw some opportunity to improve their own job prospects on a particular issue, they dumped any reference to the workers of Australia, notwithstanding their previous claims that that was the paramount issue in this place. They took a political opportunity and ignored the workers.

The member for Lingiari happened to mention part of his electorate called Cocos Island. I spent a period of time as the minister for territories. One of the things I discovered out there is that there is still a very viable coconut plantation industry on the island—30,000 coconuts a day fall on the ground—and nobody has the incentive to pick them up. They get all the benefits; they frequently have large families. They grow vegetables in the backyard, catch fish in the lagoon and buy houses on the mainland with
the cash. The member for Lingiari, in his acceptance speech after the last election, apparently had only one commitment to his community—he was going to get them another Centrelink office, take them further into the poverty of unemployment. That is his view—and why? The Labor Party like people out of work; they tend to vote for them. They say, ‘We’ll save you.’ The member for Sydney gets up all the time and paints dreadful pictures. Let us look at it because I asked the question yesterday and had to do private research. If you are a single parent with five children, and I know that is a lot, you get $1,500 a fortnight. That is a great disincentive to go and look for work.

Ms Plibersek—How much do you get a fortnight?

Mr TUCKEY—How much do I get a fortnight? I am a 24/7 person and have been all my life. I bought my third hotel when I was 22 years old. My wife worked behind the bar when she was pregnant. You guys have been in the government all your life and would not know what it is like to work in small business or do anything else.

As an example, under your government, when kids who could not get a job anywhere came to me, I used to go and buy them ladders, buckets and materials and knock on doors for them so that they could get a job cleaning windows. Everyone who started doing that got a real job. Wherever they were washing windows a small business proprietor would drive home at lunchtime and say, ‘You’re the sort of kid I’m looking for,’ and they got a real job. The Hawke government at that time was supposed to be looking after these kids, and every time my ladder and my bucket went to the place it was put in the back room. The public servant got his wages keeping the list of unemployed as high as possible.

The Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 is an incentive. As I say, the worst argument that has been propounded in this place is that there is a relationship between the safety net as provided and people going to work. The Labor Party is virtually arguing that, to leave the safety net, you should get $1,000 a week because otherwise you are only earning $5 an hour. On the minimum wage you are earning $12.75 an hour. You have an obligation to all of those thousands of Australians who work and pay taxes to find a job if you are physically or mentally able. Of course, there should be an incentive.

I gave an example in the second reading debate yesterday of a family, known to me, whose kid was on welfare until Centrelink rang them up and said that, because of their family circumstances or their family business arrangements, that person was not eligible for the benefit. Within a couple of days, a person who could not get a drivers licence had a job. And people say there is no incentive in this. I pointed out to the House yesterday that training programs implemented to teach harvesting skills in my electorate, where I am told that it is too hard for people to get a job, have no applicants. (Time expired)

Ms MACKLIN (Jagajaga) (12.11 pm)—It is unfortunate that government members are using this period to just have a rant because the purpose of this debate is actually consideration in detail. I hope the minister will respond to the issues that we are raising as we go through, which is the spirit of consideration in detail. I hope we are not going to have the government continue in the way that they have, which really destroys the whole purpose of this process.

One of important claims that the government make to push the Employment and
Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 through is that, if they cut people’s income support, it will actually improve employment outcomes. I ask the minister: has his department done research or commissioned independent research that demonstrates this outcome? If the minister has some research that shows that cutting people’s income support improves their employment outcomes, we would be pleased to see it. As I understand it, once again that has not been provided in the Senate inquiry.

That fits in with the question that I also asked before and which I would really like the minister to answer. What evidence is there, once again either from his department or from independent studies, that shows that making it less attractive to go to work—which is what this legislation does: it decreases the incentive to go to work because people will be paying higher effective marginal tax rates—is going to encourage people to go to work? It does not seem to make sense to me. It is not me saying that people are going to have higher effective marginal tax rates; it is independent research by NATSEM that makes that point clear.

The minister would also be aware that major administrative changes will be made as a result of this legislation that will see people who are in exactly the same circumstances end up on different payments. The first example of that is people who are current recipients who will not be subjected to this bill, so you will have the same sorts of families with the same responsibilities or people with the same level of disability ending up with different levels of payment. What we would like to understand is the government’s rationale for that seeming policy contradiction.

I would also ask the minister to outline what estimate has been made by his department of the administrative costs of these changes. He would be aware that these changes are extremely complex, and if he could outline how much extra the government expects to spend administratively—not all the other spending arrangements that have been set out but what the administrative costs would be—that would be helpful.

The minister would also be aware that one of the other major changes as a result of this legislation is that people are going to be put onto Newstart rather than staying on either the single parent pension or the disability support pension. As a result of that, these people will not have access to the pensioner education supplement. Once again, I would ask the minister why it is that he is removing access to this support that is there for one purpose and one purpose alone, which is to help people pay for the costs of education or training that would help them get a job. We all agree that people are better off working. Of course, one of the big problems is that many people on these pensions do not have the skills to get a job. So I would ask the minister: what is the justification for taking away the eligibility for the pensioner education supplement for these people, who we all agree would be better off working but who in fact do not have the skills to get the jobs that are going in the current labour market?

Mr BARRESI (Deakin) (12.16 pm)—I am pleased to join in the consideration in detail debate. The ALP’s defence against this legislation seems to be twofold. One is the rhetoric and chant that the big end of town pays itself big salaries and yet we are putting people out on the scrapheap, taking them off welfare, and they are going to be disadvantaged compared to everybody else, and this government only has an eye to those who operate the big end of town. It is such a juvenile and silly argument that is made by members on the other side. If you want to have a debate about salaries and big payouts to those people, let us have that separately.
This bill is all about giving people an opportunity to actually be in the work force. It is actually encouraging people to go into the work force. The member for Shortland knows, as I do, when we had the inquiry into work force participation, that the interplay between the welfare system and the tax system was often cited as a big disincentive for some people to enter the work force.

Ms Macklin—This makes it worse!

Mr BARRESI—The member for Jagajaga says, ‘This makes it worse!’

Ms Plibersek—It does!

Mr BARRESI—Let us have a look at how it makes it worse. A single parent in receipt of the single parenting payment now has a weekly income of $433.13. Under these proposals, that sole parent, not when the youngest child turns six but when the youngest child turns eight, will be encouraged to work a minimum of 15 hours per week. That is 15 hours per week—not 38, 35 or 40 hours, but 15 hours a week. At the minimum rate of $12.75 per hour—and I am sure there will be a lot of people out there who will find employment during these times of skills shortage for far more than $12.75, but let us assume they have $12.75 as their minimum rate of pay—when you combine that minimum rate of pay with their combined income support—

Ms Macklin—Take the tax off!

Mr BARRESI—and the family tax benefits—

Ms Macklin—Take the tax off! Take the tax off!

The DEPUTY SPEAKER (Mr Lindsay)—The member for Jagajaga!

Mr BARRESI—they will have a weekly income of $487.81. So, instead of having $433 a week, they will have an income of $487, only working the minimum 15 hours a week. On top of that, what do they get? They retain the pensioner concession card—

Ms Macklin—Take the tax off! Be honest.

The DEPUTY SPEAKER—The member for Jagajaga!

Mr BARRESI—which other people in the work force do not have. They will retain the telephone allowance. They will also retain their pharmaceutical allowance. So, for 15 hours a week, which is a contribution to the work force—

Ms Macklin—What do they lose?

The DEPUTY SPEAKER—The member for Jagajaga is defying the chair.

Mr BARRESI—and we are not even talking about the imperative of the skills shortages and the need to engage, but just simply working for those 15 hours—they are, in effect, $54 better off than they would be if they remained on welfare. What do they get for their contribution? Not only do they get the $54 extra per week but also they get something which is intrinsic to all human beings: that feeling of self-worth and self-esteem that goes with being part of a productive community and the ability to make a contribution to the community, to the work force and to a business in whatever way they deem fit. There is nothing better for the psychological wellbeing of someone than to know that they are making a contribution as part of a team, a unit, a work force. To remain on welfare indefinitely—which is what the other side are basically proposing by opposing this bill—is soul destroying. It is soul destroying to such an extent that their whole self-belief in being able to get a job is simply washed away and, of course, the situation gets worse for them as each year goes by.

The arguments by the Labor Party are fallacious. They have turned a blind eye as well—and I am happy to talk about this at
greater length in the next contribution—to the greatest problem facing this nation. The greatest problem facing this nation is a skills shortage and the fact that the work force is in demand. In the next five to 15 years, we are going to need more and more people with skills.

Ms Macklin—Taking the pensioner education supplement away from them!

Mr BARRESI—They are not all pensioners; there are a lot of people out there who can make a contribution. They need to have a helping hand. (Time expired)

Ms PLIBERSEK (Sydney) (12.21 pm)—There are two really dishonest statements that the previous government speakers have been making. The first one is this suggestion that somehow it is only the government that wants people to work. Labor support helping people move from welfare to work. We always have. We introduced some of the best labour market programs ever in Australian history to help people move from welfare to work. How about the Jobs, Education and Training program, the JET program, that you have kept—although you keep it a secret? You do not let people actually go onto JET—

The DEPUTY SPEAKER (Mr Lindsay)—The member for Sydney will desist from the use of ‘you’.

Ms PLIBERSEK—I am sorry, Mr Deputy Speaker. I am sure that you are a great supporter of the JET program—

The DEPUTY SPEAKER—Thank you.

Ms PLIBERSEK—but this government has undermined the JET program, which is designed to do exactly this: to help sole parents move from welfare to work. Why keep that a secret? Why stop people using that? Why underspend on JET every year? The other enormous untruth that is told by speaker after speaker on the government side is that people are going to be financially better off after these changes are made. These changes actually mean that people who move from welfare to work under the new system will be worse off than people who moved from welfare to work under the current system. That is it in a nutshell. Why on earth would you do that? If you want people to move from welfare to work, why would you take money away from them for doing it? We talk about incentives in this place all the time. You keep talking about giving incentives to wealthy Australians to work harder and keep more of every dollar earned—that is an incentive to work harder. Why not apply that same incentive to the poorest Australians? Let them keep more of every dollar they earn. It is a simple proposition.

I hope the minister is able to answer some of these questions about the detail of the legislation because I can tell you that the devil is in the detail here. Many aspects of the activity requirements and the proposed exemptions from the activity requirements are not in the legislation; they are in the guidelines. We all know how easy it is for things to slip into and out of guidelines. Section 502(4)(c) of the legislation says that work will be unsuitable for a person if the person does not have access to appropriate care for their children. What does that mean? Who decides what appropriate care is for their children? We were lucky enough to get the Prime Minister on 2 June this year to say that nobody will have to take up a job offer. The exact quote was:

If ... the cost of [child] care would result in a very low or negative financial gain from working, the parent will not be required to accept the job.

There was a lot of flapping around before we got this commitment but this was the eventual commitment that came out. Where is that in this legislation? Where is it written in this legislation that if there is not adequate child care the person will not have to work?
It is left to the discretion of the secretary of the department.

I will tell you another thing: this legislation says that if someone has to spend more than 10 per cent of their income on transport to get to the job that they have been offered then they do not have to take up the job offer. How much should people spend on their child care? It is nowhere in this legislation—possibly it will be in the guidelines. Who knows? We have not seen the guidelines yet. What should people expect to pay for child care before the cut-off is reached and they no longer have to take a job because it will result in a low or negative financial return? Minister, I would like to ask you a direct question: how much is too much for the people affected by this legislation to pay for child care? What will the cut-off be? Will it be 10 per cent of their income, like transport costs? Will it be 20 per cent or 30 per cent? If you cannot answer this question, I believe you have not thought through the massive cost of child care and what it will do to the poorest Australians, who have to put their kids in out of school hours care and holiday care for 12 weeks a year. I can tell you that there are not too many part-time jobs out there that will not require you to put your kids in before- or after-school care or holiday care for those 12 weeks a year. So how much is too much to pay for child care, Minister?

Mr KATTER (Kennedy) (12.26 pm)—I commiserate with the minister on this bill. With all due respect to him, I think there was a lack of sincerity and conviction. He is a barrister and he has been given a brief; he has to proceed with that brief. I am being very kind to him because to pass another judgment would be very harsh. What is actually taking place here? There is a famous saying: ‘Nero fiddled while Rome burned’. What happens when your current account is collapsing and you have no products to sell to the rest of the world because you are no longer competitive? The only thing we can sell to the rest of the world is minerals, and increasingly—I speak with authority, representing arguably the biggest minerals electorate in Australia—they are being exported without being processed. And the government claim credit for that. Well, I am afraid that when the world’s minerals double in value I hardly think that the government can claim credit for the world mineral prices doubling—unless they are restraining production in Australia.

Mr Barresi—Go on, Bob, get on to the bill!

Mr KATTER—You say that: I will. You should not have asked me to because now I will. A conservative government has doubled taxation in 10 years. I praise the government for restraint but it has doubled taxation. The honourable member for O’Connor has a painful look on his face. So he should; I would hate to be associated with a government that doubled taxation in the space of nine years. Somewhere on the opposition benches someone should have had a look at where the increases in expenditure were coming from. I will tell you: someone did. Belatedly, the Treasurer did. And he found out that the huge increase was coming in the area of disability and single parent pensions. While he is standing there skiting about having lowered unemployment, let us look at the brutal statistics. Yes, unemployment is 176,000 fewer than it was when this government came to power, but the number of people on disability pensions is up 196,000. So we all know exactly what this government did. The members of the opposition will not like this: it did exactly what Mr Keating did. It simply moved a group of people from that column over to this column and then skited about how that column had been reduced.
But the thing the government cannot cheat on is the budget. That is its problem. And the Treasurer is now being told the blunt truth: that the government cannot afford any further increases in the field of social welfare. If you look at the budget, the only two items that have seen an increase above the CPI are health—and we praise the government for that—and social welfare. The increase in the health budget is nowhere near the ballpark of the increase in social welfare. In 1994-95, the year before this government took office, spending on social welfare was $44,000 million—36 per cent of the federal budget. It is now 43 per cent of the federal budget and nearly $90,000 million—$88,000 million to be exact.

What we have done is destroy our productive economy. Our manufacturing and agricultural base is collapsing completely. I just got back from a visit to Adelaide. The one single success story we had was with wine, and the wine industry is now going through the floor at 100 miles an hour. That was the only success story we had left in agriculture; all the other agricultural industries have gone down.

I rang a manufacturer yesterday and I said that I was really pleased to see that he was still producing a product that he produces. I do not have permission to use the bloke’s name. He said: ‘Bob, don’t get carried away. We had 70 employees last year; we had 150 the year before; next year we will have one employee. How can we compete against China?’ These people removed the subsidies and tariffs; we must close down all manufacturing in this country. I think I could get use of the bloke’s name.

There is not a member in this place who does not know that that is the truth. The manufacturing sector in this country has been completely destroyed by what Mr Keating did and what has followed with this government. We are seeing the results of it today. The government is running around brutalising young women who are trying to raise two or three kids by themselves and forcing them back into the work force. The hypocrisy of the people on the government side of the chamber! They call themselves Christians and then proceed to do those things! (Time expired)

The DEPUTY SPEAKER (Mr Lindsay)—I have to apologise to the member for Corangamite for not calling him earlier—but he is a Victorian!

Mr McARTHUR (Corangamite) (12.32 pm)—Thank you, Mr Deputy Speaker, for your good will and careful thought. I would like to participate yet again in this very important debate. I notice that the member for Jagajaga is in the chamber. I need to help her on some of these health issues. She has done a lot of work in the health area and she understands quite intimately some of the difficulties facing disabled persons and those who have sore backs—whom I will refer to in a minute.

I draw to the attention of the House the difficulty that the people in charge of Centrelink have—I have had a chance to look at the detail of this—in making an assessment of those people seeking the disability support pension. I have had a look at the documentation where persons make the approach and get the approval to seek a disability support pension. They tick a little box—even the member for Jagajaga might understand this—and Centrelink have told me that it is very difficult to get some of those people off the disability support pension, as I said in the debate yesterday. Once the box has been ticked and a person has been given an assessment, particularly in the case of someone who has a sore back—or, to use the technical term, musculoskeletal connective tissue damage—who can make a judgment on that?

CHAMBER
If you get a sore back or some injury that is very difficult to repair then you can remain, while that box is ticked, on the disability support pension. Likewise, if you get a tick in the box for a psychiatric or psychological problem, who is to make the judgment and the assessment about that? You may have been a drug taker earlier in life or you may have some hearing defect that has been brought on by your own activity, such as listening to loud music, so you end up on the disability support pension.

As other speakers on this side of the House have said—and those opposite would agree—if you receive a disability support pension there is no mutual obligation. The government is considering those who take some largesse from the government. In some cases I have put it on the record that I am very supportive of those people who have a disability. Each of us may have faced the prospect at some time in our lives that we may have had a disability. I suffered a car accident and have a genuine feeling for those who may have a disability for life. So there is no argument from those on this side of the chamber about those who have a genuine disability seeking a disability pension. All we are saying is that there ought to be an evaluation and an incentive, if you have the capacity to go back to work, to move off the disability support pension.

Even the member for Kennedy, for all his bluster, made the observation that people had moved off the Newstart allowance to the disability pension because of the lack of mutual obligation. The figures show—and I will just get them on the record—that 34 per cent of those receiving the disability pension have sore back/musculoskeletal injuries, and those in the psychological or psychiatric category make up 25 per cent. Nearly 59 per cent of the recipients of the disability pension are in those two categories.

I draw to your attention the activities of WorkCover in Victoria. I mentioned this in my speech yesterday. Under WorkCover, those people who have an injury are encouraged to go back to work. They are given light duties. They are given medical assessments. They are assessed on an ongoing basis. The reason for that was that under the WorkCover arrangements—even under a Labor government—they wanted to make sure that those who were paying the premiums were getting value for money. I support WorkCover for injured workers. They should get the treatment. I understand the concept and I support it. But even then there were rorts in the system. People were using WorkCover to extend their payments. Everyone in the House—even the member for Jagajaga—would agree with that, and WorkCover has been tightened up because the premium is related to the payments. So there is a process where those injured workers need to rehabilitate themselves and get back into the work force.

We are arguing the same case in the federal parliament. There needs to be an incentive. There needs to be encouragement. There needs to be a better assessment of those people who are receiving the disability pension. Some cases are quite genuine but in other cases people have taken the easy option. We are saying that they should be encouraged to seek work, to seek rehabilitation and to get back into the work force. I commend the legislation both in philosophic terms and in detailed terms. As the member for Jagajaga said, we are looking at the detail. I am not convinced by the arguments of those opposite—either in the detail or in the broad thrust of their arguments. (Time expired)

Ms HALL (Shortland) (12.37 pm)—I must commence my contribution to this consideration in detail by expressing my great sadness at what I have heard here in the chamber this morning, sadness at the stereo-
typing by members on the other side of this House—stereotyping members of this side of the House, stereotyping single parents, stereotyping people with disabilities, stereotyping Indigenous people and stereotyping unemployed people generally. The previous speaker, the member for Corangamite, showed his total lack of understanding of disability. To say that a person just ticks a box and is put on a disability support pension is totally incorrect. A person is assessed and to be eligible for a disability support pension your disability level has to be 20 per cent of the whole body—not just 20 per cent loss of function in your back but 20 per cent of the whole body.

To say that a person with a back injury does not have a significant disability shows once again that the member for Corangamite does not understand the issues associated with disability. It is the loss of function, the loss of capacity and the way that the injury or congenital defect impacts on the person. I have to say to the member opposite that he really demonstrated the fact that he does not understand the issues surrounding disability, and I suspect that that goes for all the members on that side of the House. His comments about mental illness really demonstrate why the Howard government underspends to such a level on mental illness. If you are committed to addressing illnesses within our community, you do not have members coming out with statements denigrating the level of disability of people who have those illnesses.

My questions are to the minister, and as this is the consideration in detail I would like to draw his attention to the issue of the pensioner education supplement. I note that the changes to the pensioner education supplement will mean that people on the disability support pension will not be accessing it any longer. My question relates to the Commonwealth Rehabilitation Service. I am sure the minister is aware that clients of the Commonwealth Rehabilitation Service currently receive a training allowance whilst they are studying, undertaking vocational retraining and getting new skills. They also receive a training allowance whilst they are undertaking work training, which is on-the-job training.

I would like the minister to answer whether or not the Commonwealth Rehabilitation Service will still be providing that training allowance to their clients—it is pretty much equivalent to the pensioner education supplement—or whether the government is going to withdraw that. If it is going to withdraw it, I would like to ask him whether he has thought of the implications of that. I would also like him, whilst he is answering that, to tell me whether or not the clients of the Commonwealth Rehabilitation Service will still be provided with a travelling allowance.

Whilst he is thinking about those issues I would like to ask him about the area of disability. Could he advise the House and me whether or not people with disabilities entering or re-entering the work force will have a full physical capacity assessment to ensure that the work that they undertake will not further exacerbate their injury or disability. I wonder if the minister could also advise me whether there will be a workplace assessment before those workers return to work—and I am not talking about the clients of the Commonwealth Rehabilitation Service but about those who are going to be dealt with through the privatised services and the Job Network. I also want the minister to advise me who will be responsible for any re-injury that people with disabilities have when they re-enter the work force. (Time expired)

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (12.42 pm)—I thank the
honourable members who have participated in this debate to this stage and I will henceforth address some of the issues that have been raised. One of them was the claim that these changes make it less attractive to go to work, and that is simply not the case. If you take the situation of a person in receipt of the parenting payment single who does no paid work in receipt of that payment at the present time, then their total weekly income is the amount of $433.13 a week.

A person who goes onto the Newstart allowance under this new system and undertakes the very minimum of 15 hours of work a week at the minimum basic wage of $12.75 per hour, when one totals up the private income they receive from work together with their income support, family tax benefit A and family tax benefit B—subtracting the tax that they would pay—would be in receipt of $487.81 per week. So there is a substantial benefit for a person undertaking the minimum 15 hours of work a week. In addition to that, as I think the member for Deakin pointed out, they would continue to receive the pensioner concession card, they would continue to receive the telephone allowance and they would continue to receive the pharmaceutical allowance. So that is for a sole parent.

Remember that just last week a study indicated that because of the ageing of the population in Australia we are facing not in 15 or 20 years time but in as little as five years time a shortage of workers up to 195,000 people. Just take one industry, the restaurant-hospitality industry. They inform me that currently in Australia, without the compounding effect of the ageing of the population, there is a shortage of some 2,500 or 3,000 workers just in this industry alone. This is people who are waitresses and in similar sorts of jobs—waiters in restaurants, in other places of hospitality, in hotels and the like.

If one looks at the figures for a person in receipt of the disability support pension with no paid work—and I am advised that only 10 per cent of people on the disability support pension currently have a private income—at the present time they are in receipt of a weekly amount of $296.95. If that person is on the Newstart allowance and works the minimum 15 hours at the base level income of $12.75 per hour, as provided under the minimum wage entitlements in this country—together with their income, their income support, which includes rent assistance, and the mobility allowance which they are entitled to, and subtracting the tax that they would pay on that income—that person, rather than being in receipt of $296.95 per week, would be taking home $384.89 per week. So the claim that this makes it less attractive to work is simply wrong.

The whole purpose of this is to encourage people who are capable of working to work. What the Labor Party is doing is defending a system which was designed 60 years ago when the choice was between full-time work or very little unemployment, as we had during the 1950s. We have many thousands, if not millions, of people in Australia who participate in part-time work. We say that work is the best form of welfare. If a person is capable of working part time, then they should be encouraged to work part time. That is what these changes are about—to encourage somebody to work part time. That is what these changes are about—to encourage somebody to work part time. We are not going to stand back and condemn people to the poverty that occurs in families. There are 700,000 kids with parents who do not have a job. We will not stand back and condemn those people to the poverty that flows from that. We will do some things to try to encourage them to get jobs. The best form of welfare is a job. That is what these changes are about. The reality is that this is what people want.
Ms MACKLIN (Jagajaga) (12.47 pm)—Unfortunately, the Minister for Employment and Workplace Relations does not go on to tell the whole truth because, if you look at the hourly rate that someone who is currently on the parenting payment single will shift to, if she does decide to go out and work for the 15 hours as he has just set out in his response, she will actually be working for $3.88 an hour. You work out the figures that the minister has just outlined. This is using the minister’s own figures. He said that for 15 hours of work a week she would be getting $487. At the moment she gets $433. How much is that when you look at the difference? You divide that by 15 and you get $3.88 an hour. That is what she is going to be working for—$3.88 an hour for going out and working for 15 hours. She will get $3.88 an hour—better than she does now—and that is before the costs of going to work. She will have to pay child care and transport costs and she will have clothing costs—all the costs that go with going to work. That is $3.88 an hour for a single parent.

For those with a disability, it is even less—$2.27 an hour. This government is saying to people that, as a result of this legislation, they will be shifted from the disability support pension onto Newstart, and the reality is that they will take home $2.27 an hour. Once again, that is before the costs of going to work, transport costs and all the other costs that people with disabilities have are taken into account. The minister says that there are all these jobs out there, that there are all these jobs that people can get. If that is the case, why do we have five per cent unemployment as well as all these hundreds of thousands of people who are on disability support pensions and parenting payment single?

Of course there are thousands and thousands of people in Australia who want to work and who cannot find work. One of the major reasons they cannot find work is that they do not have the skills—they do not have the education and training—to get the jobs that are going in today’s labour market. I asked the minister before why it is that he is taking the pensioner education supplement away from these people when we know one thing for sure—that is, that people are better off working—but we also know on this side of the House that if you are going to be real about helping people get a job then you have to make sure you help them get the education and training they need to get those jobs.

The evidence that was presented to the Senate inquiry indicated that the guidelines associated with this legislation would enable people on Newstart to undertake what I understand will essentially be entry level courses of up to a year. So what I would like to know from the minister is this: if I decide, as a single parent, once my youngest child turns eight, to retrain as a nurse—I think we would all agree there are plenty of very good jobs for nurses—and I want to study nursing part time because I have parenting responsibilities, will I be able to do that and continue to get Newstart? Will that be an acceptable form of meeting my obligations under this new legislation? Austudy is available only for those who are studying full time. I want to know whether I can study a minimum of 15 hours a week and continue to receive my Newstart while I study to be a nurse.

You could say the same for other very important education and training courses. We know that some of the very basic courses do not end up getting people a job. The minister would know that his own National Centre for Vocational Education Research has just put out a report this week saying that only 33 per cent of people complete their certificate I course and that those course participants do not have very good employment or study outcomes. So the problem with these entry
level courses is that they do not get jobs as a result.

Mr Andrews (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (12.52 pm)—The fact is that for every hour a person works they get the minimum wage at the very least, which is $12.75 per hour. Secondly, I was asked about the pensioner education supplement.

Opposition members interjecting—

The Deputy Speaker (Mr Hatton)—I advise the chamber that we have a minute left to hear the answer.

Mr Andrews—If a person starts a course before their youngest child turns eight and they have the pensioner education supplement, they are entitled to continue that. Can I just sum up the Labor Party’s attitude to this, which was summed by their former leader, Mr Latham. In his diary on Friday 26 October, he wrote:

Is this the low point in our five wasted years? A Crean/Swan press release today announcing that our election policy on poverty is to convene a summit ...

That is still their policy. He continued:

How can a Labor Party not know what to do about poverty? This is the issue that should make us radically different from the other parties—an intense and burning passion for the elimination of poverty, defining our sense of purpose ... They announced it an ACOSS Congress, so it’s not hard to guess what sort of summit it will be: Left conservatism, ACOSS whingeing about all the things they don’t like in the world. But not offering any answers, other than increased—

The Deputy Speaker—Order! In accordance with the resolution agreed to earlier today, the time for the consideration of this bill has expired. The question is that the bill be agreed to.

Question put.

The House divided. [12.58 pm]

(The Deputy Speaker—Mr Hatton)

Ayes……………… 80
Noes……………… 60
Majority………. 20

AYES

Anderson, J.D. Andrews, K.J.
Bailey, F.E. Baird, B.G.
Baker, M. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Bishop, J.J. Broadbent, R.
Brough, M.T. Cadman, A.G.
Causley, I.R. Ciobo, S.M.
Cobb, J.K. Costello, P.H.
Draper, P. Elson, K.S.
Entsch, W.G. Farmer, P.F.
Fawcett, D. Ferguson, M.D.
Forrest, J.A. * Gambaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartseyker, L. Henry, S.
Hockey, J.B. Hull, K.E.
Hunt, G.A. Jensen, D.
Johnson, M.A. Jull, D.F.
Keenan, M. Kelly, D.M.
Kelly, J.M. Laming, A.
Ley, S.P. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
Markus, L. May, M.A.
McArthur, S. * McGauran, P.J.
Nairn, G.R. Nelson, B.J.
Neville, P.C. Pearce, C.J.
Prosser, G.D. Pyne, C.
Randall, D.J. Richardson, K.
Robb, A. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Slipper, P.N.
Smith, A.D.H. Somlyay, A.M.
Stone, S.N. Thompson, C.P.
Ticehurst, K.V. Tollner, D.W.
Truss, W.E. Tuckey, C.W.
Turnbull, M. Vaile, M.A.J.
Vale, D.S. Vasta, R.
Wakelin, B.H. Washer, M.J.
Wood, J.
Thursday, 1 December 2005 HOUSE OF REPRESENTATIVES 57

The DEPUTY SPEAKER (Mr Hatton)—The question is that the bill be now read a third time.

The House divided. [1.07 pm]

(Assistant Speaker—Mr Hatton)

Ayes .............. 80
Noes .............. 60

Majority ........... 20

AYES

Anderson, J.D. Andrews, K.J.
Bailey, F.E. Baird, B.G.

NOES

Adams, D.G.H. Andren, P.J.
Beazley, K.C. Bevis, A.R.
Bird, S. Bowen, C.
Burke, A.E. Burke, A.S.
Byrne, A.M. Corcoran, A.K.
Crean, S.F. Danby, M. *
Edwards, G.J. Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Garrett, P. Georganas, S.
George, J. Gibbons, S.W.
Gillard, J.E. Grierson, S.J.
Griffin, A.P. Hallett, M. *
Hayes, C.P. Jenkins, H.A.
Irwin, J. Kerr, D.J.C.
Katter, R.C. King, C.F.
Levermore, K.F. Lawrence, C.M.
McClelland, R.B. McMullan, R.F.
Melham, D. McPhee, G.M.
O’Connor, B.P. O’Sullivan, G.M.
Owens, J. Pilcher, T.
Price, L.R.S. Quick, H.V.
Ripoll, B.F. Roxon, N.L.
Rudd, K.M. Sawford, R.W.
Sercombe, R.C.G. Smith, S.F.
Snowdon, W.E. Tanner, L.
Thomson, K.J. Vamvakianou, M.
Wilkie, K. Windsor, A.H.C.

* denotes teller

Question agreed to.

Bill agreed to.

Third Reading

The DEPUTY SPEAKER (Mr Hatton)—The question is that the bill be now read a third time.

The House divided. [1.07 pm]

(The Assistant Speaker—Mr Hatton)

Ayes .............. 80
Noes .............. 60

Majority ........... 20

AYES

Anderson, J.D. Andrews, K.J.
Bailey, F.E. Baird, B.G.

NOES

Adams, D.G.H. Andren, P.J.
Beazley, K.C. Bevis, A.R.
Bird, S. Bowen, C.
Burke, A.E. Burke, A.S.
Byrne, A.M. Corcoran, A.K.
Crean, S.F. Danby, M.*
Edwards, G.J. Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Garrett, P. George, J.

Baker, M. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Bishop, J.L. Broadbent, R.
Brough, M.T. Cadman, A.G.
Causley, I.R. Ciobo, S.M.
Cobb, J.K. Costello, P.H.
Draper, P. Elson, K.S.
Entsch, W.G. Farmer, P.F.
Fawcett, D. Ferguson, M.D.
Forrest, J.A.* Gambero, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartsuyker, L. Henry, S.
Hockey, J.B. Hull, K.E.
Hunt, G.A. Jensen, D.
Johnson, M.A. Jull, D.F.
Keenan, M. Kelly, D.M.
Kelly, J.M. Laming, A.
Ley, S.P. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
Markus, L. May, M.A.
McArthur, S.* McGauran, P.J.
Nairn, G.R. Nelson, B.J.
Neville, P.C. Panopoulos, S.
Pearce, C.J. Prosser, G.D.
Pyne, C. Randall, D.J.
Richardson, K. Robb, A.
Ruddock, P.M. Schultz, A.
Scott, B.C. Seeker, P.D.
Sliper, P.N. Smith, A.D.H.
Somlyay, A.M. Stone, S.N.
Thompson, C.P. Ticehurst, K.V.
Tollner, D.W. Truss, W.E.
Tuckey, C.W. Turnbull, M.
Vaile, M.A.J. Vale, D.S.
Vasta, R. Wakelin, B.H.
Washer, M.J. Wood, J.

NOES

Adams, D.G.H. Andren, P.J.
Beazley, K.C. Bevis, A.R.
Bird, S. Bowen, C.
Burke, A.E. Burke, A.S.
Byrne, A.M. Corcoran, A.K.
Crean, S.F. Danby, M.*
Edwards, G.J. Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

The DEPUTY SPEAKER (Mr Hatton)—In accordance with the resolution agreed to earlier today, the question now is that the remaining stages of the bill be agreed to.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (IMPROVEMENTS TO SELF ASSESSMENT) BILL (No. 2) 2005

Second Reading

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

That this bill be now read a second time.

Mr FITZGIBBON (Hunter) (1.10 pm)—I move:

That all words after “That” be omitted with a view to substituting the following words:

“whilst not declining to give the bill a second reading, the House condemns the Government for:

(1) maintaining and allowing the self assessment system to so seriously deteriorate over a long period of time so these radical reforms are needed;

(2) failing to provide sufficient certainty on how oral advice will be recorded and made available; and

(3) failure to clarify in this bill how the personal tax affairs of a taxpayer will be linked to the tax affairs of a company with which the taxpayer is associated”.

In December 2004 the government announced a major review of aspects of the self-assessment regime for individual taxpayers. Although many of the changes can be effected by regulation, some do require legislation. The first tranche of bills to give effect to these changes have been passed into law with the opposition’s support. This is the second tranche of legislation to give effect to these reforms and involves major changes, which the opposition again supports.

The Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 2) 2005 introduces the other changes of the review of aspects of the income tax assessment, otherwise known as ROSA, that require legislative change. The key changes are, first, to reduce the period by which the ATO can audit a taxpayer with simple tax affairs from
four years down to two years and for more complex tax matters from six years down to just four years. Second, it radically changes the process by which tax rulings are made (1) to ensure that where a taxpayer relies upon ATO advice, including oral advice formally requested, the taxpayer will be free from penalties and (2) to expand the situations in which the commissioner is bound by advice tendered to the taxpayer to specify time limits on the provisions of a ruling to allow the ruling to be made electronically and to give the commissioner more flexibility in the date at which the ruling applies.

Currently the tax office private and public rulings will only bind the commissioner in specific cases. The bill expands the scope in which the commissioner will be bound by undertakings made and provides the capacity for the taxpayer to rely on oral advice formally requested from the commissioner without penalty even if that advice is erroneous or the commissioner’s interpretation subsequently changes. The ruling system is changed to provide for more timely and consistent rulings.

I now turn to the measures in the bill in more detail. Schedule 1 to this bill amends the Income Tax Assessment Act 1936 to make a number of changes to reduce the periods during which the Commissioner of Taxation may amend income tax assessments in a range of circumstances. The period in which the commissioner can amend an assessment for most individuals or very small business taxpayers will be standardised at two years. A four-year amendment period will apply for taxpayers with more complex tax affairs. The purpose of these amendments is to ensure that the time during which taxpayers experience uncertainty over whether they have correctly self-assessed their income tax liability approaches the minimum required for the Australian Taxation Office to identify the majority of incorrect assessments of that type and to correct them.

The government has decided that the period during which the commissioner may amend the assessment of an individual to increase or decrease their tax liability should be reduced to two years. Taxpayers excluded from the two-year amendment period will generally have a four-year amendment period unless a special amendment period applies to them. Taxpayers with more complex affairs, including businesses that are not in the simplified tax system, have a four-year amendment period. This reflects the greater time generally needed for the Australian Taxation Office to complete compliance activity for this type of taxpayer. Therefore, the two-year amendment period excludes: a taxpayer that carries on a business or is a partner in a business that is not in the simplified tax system; a taxpayer that is a beneficiary of a trust estate at any time in that income year, unless the trust is a simplified tax system taxpayer or the trustee of the trust in that capacity is a full self-assessment taxpayer—for example, a corporate unit trust, public trading trust or superannuation fund; a taxpayer if in that year that taxpayer or another entity entered into or carried out a scheme either alone or with others for the sole dominant purpose of the taxpayer obtaining a scheme benefit in relation to income tax from the scheme; and, to finalise the list of those excluded, other high risk and special cases prescribed by regulation.

Fraud or evasion cases will continue to have an unlimited amendment period, as people who engage in calculated behaviour to evade tax should remain permanently at risk. The current powers to extend the standard amendment periods generally continue to apply, an example being the power of the Federal Court to extend time where the commissioner has commenced an examination of a taxpayer’s affairs. The present six-
year amendment period for the commission to give effect to part 4A, the general anti-avoidance provision, and certain other avoidance provisions is abolished. Schemes where someone entered into or carried out the scheme with the dominant purpose of the taxpayer avoiding tax will, like other complex cases, be subject to a four-year amendment period. This will not be limited to where part 4A applies; it also applies where a scheme is defeated by another provision, provided the relevant purpose is present.

From the 2004-05 income year, the amendment period for loss and nil liability assessments will be the same as the period for assessment with positive liabilities. Transitional rules for taxpayers who lodge nil liability returns for earlier income years will enable those taxpayers to obtain finality for those earlier years.

Schedule 2 of the bill amends the Income Tax Assessment Act 1936 and the Taxation Administration Act 1953 to implement a new framework for Australian Taxation Office advice. The Australian Taxation Office gives a wide range of advice to taxpayers and their representatives about how, in the Commissioner of Taxation’s opinion, the tax law applies or would apply in their particular case. That advice ranges from general information for the public to advice relating to a specific taxpayer and their specific and individual arrangements. Since 1992 the tax law has made certain categories of Australian Taxation Office advice, called rulings, binding on the Australian Taxation Office. Where the Australian Taxation Office has issued a ruling that applies to a taxpayer, a taxpayer is not liable to pay more tax than the ruling would require, even if the ruling turns out to be in a sense wrong. In such a case, the taxpayer cannot be liable for penalties or interest either. Some non-ruling advice from the Australian Taxation Office also currently gives taxpayers protection from certain penalties.

The report recommended that the current system be expanded in scope and effectiveness to provide protection in a wider range of circumstances. The bill replaces entirely the existing provisions on rulings. It makes certain categories of ATO advice or rulings legally binding on the commissioner where taxpayers rely on rulings that apply to them. The categories of rulings are: (1) public rulings, (2) private rulings and (3) oral rulings. In some cases this bill also gives taxpayers protection from interest charges in the absence of a ruling. This protection applies where they reasonably and in good faith rely on either (1) advice other than a ruling or a written statement in a publication by the commissioner, unless the advice is labelled ‘non-binding’; or (2) the commissioner’s general administrative practice.

On the whole the opposition accept these changes to the rulings system and accept them as meaningful and appropriate. There are a few points at which we need to raise additional areas of concern, though. I will be asking the minister in his summing up to respond to them, and Labor reserve our position on moving substantive amendments in the Senate if we find the responses inadequate. The first concern relates to uncertainty over the provision of oral advice. The bill does introduce a new arrangement that means that, where oral advice is provided by the ATO and the taxpayer reasonably relies upon it, no interest or penalties will be imposed. Furthermore, if an oral ruling is sought in writing there is protection granted against an amended assessment that imposes a higher primary tax. While both of these measures are positive, some uncertainty remains as to how oral advice will be recorded and how an oral ruling will be recorded. This record is essential, and the government should have an obligation to keep such re-
cords as a means of protecting the taxpayer. So I do call upon the minister to clarify this issue.

The second area of concern relates to the date of application for the concessional arrangements associated with the shortfall interest charge. The government has admitted that it is inappropriate for a taxpayer to face a higher general interest charge—it might be described as a punitive interest charge—when it has not yet been advised by the commissioner that there has been a tax payment shortfall. The logic of this position is that it should be applied retrospectively for the period in which current assessments can be amended by the commissioner which was, prior to this bill and until this bill reaches assent, four years. I call upon the minister to clarify why the government has not only not seen fit to apply this principle prospectively on assessments after the carriage of the Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 1) 2005 but also not thought about the scope and the appropriateness of making that retrospective.

The member for Canning is, I am not surprised to see, on this occasion leading for the government on the second reading of this bill. The member for Canning, like me, joins a number of people in this place who have amongst their constituents people who have been adversely affected by what are commonly known as mass marketing schemes and, in addition to that, employment benefit arrangements. These are schemes that cropped up some years ago, but certainly not a decade ago. I suppose there were some earlier ones; the ones that I am most familiar with probably date back about four years. In these schemes, spruikers—which I don’t mind calling them—or promoters of certain schemes, looked around for people who were on relatively high incomes and, typically, who had not attained a high level of education; and I do not mean that in a derogatory sense whatsoever. Miners are a good example. They may have left school at year 10 and done a trade. They may be very clever in many senses but not very savvy in the area of the financial world.

These people were approached and promised utopia. They were told that they were paying too much tax and that they had a legitimate arrangement they could enter into as a means of reducing their taxation liabilities. When these promoters came to people like coalminers—and, no doubt, to the people of the electorate of the member for Canning—they were given assurances that these were legitimate schemes, and those assurances were backed up with what appeared to be a commissioner’s ruling on these matters. There are people in this place and outside this place whom I have heard describe these people globally as tax rorters. In any net cast so widely, there is certain to be people out there intent on doing the wrong thing. But it is my absolute view, having dealt personally with a number of these cases, that very few of these people set out to intentionally act contrary to the spirit of the tax act but rather were assured by people whom they viewed as being quite expert in these matters that these were legitimate schemes. I know there is a high degree of disappointment on both sides of the House that this bill does not really do anything to assist those taxpayers. I know that expectations were quite high, particularly on the other side of the House, that this bill would be used as a means of affording some relief to those potentially thousands of people who were caught up in those schemes.

I do speak about both sides of the House. I know the concern is rather large on the other side, because I have with me a letter to the Treasurer signed by 21 backbenchers on the government side and expressing great disappointment that the Treasurer has failed to
take this opportunity to help these people. So I will be looking forward to the contribution of the member for Canning and others who follow him. In particular, I am sure that the member for O’Connor would have had people in his electorate who were adversely affected by these schemes. I say that no doubt the member for O’Connor would have people in his electorate affected by these schemes because he is from a rural electorate, and typically that is where these tax promoters went on the hunt—high-income areas involved in agriculture or mining where people were obviously keen to take up opportunities to reduce their tax because their tax bills were so high. I look forward to the member for Canning and the member for O’Connor muscling up a bit, dressing the Treasurer down and expressing their disappointment publicly. I do not think this letter was meant to be made public; it just happened to fall into my hands off the back of the proverbial truck. But I look forward to him making these concerns more public.

What we are saying here is that there are ways, if not of helping these people, of potentially ensuring that these things are avoided in the future. There will be some people out there not yet caught up in these matters who could be caught up in the future. I am saying that, potentially at least—I would be very happy to hear the Treasurer or the Assistant Treasurer’s views—if the principle is sound, in the future you would not apply the high, very punitive general interest charge of about 12½ per cent in the period between the lodging of the income tax form and the assessment by the tax office. In other words, in the period where the taxpayer did not even know that he had underpaid, they should only face the shortfall interest charge, which is only about eight per cent. We are saying that, if that is good public policy, if that makes sense and that is a solid principle, why not look at going back to the audit period and covering those who may have already inadvertently entered into an arrangement and give them that form of protection.

It is not as though eight or 8½ per cent—or whatever the shortfall interest charge is—is a gift to those taxpayers. I suggest that it is higher than market rate at the moment. I think that the punitive interest charge is unacceptable in those circumstances, and I ask whoever summarises on this bill to share with the House their view and give us some direction as to what we might do in the Senate in that regard.

I make no secret of it: I moved a second reading amendment to give members scope to speak a little bit more freely on this bill. It is a tax bill, presented to the House in a week where tax is a priority issue, a week in which we have learned that one of the Treasurer’s appointments to the Reserve Bank board has been subject to a long-running fight with the Australian tax office and, in settling that matter, was prepared to pay the Australian tax office some $150 million. We have spent much of our time in question time this week canvassing those issues—and so we should canvass those issues. Just today, thanks again to some very clever journalism in this country, we learnt that Mr Robert Gerard has been furthering his interesting tax arrangements in other places, including the Virgin Islands, even since he became a member of the board of the Reserve Bank.

These are extraordinary matters that are of concern not only to those of us who have a deep-seated interest in taxation policy but to everyone out there in the community who demands that we do all we can in this place to maintain public confidence in the body that oversees Australia’s financial system—and, indeed, the body that oversees monetary policy in this country. I was most disappointed when the government used its numbers this morning in the House of Represen-
tatives Standing Committee on Economics, Finance and Public Administration to vote down what I think were two very reasonable motions from me. The first was to invite Commissioner Carmody to appear before the committee to explain his involvement and the involvement of the Australian Taxation Office—

The DEPUTY SPEAKER (Mr Hatton)—Order! I will stop the member for Hunter at this point and advise, as he should know, that members cannot talk about private committee business when dealing with the bill.

Mr FITZGIBBON—I take that point, Mr Deputy Speaker. Obviously it is disappointing and concerning that again public confidence in that committee will be undermined.

I was doing a bit of research on this matter and I was reminded that this is not the first time the Treasurer has appointed to a very important public position someone who is under a very dark cloud—in this case, Mr Gerard. The first time it was Mr David Knott. Members will remember that Mr David Knott was Chairman of the Australian Securities and Investments Commission. They will also remember that, in this place in a period around August-September 2003, we were questioning the Treasurer on the appropriateness of appointing Mr David Knott to the very body that oversees the Corporations Act in this country. If I can take the House down memory lane, we were told then that Mr Knott had been disqualified from acting as a company director for two years. It was alleged that he had been involved in the avoidance of sales tax to the tune of $17 million. He had been struck off the list as a practising solicitor. This is a person who was appointed to oversee one of the most important areas of consumer protection, in financial terms, in this country. So the Treasurer has form in this area, and he needs to come into this House today and finally tell us exactly what he knew, who told him and when he was told.

Back in 2003 we were asking questions about Mr David Knott. The Treasurer set down the ground rules for determining the appropriateness of these people before appointing them to these important positions. Having set down the ground rules, he needs to come in here today and clarify finally what he was told about Mr Robert Gerard’s relationship with the Australian Taxation Office. We do not want him splitting hairs between his personal tax affairs and his corporate tax affairs. In my view, that does not matter. I am a little intrigued that, in his letter to Mr Gerard clearing him of any further action in his personal affairs, the Commissioner of Taxation did not include an addendum that there were still some outstanding matters in terms of his corporate affairs. I would have liked to have had a yarn to the commissioner about his views on the ability to differentiate between the two, because Mr Gerard’s corporate interest in a firm in which he has a substantial controlling power is relevant to these issues.

So, in question time today, we will be giving the Treasurer the opportunity to clarify those points and, more particularly—

The DEPUTY SPEAKER—It is my guess that you are speaking to part (3) of your amendment, ‘failure to clarify in this bill how the personal tax affairs of a taxpayer will be linked to the tax affairs of a company with which the taxpayer is associated’.

Mr FITZGIBBON—that is right, Mr Deputy Speaker. Very specifically we will be asking the Treasurer to answer the question he has been avoiding all week, and that is: who is telling the porky—Mr Gerard or the Treasurer? I seek leave to table the letter from Senator David Johnston and his 20 colleagues.
Leave granted.

The DEPUTY SPEAKER—Is the amendment seconded?

Ms George—I second the amendment and reserve my right to speak.

Mr RANDALL (Canning) (1.33 pm)—I am pleased to speak on the Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 2) 2005. At the outset, I say that I totally concur with the member for Hunter’s sentiments on the bill itself, rather than with some of the subsequent comments. I very much concur with the fact that he has identified that many of the people caught up in these arrangements were of an honest, hardworking nature but were led into arrangements by people who made a lot of money themselves and who now seem somewhat absolved of the malaise they have cast over the people induced into the arrangements. However, the people who went into the arrangements believed they were doing so legally and, as a result, have been caught and absolutely smashed by the Australian Taxation Office. I will be referring to this issue later in my speech.

The ROSA bill, as it is commonly called—review of self-assessment—is a bill that is very much needed because of the maladministration of the tax office under Mr Carmody. The ROSA bill was necessitated by the people the member for Hunter referred to—people who believed they had sound advice from financial agents and national accounting companies and who eventually involved themselves in what they believed was a proper function of tax minimisation. For those who do not think that tax minimisation is legitimate, let me just point out that everybody is entitled to try to reduce the amount of tax they pay as long as it is legal. If these people thought they were doing something legal, good luck to them—if it was legal, good luck to them—but do not change the rules on them on the way through so that they did something they believed was legal on the best possible advice but were subsequently absolutely crucified.

Even before my election as the member for Canning, I was approached by people caught up in arrangements and schemes for assistance in their fight against the Australian Taxation Office. Since I have been the member, I have been fighting this issue, as many of my colleagues will know—and the Australian Labor Party seems to know now—and I have no shame in being a signatory to Senator Johnston’s letter to the Treasurer asking for a fairer deal for people who were caught up. A significant number of coalition members and senators share the same sentiment, and I thank them for their support in this fight. The fact is that the seat of Canning had been held by the Labor Party for 15 of the previous 18 years, and I think that the constituents wanted somebody who would get their hands dirty and get stuck into the issues they were facing. We are the people who represent the connection between huge bureaucracies funded by the government, like the Australian Taxation Office, and them. If they cannot get help, where do they go? If the tax office will not help them, it is people like us, as representatives of this House, who are obliged to give whatever assistance we can. That is our job.

One of the big issues affecting the constituents, not only in my electorate but in Western Australia generally and elsewhere, has been the ATO’s practice of changing its position on taxation matters and the retrospectivity in applying that changed view to taxpayers who mistakenly thought the ATO could be relied on. As I said, this is one of Mr Carmody’s sad legacies. His legacy will be the punitive use of his office against the mum and dad businesspeople of Australia. Everybody thinks he was great in collecting a record amount of money, but anyone could
have done that, given the current climate. His legacy will be that he has persecuted a lot of small taxpayers.

I recognise that the way this matter was handled could have had a major impact on the election result in areas of Western Australia. For example, the member for Kalgoorlie invited the Prime Minister to his electorate to visit victims of the mass-marketed tax investment schemes disaster. As a result of visiting the Kalgoorlie electorate, the Prime Minister initiated measures to introduce the office of the Inspector-General of Taxation as a taxpayer advocate and an independent adviser to the minister on systemic problems within the ATO.

Sadly, in a recent meeting with the Inspector-General of Taxation I received first-hand confirmation that the commissioner had largely ignored the recommendations and agreements made after the IGT inquiry into the consistency of the commissioner’s actions in these disputes. In fact, it appears that the Inspector-General of Taxation had been stood over by the Commissioner of Taxation, Mr Carmody, and quietened. I know that those at senior levels of government have also spoken to the IGT about his speaking out publicly when he appeared to be in conflict with the Commissioner of Taxation. I find it quite disturbing that he should be stood over in such a manner. As the IGT was unable to resolve the matter, it became even more important that, as elected representatives, we continued our efforts to bring this matter to a conclusion.

The impact of the ATO altering its position is much more serious than just a massive tax bill. In most of the cases, the retrospective application of the commissioner’s change in view affects arrangements that these taxpayers have made for their retirement and superannuation or their ability to continue in business. The impact has been so significant that in many cases the taxpayers have committed suicide, lost their family home or lost their business. I saw this first-hand the other day, and there are people meeting in this House today whose husbands have committed suicide as a result of these assessments. I have therefore done my best to help the constituents see their way through this very personal trauma. Very early in the piece I recognised that at the centre of these disputes there was clear evidence that the ATO accepted these arrangements and in fact gave numerous advices and opinions confirming the validity of the arrangements, as self-assessment allows.

It was only when these arrangements became popular and, in the ATO’s view, adversely impacted on revenue that the ATO decided to change its position. This is something I do not understand: either the tax law allows these arrangements or it does not. It is not the Commissioner of Taxation’s duty to decide what is or is not allowable because of revenue considerations. That is the duty of the legislators of this parliament. Perhaps that is why we should be bringing these measures back to the parliament, so that we can have a say, rather than the Commissioner of Taxation going off on his own jaunt.

One of the categories of these arrangements that the ATO originally classified as mass marketed but subsequently excluded so as to avoid the settlement recommended by the Senate inquiry into mass marketed arrangements is employee benefit arrangements. In these cases, the ATO issued over 60 favourable opinions, only to alter this position years after they had acted. It is also important to recognise that the Commissioner of Taxation administers the tax law by administrative practice—that is, if every taxpayer sought a private binding ruling on every transaction or arrangement, the commissioner would be overwhelmed and unable to respond and do his job. Consequently,
most matters are dealt with by broad rulings or practices in the form of verbal advice or general acceptance over periods of time by the ATO. In many cases, taxpayers do not have any option but to follow the administrative practice. As the use of an administrative practice is for the convenience of the Commissioner of Taxation and not the taxpayer, it is even more reprehensible for the commissioner to change position and then inflict the cost of the change on the taxpayer. Because of that, for the last five years, along with many of my colleagues, I have maintained an absolute determination to rectify this great injustice that has been perpetrated on Australian taxpayers.

The tax dispute over employee benefit arrangements has occupied an enormous amount of the time and energy of members of this House, trying to get the ATO to see sense and acknowledge its own substantial contribution to this debacle. During that time, the Taxation Office has maintained its belligerent view that taxpayers with employee benefit arrangements were nothing other than tax cheats—as the member for Hunter has outlined—and deserved the treatment they were receiving. That treatment included being issued with three assessments for the one deduction—a neat trick that the commissioner justifies by stating that his office does not know which assessment is correct and therefore all possibilities must be covered. This approach by the commissioner begs the question: if the commissioner does not know then how is the taxpayer expected to know?

As I said earlier, although originally included as a mass marketed arrangement, the commissioner subsequently excluded employee benefit arrangements from the mass marketed settlement and continued to impose penalties of 40 to 50 per cent, with interest at a rate of 13.72 per cent. Because of this approach, taxpayers could not pay or settle with the ATO, the dispute continued and the sorry saga was never settled. Every time taxpayers tried to ask the Taxation Office which bill they should pay, the commissioner said that he did not know—’Just sign this blank piece of paper and when you have signed it I will think about it and tell you which one.’ What sort of accountability is that? Who would sign a blank piece of paper saying that you will pay whatever bill he comes up with?

I am very pleased to announce today, thanks to the intervention of the Assistant Treasurer, Mal Brough, that there has been a breakthrough for EBA taxpayers. The Assistant Treasurer is a hard man with a job that he has to do—that is, to support the collection of revenue in this country and see that there is no risk to revenue. But, unlike previous assistant treasurers and the Treasurer himself, Mal Brough, the Assistant Treasurer, decided he would actually get his hands dirty and meet individual constituents on this issue. And he is doing it today. As we speak, he is in his office meeting more individual taxpayers who are suffering this absolute trauma that the Taxation Office has dragged them through. I have only credit and admiration for him in that he has not hidden behind words and said: ‘We can’t influence the Australian Taxation Office. It is an independent statutory body. There is no way in the world that we should involve ourselves in this’—absolving themselves in such a Pontius Pilate fashion so that they do not have to do their job. Mal Brough is doing his job, not only his statutory job—
the Australian tax office. I commend and congratulate him, and I wish that the previous speakers had done the same.

Although I am unable to go into specific detail, it appears that all EBA taxpayers will be able to settle their disputes by paying one taxing point instead of three. In the last few weeks, the tax office finally announced the new arrangement that there will only be one taxing point, not two or three as imposed by the assessments. Instead of there being 40 to 50 per cent penalties, it will be a five per cent penalty. Instead of being more than 13 per cent, the general interest charge will be 4.72 per cent for the entire period across the board. That is a huge breakthrough, which could and should have been done years ago. Now people can finally settle.

It has always been my view that these taxpayers should not have paid any penalties or interest. However, in the interests of resolving this impasse and dispute, it seems that this is a reasonable compromise to bring to an end a very sorry episode in our tax administration. I would add, however, that had the ATO been prepared to make these concessions several years ago, when the position was first changed, the interest that is now payable would not have accrued. It has been the commissioner’s steadfast refusal to discuss the matter or act reasonably that has imposed these additional interest costs upon these taxpayers.

I commend the Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 2) 2005, as I said at the beginning, which in the future will prevent the commissioner from imposing a penalty or interest when an administrative practice is altered—but more on that later. As I said, I support this bill, but it does not help the people that helped generate this bill—the people that were caught up by these arrangements before; it is helping people prospectively. In the immediate future, I trust that the minister will allow me to continue to work to assist him in convincing the new management of the ATO to bring outstanding mass marketing disputes, as well as retirement village and securities lending arrangements, to a close in a similar manner.

In many ways, pushing this issue towards a fair and equitable conclusion has placed me in a position of conflict with many of my colleagues, but that has not been my aim; it is just a product of the fight. When examined closely, the issues are not all that complicated. The seemingly endless stream of whitewash and self-justification put out by the ATO has cloaked this dispute in so much legalese that few MPs could get to the core of it, and that has probably contributed to the differences of opinion. After all, surely we should be able to rely on the considered views of the ATO. However, as far as these disputes are concerned, my experience is that we cannot, and that is a problem that I am going to continue to pursue with vigour.

I mentioned earlier that I had more to say about the ATO’s practice of reversing bad decisions and then blaming everyone but itself. After reviewing the self-assessment system, Treasury recommended that when the ATO alters an administrative practice it should only be applied prospectively. I do not believe that anybody would argue that is not a fair and equitable approach by an administrative office. In accepting Treasury’s recommendations in full, the Treasurer—on behalf of the Howard government, Treasury and the ATO—acknowledged that the fair and reasonable approach is to apply these changes prospectively. However, for the last five years that is exactly what the ATO has refused to do. Is it only fair and equitable in the future but not in the past?

I am not slow in taking our public administration to task when it gets it wrong. The ATO in particular has almost unlimited legal
and technical resources, and because of that we should require that it accepts the financial consequences of getting it wrong, not use discretionary powers to transfer those consequences to taxpayers.

The second of the ROSA bills goes part way down that track, although it still needs to be amended to fully implement recommendation 6 of the Treasury’s review of self-assessment. Without this, the bill will perpetuate the problem we have struggled with for five years or so and, in some ways, because it hands the commissioner even more discretionary power, spark new disputes, and the cycle will continue. I urge the government to raise the bar of expectation on the tax administration to stand by its advice and wear the cost of error, as every other entity and individual in this country is required to do. Amending this bill will start that process, so that is something I would like to see.

We live in a world of shifting values, but it is our duty in public office to be consistent. Fairness and equity should not be an option for either government or is instrumentalities. When it is sidestepped to protect incompetence, government is obliged to step in.

Finally, I feel compelled to comment about what I see as a common misconception among commentators about the leadership at the ATO. We have experienced a dramatic shift in the size of revenue over the past several years. Repeated budget surpluses have been applied wisely to reduce our public debt and insure our economy against future difficulties, and tax receipts are at an all-time high.

This growth in revenue is the result of the policies of the Howard government and its management of the economy. Company tax revenues are high and still accelerating because the government has developed the economic climate to encourage that. Our health and wealth are the results of good government by elected representatives and not a result attributable to the efforts of the tax commissioner. Frankly, a drover’s dog could have collected the revenue under the same conditions, and I suspect that an administration in which taxpayers had confidence that advice was reliable would have collected even more and without disputes in an atmosphere of conflict.

I look forward with expectation to a new management at the ATO that is responsive to the concerns of members of parliament instead of dismissive of them. However, I am not that encouraged by the fact that there is a new taxation commissioner coming in the form of Mr D’Ascenzo. I have met with Mr D’Ascenzo in the past, along with Mr Marizza, Mr Fitzpatrick and Mr Konza. Interestingly, at a recent meeting with D’Ascenzo and Konza, I found D’Ascenzo most patronising and dismissive. At this particular meeting, besides me, the members for O’Connor, Indi, Mackellar and Wentworth—a whole lot of members—were discussing it with him, and he had the temerity to say that we as elected representatives did not seem to understand and know what we were talking about.

If that is the way he is going to start his administration of the Australian Taxation Office—putting down the federal members as not knowing or understanding what they are talking about and placing himself on an intellectual plane above us on these matters—I do not have a great deal of faith in his direction. I am told that Mr D’Ascenzo has never worked anywhere but the Australian Taxation Office. As a result, I do not know that he has ever really got his hands dirty or has any wide experience in any other area. If he continues as a sneering apologist for Mr Carmody’s style of leadership and administration, I have grave doubts that the Taxation Office will go forward under that sort of administration.
I will give Mr D’Ascenzo the benefit of the doubt and see if he can be his own leader in the Australian Taxation Office rather than following sheep—following Mr Carmody’s lead. That can only be bad for Australian taxpayers given the maladministration that Mr Carmody presided over. The fact that he collected record amounts of money does not mean to say that he administered the Australian tax office well. He was just a man picking up the tab.

I recommend the ROSA bill. It is addressing a need in terms of the maladministration of the Australian Taxation Office. I will be watching its implementation and, as an elected representative, making sure that the Australian Taxation Office does its job, that it does not persecute honest, hardworking taxpayers of this country and that we get the best possible administration out of the office.

Mr HAYES (Werriwa) (1.53 pm)—I welcome the opportunity to contribute to this debate on the change to the Australian tax system through the Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 2) 2005. As we all know, there are only two things certain in life: death and taxes. It is nice to know that it is at least possible for us to have an influence on one of them.

Tax laws have been a big issue for the Treasurer of late. Last week he was trying to reverse his record of continually adding pages to the tax act, announcing plans to cut the tax law by up to 30 per cent. Mind you, the act will still have more pages than it did when he took the job on a decade ago. This week he had a slightly different involvement in tax, when he was trying to avoid the issue of taxation of Liberal Party donors.

Tax laws have regularly troubled this Treasurer and this bill seems to be no exception. I will return to some of the difficulties that the Treasurer is experiencing with the bill a little later, but I would like to make some comments about the changes that the bill will implement. Tax is a big issue for just about every Australian; it is an issue that has got progressively bigger under what has become the highest taxing government in Australian history. No-one likes paying tax, but I suppose most of us understand why we do. What causes taxpayers more concern than having to pay tax is the uncertainty that is created by the powers of the Australian Taxation Office to reopen tax assessments after many years.

When it comes to income tax, Australia has operated a system of self-assessment for nearly two decades now. The process is relatively clear. Income tax returns are submitted and are accepted at face value on the clear understanding that the Australian tax office may seek to verify the accuracy of the return and, if necessary, amend the assessment at some later date. Changes in this bill will give taxpayers a degree of certainty surrounding examination of their returns.

The bill sets out the changing time frames in which the Australian tax office can audit taxpayers. For those with a simple tax arrangement, the period has gone from four years down to two years; for those with a more complex set of arrangements, it has gone from six years down to four years. Accordingly, the level of protection afforded to taxpayers is increased by guaranteeing that, after two years have expired, under normal circumstances, taxpayers will not be subject to audit by the Australian tax commissioner.

The second set of measures introduced in this bill also acts to improve certainty for taxpayers. The area of the Australian tax office public and private rulings has often caused considerable concern and trouble for individual taxpayers as the process of having a ruling made and maintained has become somewhat confused. Under the changes contained in this bill, the tax ruling process will...
undergo a radical change which will allow taxpayers to be certain in the knowledge that they can rely on the formally requested advice of the Australian tax office, including oral advice, and not be subject to penalty at some time in the future for a change in that assessment. The commissioner will also be granted additional powers to determine the time from when a ruling will take effect and is required to specify a time limit for which that ruling will remain in operation. Clearing up the confusion surrounding existing tax processes will be a change to the tax law welcomed by Australian taxpayers, many of whom are guided in their financial affairs by such rulings.

Despite these changes, Labor believes that, when it comes to self-assessment, there are a number of other proposals for implementation of the tax act that have not been addressed either in this bill or as part of the Tax Laws Amendment (Improvements to Self Assessment) Bill (No. 1) 2005. Labor believes that it is not alone in this view. As I understand it, there are a number of members opposite who equally feel concern. The coalition backbench have certainly not been hesitant in expressing their view in this regard. Only yesterday, we heard the contribution from the member for Pearce on the government’s welfare to work proposals, questioning the extent to which cutting someone’s income would help find a job.

Another group of backbenchers, it seems, is equally questioning of the government’s approach. In this case, it is in relation to income tax assessment. It has come to my attention that, after examining the draft of this bill, a group of backbenchers wrote to the Treasurer raising some serious concerns about the bill. The importance of this correspondence with the Treasurer by coalition members and senators lies in the fact that they expressed their concern that the bill does not reasonably reflect the recommendations that prompted the legislation in the first place and that their constituents have pointed out a number of shortcomings in the bill. The document makes an interesting read. In addition to raising some concerns of the backbenchers, it sets out some key areas of concern that senators and members would like to see addressed when it comes to the income tax self-assessment regime.

Coalition members have asked that the following issues be addressed. First, they say that the legislation should more fully reflect—

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.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 pm)—I inform the House that the Minister for Health and Ageing will be absent from question time today due to personal commitments. The Minister for Ageing will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Workplace Relations

Mr BEAZLEY (2.00 pm)—My question is to the Prime Minister. Prime Minister, isn’t it so that, under the extreme industrial relations laws, a person can be sacked on Christmas Eve? Isn’t it so that, if an employee is not sacked on Christmas Eve and works on Christmas Day, there is no guarantee of rates of pay or penalty rates? Is this how the Prime Minister says ‘Merry Christmas’?

Mr HOWARD—Let me say this in reply to the Leader of the Opposition: there are 1.7 million more reasons why Australians will say Merry Christmas this year than the last year you were in government.
Australian Export Awards

Mr FORREST (2.01 pm)—My question is addressed to the Deputy Prime Minister and Minister for Trade. Would the Deputy Prime Minister inform the House of the 2005 Australian Export Awards that will take place tonight? How is the government assisting these successful exporters to remain competitive in international markets?

Mr VAILE—I thank the honourable member for Mallee for his question. Members may be aware that the 42nd annual Australian Export Awards, where the nation recognises the most successful exporters in Australia over the previous 12 months, are on in Sydney tonight. These 12 months have seen a record level of exports reached, with $163.2 billion worth of exports going out of Australia. The award finalists tonight have actually exported $17 billion worth of that total amount.

Mr Tanner—are any of them manufacturers?

Mr VAILE—Some of those finalists are manufacturers. I knew that would excite the front bench on the other side. Some of those finalists are miners, some are agricultural exporters and some are services exporters—obviously. It is interesting to note also that 40 per cent of the entrants in tonight’s awards finals are based in regional Australia. This is a demonstration of the important contribution that is made to the export effort by regional Australia and areas like the electorate of Mallee, which the member represents. Of course, our government has been clearly focused on ensuring that there is the best possible economic environment and foundation in Australia from which these businesses can compete in the global marketplace. That is why they have been successful—through their own initiative and the assistance and support of the government.

But we want to do more. We want to improve that environment more with the workplace relations reforms that we have proposed. It is interesting to note the comments of some of the most successful Australian exporters with regard to what the government is proposing here. John Casella is the managing director of a great wine company that manufactures Yellow Tail wine near Griffith in the electorate of Riverina. The opposition will be interested to note that 26 million cases of Yellow Tail wine have now been sold into the export market across the world. In dollar terms, the brand is the No. 1 foreign brand in the United States. John Casella said: ‘We support the industrial relations reforms because they will provide us with increased flexibility in the workplace, which helps maintain and continue our export initiatives.’ That underpins all the jobs that he provides in his business and those businesses that supply him.

Another finalist tonight is Hastings Food Processing. They are the ninth largest exporter of value added products out of Australia—a manufacturing industry. They happen to be located in one of those great electorates on the mid North Coast of New South Wales. They are one of tonight’s finalists. They have only been going for a while and have increased the employment levels dramatically in that area. They said: ‘The government’s workplace reforms will help Hastings Food Processing remain internationally competitive and enable us to continue to generate jobs in the Hastings region. We want what is best for our staff and the proposed reforms will assist us to make the most of our employees’ individual circumstances.’ There is the testimonial of two great Australian exporters supporting the government’s reform package that is before the Senate at the moment. The coalition government will continue to work with and support the job crea-
tors in this nation. The Labor Party is still hooked onto the job destroyers.

**DISTINGUISHED VISITORS**

The SPEAKER (2.06 pm)—I inform the House that we have present in the gallery this afternoon the Hon. Cruz M Bustamante, Lieutenant Governor of the state of California in the United States of America. On behalf of the House I extend to him a very warm welcome.

Honourable members—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Workplace Relations**

Mr STEPHEN SMITH (2.06 pm)—My question is to the Prime Minister, and it follows on from his refusal to answer the previous question. Isn’t it the case that, under the government’s extreme industrial relations changes, removing unfair dismissal rights from employees in companies of up to 100 employees will mean that nearly four million Australian employees in 98 per cent of workplaces employed by 99 per cent of private employers will not have a remedy for unfair dismissal? Doesn’t this mean that nearly four million Australians can turn up to work every day of the year, including Christmas Day, New Year’s Day, Good Friday and Anzac Day, not knowing if they are going to be sacked, sacked unfairly and sacked without a remedy or a reason?

Mr HOWARD—The answer to the question is manifestly no. This legislation is not extreme. The changes relating to unfair dismissal will result in the generation of tens of thousands of more jobs in small business. That is the reason why the government has made this change. That is the reason why the government intends to alter the job-destroying, unfair dismissal provisions that were first put into this law 12 years ago as a result of a secret deal made during the 1993 election campaign between the then Keating government and the ACTU. They are not some sacrosanct right that has existed since Magna Carta.

Mr Tanner interjecting—

The SPEAKER—Order! The member for Melbourne.

Mr HOWARD—They have acted as a barrier against job creation. That is why we are changing them.

Mr Tanner interjecting—

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

Mr HOWARD—As a result of these changes there will be tens of thousands of more job opportunities particularly for young Australians, and I am very proud of that.

**Economy**

Mr JOHNSON (2.08 pm)—I have a real question for the Treasurer.

Opposition members interjecting—

The SPEAKER—The member for Ryan will come to his question.

Mr JOHNSON—Mr Speaker, I have an important question that my electorate would like to know the answer to. Would the Treasurer inform the people of Ryan and the House of today’s balance of payments and business investment data? What does this data indicate about Australia’s economic outlook?

Mr COSTELLO—I thank the honourable member for Ryan for his question, and I can inform him that the ABS released the balance of payments publication for September 2005 today. The release showed that the current account deficit widened $1.5 billion to $13.5 billion in the September quarter, mainly reflecting an increase in the net income deficit of $1.4 billion, which reflects largely the fact that highly profitable foreign-owned enterprises in Australia remitted earnings back to head offices. The trade deficit

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was largely unchanged, increasing by $70 million. For the quarter the terms of trade rose by 1.8 per cent to be 12.4 per cent higher through the year, and the terms of trade are now at their highest level since the March quarter of 1974. The ABS is revising the national accounts data so it did not publish percentages, but Treasury estimates are that net foreign debt is around 51 per cent of GDP.

In addition to that, private new capital expenditure data was released today, showing that capital expenditure rose 2.9 per cent over the quarter and is 23 per cent higher over the year. Investment in buildings and structures rose 10.1 per cent. Although investment in plant and machinery fell slightly, it is 18.9 per cent higher through the year. So what we see going on here is an incredible business investment surge in Australia. A very big part of that business investment surge will be in the mining industry, and as the terms of trade move in Australia’s favour and as mining companies particularly become more profitable you will get a net income deficit as earnings are remitted back offshore. But the good thing about the increase in investment is that this is setting Australia up for future growth opportunities. We have probably not seen a business investment surge of this dimension in this country for a very long period of time, and it is increasing the capacity of the Australian economy. It is also reweighting growth—which was very strong in consumption and in housing activity over the late 1990s to the early part of the 2000s—back into the business sector and increasing Australia’s capacity. So as the economy rebalances we find new sources of growth. If we manage to come through the housing cycle with the plateauing of prices and the cooling that we have now seen, with investment picking up Australia can continue to grow—one of the longest continuous growth periods in Australian history. If with further reform we can continue that cycle going, there will be more jobs and more opportunities for Australians to enjoy the fruits of that economic growth.

Workplace Relations

Mr STEPHEN SMITH (2.12 pm)—My question is again to the Prime Minister. Isn’t it the case that the Prime Minister will not do anything to sack a tax haven, tax-evading, million-dollar Liberal Party donor mate from the board of the Reserve Bank but he will allow nearly four million Australians to be sacked, sacked unfairly, sacked without a reason and sacked without a remedy?

Mr HOWARD—The answer to the honourable gentleman’s question is no.

East Timor

Mr JULL (2.13 pm)—My question is directed to the Minister for Foreign Affairs. What is the present status of the maritime boundary negotiations with East Timor?

Mr DOWNER—First, can I thank the honourable member for Fadden for his question and for his interest and join with you, Mr Speaker, in welcoming the Lieutenant Governor of California here, because I know that he has an interest in gas and energy and that it is a big issue for California. The final round of negotiations with East Timor over the oil and gas resources in the Timor Sea were completed yesterday evening in Darwin. This was the eighth meeting of our delegations since this phase of the talks began in April 2004. The honourable member for Fadden and other members will be pleased to hear that these negotiations were successful. Officials have now initialled an agreement and exchanged letters on the basis of an agreed text, and I think all members on this side of the House will be very pleased to hear that. The East Timorese Prime Minister, Mari Alkatiri, and the foreign minister, Jose Ramos Horta, have agreed there will be an official signing ceremony—we hope in the
presence of both prime ministers—by mid-January next year.

For obvious reasons, I think members will accept that I do not intend to go into the details of the agreement until it has been formally signed—on the day it is formally signed we will release all the details—but, importantly, this is a good deal for both Australia and East Timor. It safeguards Australia’s sovereign interests and it will provide investors with the certainty needed for large-scale resource projects to go ahead. The arrangements under the 2002 Timor Sea Treaty, which we negotiated, will remain in place. That means East Timor will continue to get its 90 per cent share of the revenues from the production of the joint development area. At current oil prices, revenues from that area alone could deliver around US$14.5 billion to East Timor over the next 20 years, averaging around US$2 million per day.

In conclusion, I am very pleased to say that East Timor has set up a petroleum fund to ensure the prudent management of its petroleum wealth. I know that many members are concerned about the economic plight of East Timor, so they will be pleased to hear that the balance of that fund has already reached $300 million. The fund builds on international best practice for transparency and accountability and it should ensure the sustainable management of East Timor’s resources wealth well into the future.

**Forestry**

**Mr Windsor** (2.16 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. In light of Australia’s burgeoning trade imbalance and noting the $2 billion trade deficit in forestry products, what is the government doing to encourage private investment in timber plantations to support regional processing industries into the future?

**Mr McGauran**—I thank the honourable member for his question. I am a little surprised that he would ask the question, given the widespread knowledge, endorsement and acceptance by industry and rural communities of our 2020 Vision strategy for forestry plantations, which is set to treble the volume of plantation timber over the next 20 years to meet the burgeoning needs of the Indian and Chinese markets. By 2010, China will have a need for 137 million cubic metres of timber. By that time, Australia hopefully will be producing some 37 million cubic metres, of which 10 million cubic metres will be available for export. By the year 2020, India will be the third largest economy after China and America. So India and China are two great opportunities, but we cannot just jump on the bandwagon. We have to tailor our market by way of research and development, promotion and marketing to meet their needs and carve out export opportunities. The government and the forestry industry have been in a long-term partnership. We have a strategy and a vision which we are backing with resources.

**Opposition members interjecting**—

**Mr McGauran**—I am asked by the opposition: what is it? Firstly, they should know about the 2020 Vision, particularly the opposition spokesman who only yesterday addressed the National Association of Forest Industries 20th anniversary conference and committed the opposition to a reversal of its previous environment and timber policies—but more about that another day. In answer to the member for New England and opposition interjections, I am happy to supply a copy of the 2020 Vision strategy to anybody who requests it.

**Housing Affordability**

**Mrs Markus** (2.18 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House how government...
policies have provided the opportunity for Australian families to become home owners? Is the Treasurer aware of any alternative policies?

Mr COSTELLO—I thank the honourable member for Greenway for her question. The government’s economic policies have now delivered an extraordinary period of economic growth in Australia, with 1.7 million new jobs being created since 1996. In addition to that, real household wealth has doubled since March 1996 and the standard variable home loan rate, at around 7.3 per cent, is a far cry from what it was under the Australian Labor Party, when home mortgage interest rates peaked at 17 per cent per annum. In addition to that, the government introduced a First Home Owners Scheme $7,000 grant to help first home buyers, which has now assisted around 760,000 Australians. I repeat: 760,000 Australians have been able to access that first home buyers grant.

I regret to inform the House that all of this could well be under attack from the Australian Labor Party. Apparently, Senator Carr, who is a shadow minister of some form or description in the Labor Party, is today announcing a new housing agenda calling for a redesign of the First Home Owners Scheme. The plan is to deny such a scheme to people who build large houses in the outer suburbs in electorates such as Greenway, Macarthur or La Trobe—the so-called ‘McMansions’. The plan apparently calls for educating families that big houses in the suburbs are bad for the environment. There are a lot of Australians who like having a home in the suburbs. There are a lot of Australians who choose to live in homes in the suburbs because they like having land and backyards, children and room for them to grow—they actually choose it. As I recall, the immediate predecessor of the current Leader of the Opposition believed this ought to be a heartland for the Australian Labor Party.

These people are not only voting with their bankbooks when they go and live in the suburbs; they have been voting in electoral ballots for the party that supports the suburbs and housing in Australia, which are the Liberal and National parties. Fiona Allon, a fellow at the University of Western Sydney, warned against this plan yesterday. She said: Families in bigger outer suburban houses could find a re-education campaign patronising. Can’t you see Senator Carr and the Labor Party calling people in from the suburbs for a re-education campaign as to why they should not be living in the suburbs and shouldn’t be living in these houses—

Ms King interjecting—

The SPEAKER—The member for Ballarat is warned!

Mr COSTELLO—and probably giving them a re-education campaign on how they should be voting and telling them they should be living in terrace houses in inner suburbs and voting for the Australian Labor Party? No doubt that is what the Labor Party has in mind. I think it is pretty clear that the Liberal and National parties represent the aspirational people of the suburbs of Australia. They are entitled to choose their housing and they are entitled to their first home grant, and this is the party that will look after those people.

Mr Robert Gerard

Mr SWAN (2.23 pm)—My question is to the Treasurer, and it relates to the Treasurer’s repeated failure over the course of this parliamentary week to answer a simple and critical question in this place. Did the Treasurer say to Mr Gerard, ‘I know there is an issue with the tax office, but I don’t have a problem with you on the board’? Yes or no?
Mr COSTELLO—I have answered this question over and over again. For the sake of the record, what I said to Mr Gerard was that he would have to provide an undertaking as to his tax affairs before he could be appointed, and he did so.

Workplace Relations

Mr KEENAN (2.24 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister update the House on new evidence which supports the need for further workplace relations reform? Are there any alternative views?

Mr ANDREWS—I thank the member for Stirling for his question. I can indicate to him that, this week, the OECD reaffirmed its support for further workplace relations reform, urging ‘rapid implementation of the planned industrial relations reforms’. Yesterday, the Australian Chamber of Commerce and Industry released a position paper entitled ‘The economic case for workplace relations reform’, in which they said: ‘We cannot afford to be tied down by a workplace relations system that is not responsive to economic circumstances, limits the potential benefits of agreement making, encourages industrial disputes, restricts the employment of many Australians without work and ties too many working Australians to minimum award wages.’

These endorsements in the last day and the last week are in addition to those we have previously seen from the IMF, the Reserve Bank and the Productivity Commission. Indeed, earlier this year Access Economics in its report ‘Locking in or losing prosperity’ predicted that the economy would grow by four per cent per annum rather than by 2.4 per cent if further economic reforms, including industrial relations reform, were implemented and that the GDP per person would be 31 per cent higher. In June this year the Governor of the Reserve Bank argued this: ‘I think industrial relations reform is valuable and it does contribute to higher economic growth, and the reform that’s been undertaken to date, although it has disappointed a lot of people, has I think had a quite profound effect. It’s meant that the economy can run faster without generating inflationary influences, to the extent that used to be the case. So I think there’s undoubtedly value in industrial relations reform.’

So we have the Governor of the Reserve Bank of Australia, the International Monetary Fund, a leading economic research organisation such as Access Economics, the Australian Chamber of Commerce and Industry and the Business Council of Australia arguing the case for further economic reform and, in particular, further reform of the workplace relations system in Australia. The reality is that the only organisation which is out of step with this argument is the Australian Labor Party. We had the Leader of the Opposition saying in April this year: ‘Howard’—this is the Prime Minister—‘now talks about industrial relations. Really that’s puerile; the industrial relations lemon has been squeezed dry.’ We do not support that proposition because, as the OECD, the IMF, Access Economics, the Productivity Commission and the Governor of the Reserve Bank of Australia have all argued, as the Productivity Commission said in a recent report, ‘These reforms could mean an increase in the wealth of ordinary Australian households of up to $22,000.’ That is something worth pursuing.

Mr Robert Gerard

Mr BEAZLEY (2.27 pm)—My question is to the Prime Minister, and is about matters concerning the Reserve Bank. I refer the Prime Minister to today’s Age, in which it is reported: ‘Word has it that Robert Gerard’s appointment to the Reserve Bank board was
more John Howard’s than the Treasurer’s own.’ Is this report accurate?

Mr HOWARD—It was a government appointment and, as the two most senior members of the government, the Treasurer and I, as is customary in the government, were in full agreement.

Iraq

Dr JENSEN (2.28 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House and my electorate of Tangney of the stance of other countries who support democracy in Iraq? Are there any other views?

Mr DOWNER—Firstly, I thank the honourable member for Tangney, and can I say how pleased I am with his question. I also take the opportunity of acknowledging in the public gallery today the 12 members of the Australian Defence Force 1st Military Police Battalion, who provided close personal protection to a number of members of a parliamentary delegation that visited Iraq in October. Their leader is Captain Kurt Black-Sinclair, and we are delighted to see them all here today.

Honourable members—Hear, hear!

Mr DOWNER—Many countries are supporting Iraq as it marches towards democracy—Australia, the United States, Great Britain, Italy, NATO more generally, South Korea, Japan and even Fiji and Mongolia. Middle East countries are increasingly coming on board. Jordan is providing support for its International Police Training Centre, which the Australian Federal Police contribute to. Indeed, democratic processes are gradually at work throughout the Middle East.

President Bush made a speech early this morning our time setting out the United States and their allies’ strategy for victory in Iraq over the insurgents and the terrorists. I commend that speech to honourable members. We want to see victory in Iraq, and we are confident that it will happen. Firstly, the President has identified very clearly who the enemy in Iraq is, and it is very clear who the enemy isn’t. The enemy is not the vast majority of the Iraqi people who want democracy and freedom just as most other people around the world desperately want it. Secondly, what the President shows is what the world can offer to Iraq: democracy, improving capabilities and the effectiveness of security forces, rebuilding infrastructure and helping to reform the economy. President Bush also demonstrated American resolve when he said, ‘As the Iraqi security forces stand up, coalition forces can stand down, but pulling our troops out before they have achieved their purpose is not a plan for victory.’ President Bush also said, ‘America will not run in the face of car bombers and assassins.’ They are words that on this side of the House we can very much endorse.

Are there other alternatives? There are of course our old friends in the Labor Party who have offered an alternative—an alternative of cut and run, which is still the policy that they stick to.

Opposition members interjecting—

Mr DOWNER—The fact is—as the interjections, particularly from left-wing members of the Labor Party make only too clear—we know from the ANU’s Candidate Study, which outlines the responses of 530 candidates who stood in last year’s election, that only 40 per cent of Labor candidates said that the alliance was very important to our security. Within the Labor Party there are substantial elements which harbour a visceral anti-Americanism and, on this side of the House, there is an unequivocal view that we support freedom and democracy in Iraq and we oppose the insurgents and the terrorists.
who are ruthlessly killing the Iraqi people. We are unequivocal in our support—

Mr Stephen Smith interjecting—

The SPEAKER—Order! The member for Perth!

Opposition members interjecting—

Mr DOWNER—and we do not support, like the Labor Party and its lefties who are interjecting now, a policy of cut and run.

Mr EDWARDS (Cowan) (2.33pm)—Mr Speaker, with your indulgence: as deputy leader of the delegation that went to Iraq, and in the absence of the leader of the delegation, I welcome the close protection unit here today and say to them that their presence enhances our parliament.

Honourable members—Hear, hear!

DISTINGUISHED VISITORS

The SPEAKER (2.33 pm)—I inform the House that we have present in the gallery this afternoon members of the 14th delegation from the All-China Youth Federation from the People’s Republic of China 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 the members.

Honourable members—Hear, hear!

The SPEAKER (2.33 pm)—I also inform the House that we have present in the gallery this afternoon His Excellency Mr Pedro Delgado, Argentina’s Ambassador to Australia.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Mr Robert Gerard

Mr SWAN (2.33 pm)—My question is directed to the Treasurer. I refer the Treasurer to Mr Gerard’s statement issued today that states, under the heading ‘The Treasurer’: ‘Mr Gerard was asked to provide, and did provide, a written declaration as to his personal tax affairs.’ Did the Treasurer ask Mr Gerard to provide this declaration and did he only ask Mr Gerard about his personal tax affairs because he knew that Mr Gerard’s business tax affairs would disqualify him from appointment to the Reserve Bank board?

Mr COSTELLO—the second part of the question is absolutely false. The declaration that Mr Gerard was asked to provide to the government was the same declaration that every other member of the Reserve Bank board is asked to give to the government. What is more, it is the same declaration that every other member of the Reserve Bank board who was appointed by the Labor Party was asked to provide. And, as far as I know, it is the same declaration that every High Court judge, every Federal Court judge, every ACCC commissioner, every APRA appointee—

Mr Stephen Smith interjecting—

The SPEAKER—the member for Perth is warned!

Mr COSTELLO—and every Commonwealth appointee is required to provide. Nothing different was done in relation to Mr Gerard than was done in relation to every other Commonwealth appointee, and the suggestion that somehow a form was tailored for him—which is a standard form and which has been used on thousands of occasions—should be completely and utterly repudiated.

Workplace Relations

Mr ANTHONY SMITH (2.35 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House how the government is upholding the right of workers to join or not join unions and is the minister aware of any alternative views?
Mr ANDREWS—I thank the member for Casey for his question and his support for the government’s Work Choices legislation. The Work Choices bill maintains and strengthens the prohibitions against discrimination and dismissal of employees on the grounds of whether or not they are a member of a union. In fact, it also remains unlawful for employers to victimise employees who are not union members. That is clearly set out in the legislation. I was asked about some alternative views and I came across a firm that does not seem to support the engagement and employment of union members. Indeed, in its original prospectus, when it was floated, it boasted: ‘None of our employees is represented by a labour union.’ Its annual return for 1999 boasted: ‘We have never had a work stoppage and none of our employees is represented by a Labor union.’

Indeed I understand the practice of this firm is that it only employs people on individual contracts. The 2000 annual report of this firm is interesting because it says, in part:

We had approximately 690 employees as of December 31, 2000. However, in January 2001, we implemented a restructuring plan that resulted in staff reductions of 172 employees.

They are boasting of having slashed the work force between 31 December 2000 and the beginning of January 2001. The very interesting thing is that this 2000 annual report goes on to state:

Our future success depends, in part, on the continued service of our key management personnel, particularly Evan Thornley, our Chairman and Chief Executive Officer, and Tracey Ellery, our President. Mr. Thornley and Ms. Ellery are husband and wife.

These are the people who boast about not employing union members that the Leader of the Opposition appointed to his Knowledge Nation task force back in the year 2000. This is what the Federal Secretary of the ALP, Mr Tim Gartrell, said about Mr Thornley:

He is a great supporter of the Labor Party.

He said:

The Labor Party has an obligation to weed out any existing duds and replace them with the next generation of leadership, the thinkers, the reformers, the persuaders.

He says that Mr Thornley is:

... an energetic highly intelligent guy who understands industry policy and economics and can argue his case at any forum. They are the sort of people that we need.

I wonder what the member for Scullin thinks about that. This bloke will not employ a unionist in his business. So here we have the modern face of the Labor Party in Australia. One of its up-and-coming stars will not deal with unions, will not employ union members, engages in a mass sacking of staff and prefers individual contracts. This is a man who is practising the very thing that the Labor Party says is exploitative. I assure members of the Labor Party and the other members of the House that we, at least on this side of politics, will stand up for the Australian worker.

Mr Robert Gerard

Mr SWAN (2.40 pm)—My question is to the Treasurer. Is the Treasurer aware of today’s report in the Australian Financial Review that Mr Gerard’s private company, Gerard Corporation, acquired an investment company in the tax haven of the British Virgin Islands eight months after the Treasurer recommended his appointment to the Reserve Bank board? Doesn’t this mean that the Treasurer deliberately turned a blind eye to Mr Gerard’s tax avoidance before his appointment to the Reserve Bank board? Doesn’t this mean that the Treasurer deliberately turned a blind eye to Mr Gerard’s tax avoidance before his appointment to the board and that the Treasurer has done it again since the appointment? Hasn’t the Treasurer turned a blind eye twice?
Mr COSTELLO—Mr Gerard has put out a statement about that allegation in the Australian Financial Review today and I would refer all members to that statement in which he makes it clear that no income has been derived.

Mr Swan interjecting—

The SPEAKER—Order! The member for Lilley has asked his question.

Mr COSTELLO—What is more, if any income is derived in a controlled foreign corporation, it is taxable in Australia. I would refer members opposite, if they are interested in the facts, to Mr Gerard’s statement. No doubt the member for Lilley has read it because he referred to it earlier, but the facts will not stop the member for Lilley trying to engage, under parliamentary privilege, in smearing people. That is a matter for Mr Gerard to answer. He has already made a statement in relation to that and that statement is on the public record.

National Security

Mr VASTA (2.42 pm)—My question is addressed to the Attorney-General. Would the Attorney-General update the House on progress the government is making to protect high-profile economic sites against the possibility of terrorism?

Mr RUDDOCK—I thank the honourable member for Bonner for his question and for his interest in these matters. I think all members would be very concerned about high-profile economic targets in Australia. The fact is that the lessons learned from September 11 in the United States and the more recent attacks in Bali and London only reinforce the very proper view that terrorists deliberately pursue high-profile targets, such as buildings in densely populated areas, with the intent of causing maximum destruction and reduction of economic activity, as well as taking the lives of innocent men, women and children.

Unfortunately, there is no guarantee that a similar attack could not occur here in Australia. ASIO’s most recent annual report warned that attacks in Australia are feasible and could well occur without warning. There are a number of ways in which you can address that issue. The first is to bunker down, turn everything off and turn your cities into fortresses, but that is neither practicable nor desirable. The cost would be prohibitive and it would, of course, destroy much of the amenity that we take for granted here in Australia. Nevertheless, we do need to take every reasonable step available to protect ourselves and that is why we are working very closely with the private sector on national security issues. This close cooperation was demonstrated last week at a summit held in Sydney with Australia’s property industries to look at the unique role that they have and to help them in their role of protecting Australians from potential terrorism involving their iconic buildings.

Together we share a responsibility to maintain the safety and security of all Australians, and that includes protecting people in their workplaces, in shopping centres, sporting venues, iconic buildings, places of entertainment and, more generally, places of mass gathering. I want to express my thanks to the members of the Property Council for their enthusiastic participation. I want to thank Steven Lowy particularly for hosting the summit and for continuing the excellent dialogue that already exists through other mechanisms in dealing with these issues. It was important to bring all of the industry together to talk about these issues. They saw it as being a very valuable opportunity, as did I. The exercise reinforced in my mind the genuine partnership that exists between government and the business community in protecting the Australian community and our critical infrastructure in particular.
Mr Robert Gerard

Mr SWAN (2.45 pm)—My question is directed to the Treasurer. Is the Treasurer aware that the OECD has declared the British Virgin Islands, where Robert Gerard has a company, a tax haven? Does the Treasurer recall saying in a speech to the Insurance Council of Australia on 12 August 2004:

Tax havens undermine the revenue base, tax havens are not fair. And ordinary law-abiding taxpayers are rightfully outraged by the use of offshore tax havens to avoid paying Australian tax. This is why action against tax havens has been one of my top international priorities for many years.

Treasurer, if ‘ordinary law-abiding taxpayers are rightfully outraged by the use of offshore tax havens to avoid paying Australian tax’, why did the Treasurer appoint a serial user of tax havens to the Reserve Bank board?

Mr COSTELLO—Again, the allegations that have been put against Mr Gerard have been fully answered by him in his statement, and I refer members to the statement. Can I say in relation to the OECD that this government has sought tax and information-sharing treaties with all countries around the world, including non-OECD countries. As a consequence of those treaties, the Australian taxation authorities do have the access to the material that they need to enforce two sets of regimes. The first is the controlled foreign corporations regime, and the second is the foreign investment fund regime—both of which mean that income which is derived by Australians in relation to—

Mr Snowdon interjecting—

The SPEAKER—Order! I remind the member for Lingiari that he is on very thin ice.

Mr COSTELLO—the Australian jurisdiction is taxable under that legislation. Information in relation to that is available under tax treaties where Australia has been very active in seeking such assistance.

Transport

Mr RANDALL (2.47 pm)—My question is addressed to the Minister for Transport and Regional Services. Would the minister advise the House how the government is delivering essential funding to Western Australia’s transport network?

Mr TRUSS—The honourable member for Canning and indeed other Western Australian members will be pleased that, at long last, Western Australia has agreed to join the AusLink agreement. It has been a long battle, and there has been a malicious and vicious campaign of at least $200,000 mounted by the Western Australian government against the members for Canning, Forrest and Tangney, against this agreement, but finally the Western Australian government has come to the table and money can start to flow to Western Australia. The member for Canning and his colleagues can feel very proud that they stood firm and, as a result, there will be $170 million worth of Commonwealth money to enable the Peel deviation and Kwinana Freeway extension project to proceed.

Because they were firm, this project will now be constructed as a seamless project to commence in 2006, to be sufficiently complete to allow the opening of the Peel deviation and freeway extension in 2009. This is a good deal for Western Australia. It represents a 90 per cent increase in construction funding from the Commonwealth over the previous five years—a 90 per cent increase—and that means $472 million for construction and $632 million overall for AusLink in Western Australia.

Mr Wilkie—How much for rail?

The SPEAKER—The member for Swan!

Mr TRUSS—Quite a bit for rail; quite a bit, in fact—
Mr Wilkie—Less than one per cent!

The SPEAKER—The member for Swan is warned!

Mr TRUSS—I am happy to report that in fact close to $40 million has been provided for rail projects in Western Australia. The member for Kalgoorlie and the member for O’Connor—

Mr Wilkie interjecting—

The SPEAKER—The member for Swan will remove himself under standing order 94(a).

The member for Swan then left the chamber.

Mr TRUSS—He misses the good news that $40 million is being provided especially for projects in Western Australia for rail, including: the provision of 76 kilometres of concrete sleepers on the track between Kalgoorlie and Perth; a significant upgrading of the rail loop between Kewdale and Kalgoorlie; in addition to that, $11.5 million, which the member for Hasluck will be interested in, with the Roe Highway Great Eastern upgrade; and also of course the improvements to the Daddow Road level crossing in Kewdale. These are issues that will make a big difference to rail transport in Western Australia.

Western Australia has also agreed that talks should be initiated on the future management of the interstate track between Kalgoorlie and Perth. If those talks are successful, along with similar discussions in Queensland, for the first time Australia will have a seamless rail traffic regime from Perth to Brisbane, putting to an end the infamous state border rail barriers that have been a cross for our nation’s transport system for so many years. We are making good progress. Congratulations to the Western Australian members on standing firm and therefore ensuring that we have got a good deal for Western Australia that will deliver significant benefits for rail and road transport in that large state.

Mr Robert Gerard

Mr BEAZLEY (2.51 pm)—My question is to the Treasurer. Is the Treasurer aware that APRA’s fit and proper person test would have disqualified Mr Gerard from being appointed to the board of any Australian bank because, according to this test, he lacks honesty and integrity; he has been subject to criticism by a regulatory body; he has been obstructive, misleading and untruthful in dealing with regulatory bodies; he has demonstrated a lack of willingness to comply with regulatory requirements—

The SPEAKER—The Leader of the Opposition would be aware that a question that is critical of an individual’s character should be put on the Notice Paper. I call on the Leader of the Opposition to rephrase his question.

Mr BEAZLEY—He has been involved in business practices that appear deceitful or otherwise improper. Now that you have been sprung, why have you backed the government’s legislation to make it easier to sack hardworking Australians for no reason but you will not sack him?

The SPEAKER—Either the Leader of the Opposition will rephrase that question or it goes on the Notice Paper.

TREASURER

Censure Motion

Mr BEAZLEY (Brand—Leader of the Opposition) (2.52 pm)—Mr Speaker, I seek leave to move:

That this House censures the Treasurer for:

(1) his endorsement of the establishment of offshore tax havens by Mr Robert Gerard, a major donor to the Liberal Party, for the purpose of evading his legal tax obligations;

(2) his involvement in a conspiracy to conceal the true corporate tax affairs of Mr Gerard.
prior to recommending Cabinet appoint Mr Gerard to the Reserve Bank Board;

(3) his refusal to sack Mr Gerard from the Reserve Bank Board despite the fact that Mr Gerard made ‘false and misleading statements’ to the Australian Taxation Office in an attempt to cover up tax fraud; and

(4) his double standards in refusing to sack Mr Robert Gerard from the Reserve Bank Board for good reason while ramming through legislation that will enable four million Australian workers to be sacked for no reason.

Leave not granted.

Mr BEAZLEY—You are not granting leave to move a censure motion! You gutless wonders! I move:

That so much of the standing and sessional orders be suspended as would prevent the Leader of the Opposition moving that the House censures the Treasurer for:

(1) his endorsement of the establishment of offshore tax havens by Mr Robert Gerard, a major donor to the Liberal Party, for the purpose of evading his legal tax obligations;

(2) his involvement in a conspiracy to conceal the true corporate tax affairs of Mr Gerard prior to recommending Cabinet appoint Mr Gerard to the Reserve Bank Board;

(3) his refusal to sack Mr Gerard from the Reserve Bank Board despite the fact that Mr Gerard made ‘false and misleading statements’ to the Australian Taxation Office in an attempt to cover up tax fraud; and

(4) his double standards in refusing to sack Mr Robert Gerard from the Reserve Bank Board for good reason while ramming through legislation that will enable four million Australian workers to be sacked for no reason.

Mr Speaker and colleagues, what an extraordinary performance from the other side of the House on this! Day in and day out, dealing with this arrogant, out of touch government, we have been pointing this out to the Treasurer and he has been evading, squirming and wriggling in this parliament for the last three days on the matter of this appointment to the Reserve Bank board.

Mr Hockey interjecting—

The SPEAKER—The Minister for Human Services is warned!

Mr BEAZLEY—And what do they do when they get a censure motion moved? It is the only censure motion moved this week—a censure motion on their manifest dereliction of duty—and they do not have the courage to debate it in this place. Their Treasurer does not have the ticker to subject himself to a full censure debate in this place. Let me say why he ought to have a full censure debate. I will tell you what the code of conduct of the Reserve Bank expects of board members. This is why it is serious enough for a censure debate here. The Reserve Bank expects ‘an unparalleled reputation for integrity and propriety in all respects’.

That is an unparalleled reputation for integrity and propriety in all respects. It is not a reputation for being able to skate on thin ice and not a reputation when you have to be defended in this place by the Treasurer for obfuscation, dancing around the point and refusing to answer a simple question, day in and day out. It is not that sort of reputation—that has to be defended by deceit, by conniving and by refusal to confront the facts. It is a reputation that is above board and that requires absolutely no form of justification whatsoever. Whatever issues might be raised ultimately in the settlement, it is a reputation that does not include the Treasurer’s department saying this of Mr Gerard: ‘false and misleading statements to the Australian Taxation Office’.

False and misleading statements are not made by persons of unparalleled reputation for integrity and propriety in all respects, and treasurers of this nation, when making appointments to the Reserve Bank board, are expected to find those things out. What do
we know? We know that the government connived, slipped and slid around the appointment of this massive Liberal Party donor to the Reserve Bank board—an appointment in which they knew they had something to conceal. There are numerous conversations involved in this: at least two. There is the Prime Minister out there urging it. No doubt the Treasurer’s people put that in the papers today, the Treasurer having a half suspicion in the back of his mind that the Prime Minister’s people bear some responsibility for this being a matter of discussion at all.

The Treasurer is out there and Mr Gerard is saying that he had a discussion with the Treasurer, in which he said that to him—Mr Gerard—and the Treasurer has never denied that outright in this place. He has denied it on the ABC. He said no on the ABC when that was presented to him. But he has not denied it in this place. Unfortunately, with the standards of integrity in this place, there is a very specific reason why you would do that. You can actually lie on the ABC, I am sad to say. But if you lie in this place and there is somebody around the place who can prove that you told a lie, then under the Westminster tradition you have committed an immediate, sackable offence and—no questions asked—you are out. So if the Treasurer came into this place and gave the same answer, he would be hostage to an argument about whether or not Mr Gerard had told the truth about the character of those conversations or whether the Treasurer had told the truth about the character of those conversations. And we are invited to draw the conclusion, I believe, that Mr Gerard’s version of those events—insofar as this is concerned—is accurate.

What does that mean, if it is accurate? What it means is simply this: that the Treasurer and Mr Gerard danced around the fact that the Treasurer had knowledge at the back of his mind that for 14 years Mr Gerard’s company had been in dispute with the Taxation Office over the fact that it was using the facilities of an offshore tax haven to avoid paying its fair share of Australian tax. How could they get things in position so that the cabinet could receive a letter that concealed that fact—so that the smoking gun of their impropriety would not have a paper trail that led to the table of the cabinet? The smoking guns may lead elsewhere but under no circumstances must they lead a paper trail directly to the desk of the cabinet! The simple fact of the matter is that whether or not it made it into the cabinet, it had at that time well and truly made it into the heads of the Treasurer and the Prime Minister.

I never expect to be able to quote Terry McCrann favourably in this place but I will do so on this occasion. He has said very clearly what the Treasurer ought to do, and that is to sack Mr Gerard. He said:

Does Costello want to go down as the treasurer who opined that both rich and poor have an equal right to engage in financial transactions through tax havens and spend 14 years fighting the Tax Office when pinged?

Further, how exactly does the treasurer square his defence of Gerard, the person—he had broken no law, he had done what everyone is entitled to do—with the hair-splitting differentiation of Gerard’s personal clearance from the Tax Office.

Mr McCrann says elsewhere in the article:

If he can’t see the difference between somebody who is an outside director of a public company that might have got into a common or garden dispute with the Tax Office, and the boss of a 100 per cent owned family company who personally gets on a plane to fly to Amsterdam and Bermuda to set up a—let’s call it, ‘creative’—financial structure; then I suggest he needs some basic but very serious instruction.

Indeed he does. The Treasurer was in this place yesterday talking about Gerard as though he was in trouble because he was a
director of BHP and BHP was having some struggle at the time with the tax office over an interpretation of the tax arrangements for exploration licences. ‘Oh,’ said the Treasurer, ‘wouldn’t it be so unreasonable to prevent a good and decent soul from serving on the board of the Reserve Bank merely because he was a member of a board of that sort of prominent company which was involved in those sorts of tax engagements or arguments about tax with the Taxation Office at the time?’ Of course that would be unreasonable, but that is not the case.

Gerard or his family owns more than 50 per cent of Gerard Industries. This may be a publicly listed company, but it is a publicly listed company owned by one family—the Gerard family. Far from having the BHP financial director, or whomever, sit down and discuss this with the Taxation Office, Gerard personally flies to the havens and sits down with them to work out the rort. That is what has happened here. If there is the slightest skerrick of moral standard left in this place then Gerard will resign. That is the end of the matter.

What the government are trying to do here is to escape the consequences of that logical position. This is not a complex moral matter. This is not a complex issue about which we have to go up hill and down dale. There is one simple solution here, and that is that Gerard should go. He should not have come. Gerard should not have been put upon the board at that time. The Treasurer—it is obvious by the answers he has been giving here—and the Prime Minister and others engaged in some sort of conspiracy to get Gerard off the hook at that point in time and to get him one of the most prestigious appointments this country has to offer. He is defending it now with obfuscation, hairsplitting, and sheer, naked, unmitigated dishonesty. That is what the Treasurer is defending his actions with. The Australian people who honourably pay their taxes and who are now going to lose all their penalty rates have a case for you to answer, Mr Treasurer. (Time expired)

The SPEAKER—Is the motion seconded?

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

Mr COSTELLO (Higgins—Treasurer) (3.04 pm)—As the Leader of the Opposition warmed to the paucity of evidence he got more and more hysterical. Let us go back to where all of this started. There is a motion which the opposition refuses to release to us—and I call for the motion to be given to me now, before I finish my speech—which makes all sorts of allegations against Mr Gerard. Are any of these allegations proven in a court of law? No. Are any of these allegations proven facts? No. Are any of these allegations supported by the Commissioner of Taxation? No. Are they denied absolutely? Have they been answered by Mr Gerard as recently as today?

Both sides of the parliament are in agreement about one thing. Firstly, Mr Gerard owes no tax. He has fully paid all of his liabilities in their entirety. Both sides of the parliament are in agreement about a few other facts. Secondly, Mr Gerard says there is nothing in his tax affairs which warrants a dispute with the Commissioner of Taxation. Thirdly, the Commissioner of Taxation says that there is nothing in Mr Gerard’s affairs which warrants a dispute with the Commissioner of Taxation.

There are two people who are apprised of all of the material in relation to the tax affairs of Mr Gerard. They are Mr Gerard and the Commissioner of Taxation. They do not include the Leader of the Opposition, the Australian Labor Party, me or the government. In relation to taxation affairs, there are two people—and two people only—who are enti-
tled to the information. I was asked yesterday—and I thought I might be asked about it today—whether anybody in my office contacted the Commissioner of Taxation. I made inquiries overnight about that. The chief of staff did contact the Commissioner of Taxation when the nomination for appointment was around and the commissioner told the chief of staff in my office that the secrecy provisions prevented the commissioner telling him anything, me anything or anybody else anything.

That is the law. It is the law that the Commissioner of Taxation applies in relation to every single taxpayer in this country. If you think about it for a moment, you will want that law to be upheld, because if I could get hold of Mr Gerard’s tax affairs I would be able to get hold of the Leader of the Opposition’s tax affairs, I would be able to get hold of the opposition’s tax affairs and I would be able to get hold of journalists’ tax affairs. The one thing every Australian taxpayer wants is confidentiality in relation to their affairs. It is between them and the commissioner.

So in relation to tax affairs you can do two things: you can ask the person themselves, which was done in accordance with the standard practice, which is applied to every single member of the Reserve Bank—not just Mr Gerard. It applies to Frank Lowy, it applies to Hugh Morgan, it applies to Ken Henry and it applies to the governor. The declaration is the same form. Each one of them makes the application. Does the Treasurer call for a report on Frank Lowy? No. Does the Treasurer approach the commissioner about Hugh Morgan? No. Does the Treasurer appoint the commissioner to report on Ken Henry? No. The Treasurer does the same thing in relation to every single board member—and it was not only the same thing that was done for every board member but the same thing that was done by the Australian Labor Party in every appointment they made. You ask the person themselves to make a declaration in a standard form.

We had the height of ludicrous insinuation today from the member for Lilley, who got up and suggested that somehow this declaration had been carefully tailored to preclude Mr Gerard disclosing matters in relation to his companies. Carefully tailored by whom? Carefully tailored by predecessor governments 10, 20 or 30 years ago. That is who carefully tailored this. It is the same declaration that is made by Reserve Bank board members, High Court judges, Federal Court judges—each and every one of them. The declaration was made in relation to his taxation affairs and the Commissioner of Taxation also sent him a letter about his taxation affairs which he passed to the government.

The Leader of the Opposition says that somewhere in the back of my mind or that of the Prime Minister there was knowledge that Mr Gerard for 14 years had failed to pay tax. Of course there was no such knowledge. Let us go back: if there was knowledge around, if this was widely known through newspapers, why didn’t the opposition raise it? If it was widely known—

Mr Crean—Come on!

Mr COSTELLO—why didn’t you raise it? The opposition did not know it; neither did the government know it; nor is it the case that anybody knew what the tax affairs of Mr Gerard were other than Mr Gerard and the Commissioner of Taxation. Over and over again I have invited the opposition to go back to March 2003 and show, as they now allege, that everybody knew that there was litigation going on between Gerard Industries and the taxation commissioner. Of course they did not.

Mr Crean interjecting—

The SPEAKER—The member for Hotham is warned!
Mr COSTELLO—The member for Hotham did not know it, the opposition did not know it and the government did not know it. As far as Mr Gerard is concerned, these matters were fully settled. He has made a statement in relation to these matters. All taxation was paid. He has not avoided a dollar of taxation and as far as I know the Commissioner of Taxation says precisely the same thing.

Mr Beazley interjecting—

Mr COSTELLO—If the Leader of the Opposition says to the contrary, I invite him to walk outside this parliament, call a press conference and make the allegation outside parliamentary privilege. I call on the Leader of the Opposition to go outside and make every single one of the allegations that he has made in here outside of the parliament. He has 20 steps to courage this afternoon—20 steps outside the parliament to get up on his hind legs and say everything that he said in here about Mr Gerard. It is very easy to come into this parliament and say that somebody has evaded tax or that somebody has engaged in a conspiracy. I invite him to go out, to call a press conference and to say, ‘I am now making the following allegations,’ and invite Mr Gerard to sue him. I invite him to do that, because until such time as he does that he can slur and he can slander—

Mr Danby interjecting—

The SPEAKER—The member for Melbourne Ports is warned!

Mr COSTELLO—but the fact that he slurs and he slanders does not make it fact. The facts are these: Mr Rob Gerard was appointed to the Reserve Bank board because he is a very well known manufacturer in this country. The Reserve Bank board does not have any person with manufacturing experience except for Mr Rob Gerard. Mr Rob Gerard has employed 3,300 people. Mr Rob Gerard was South Australian of the year. He was appointed an officer of the Order of Australia. Mr Rob Gerard was a very well known and respected businessman in South Australia.

Ms Gillard interjecting—

The SPEAKER—The member for Lalor is warned!

Mr COSTELLO—He was the President of the Australian Chamber of Commerce and Industry—

Mr Snowdon interjecting—

The SPEAKER—The member for Lingiari will remove himself under 94(a).

The member for Lingiari then left the chamber.

Mr COSTELLO—and he brings a perspective to that board which no other member of the board brings. In relation to his performance as a member of the Reserve Bank board, he has been a member of the Reserve Bank board for 2½ years. During that period of 2½ years no-one has suggested that he has not discharged his duties. No-one has suggested that Mr Rob Gerard has in any way improperly used his position as a director of the bank. In fact, during those 2½ years most people would say the bank has operated at premium capacity, with a wide range of people who bring experience from farming, from manufacturing and from the financial industries. Mr Gerard has given a valuable service on that board. No-one has suggested that he is incapable of discharging those duties. He is halfway through his term, at 2½ years. He put out a statement today in relation to the allegations that were made yesterday—but not persisted with today, I notice. (Time expired)

Mr SWAN (Lilley) (3.14 pm)—The truth in this matter is gradually coming out. The Treasurer today has been dropped right in it
by Mr Gerard, because in his press statement today headed ‘The Treasurer’ he says:
Mr Gerard was asked to provide, and did provide, a written declaration as to his personal tax affairs.
Mr Gerard has made it explicitly clear that he was instructed to only provide information on his personal tax affairs. He has belled the cat. Who could have asked him to do that, Treasurer? Who would have asked him to have done that? Of course, we do get some idea as to who it may have been—someone very close to the Treasurer.
The other fact that we know, the other truth that has come out in the Australian Financial Review article, is a very clear one that you have not denied and did not deny in this House today. This is Mr Gerard’s statement—we should dwell on this:
I know there’s an issue with the Tax Office but I don’t have a problem with you on the board.
The Treasurer said he knew there was a problem with the Taxation Office but he did not have a problem with him on the board. He did not have a problem with someone who had a big problem with the tax office. He did not have a problem with someone who was using offshore tax havens. He did not have a problem because he has one standard for his mates in the Liberal Party and entirely another standard for ordinary, hard-working Australians—one set of rules for his mates and another set of rules for hard-working Australians.

Treasurer, the scandal and the stench from this affair is going to dog you for the rest of your political life, because this is a sordid, crooked, scandalous affair that goes to the heart of your integrity as Treasurer and to your suitability for high office.

The SPEAKER—Order! The member for Lilley should not use the word ‘you’ in the particular.

Mr SWAN—It goes to the heart of the Treasurer’s suitability for high office. It is exhibit A as to why this Treasurer should not lead this country. When you look at the number of backbenchers who were in here listening to the Treasurer, you will see they share our view. There was not even a Tarago van full of backbench Liberal MPs in this House when the Treasurer was attempting to defend himself. So the stench around this will not go away, Treasurer. The stench will not go away until Robert Gerard resigns from the RBA board. He must resign from the RBA board to maintain the good name of the Reserve Bank. He must resign and you must request him to resign. The Treasurer must show some leadership and request Mr Gerard to resign from the Reserve Bank board.

We have had Henry Bosch call for his resignation in the last couple of hours. He said this: ‘What has occurred is damaging to the reputation of the Reserve Bank board.’ He knows what role you have played, Treasurer. No amount of slippery lawyer talk—slippery, sneaky, barrister talk—is going to dig you out of this hole, Treasurer; no amount of it at all. You have had not one harsh word to say about Mr Gerard. He is clearly inappropriate to be appointed to the Reserve Bank board.

You are a Treasurer—

The SPEAKER—Order! The member for Lilley, again, will not use ‘you’.

Mr SWAN—The Treasurer is so hard on working Australians but so soft on his privileged mates in the Liberal Party. We on this side of the House know that you are unfit for leadership, Mr Treasurer. We know it, but they know it over there and you can see it by the looks on their faces. You can see it in the cringing that has been occurring during question time all this week. And, Treasurer, in the living rooms of Australia they know that you are sneaky, that your judgment is poor, and that you are prepared to protect your mates at their expense. They know all of those things.
And, Treasurer, there is one thing we all know in this House. We can tell by the look on your face that you can hear the clock ticking and you are going nowhere.

The SPEAKER—Order! The member for Lilley.

Mr SWAN—Absolutely nowhere. And that is why we should have had a full censure motion in this House today. You treat your responsibilities so lightly and the people of Australia with so much contempt that you deserve to be censured. *(Time expired)*

Question put:
That the motion *(Mr Beazley’s)* be agreed to.

The House divided. *[3.24 pm]*

(The Speaker—Hon. David Hawker)

**AYES**

- Adams, D.G.H.
- Beazley, K.C.
- Bevis, A.R.
- Bird, S.
- Bowen, C.
- Burke, A.E.
- Burke, A.S.
- Byrne, A.M.
- Corcoran, A.K.
- Crean, S.F.
- Danby, M. *
- Edwards, G.J.
- Ellis, A.L.
- Emerson, C.A.
- Ellis, K.
- Ferguson, L.D.T.
- Ferguson, M.J.
- Fitzgibbon, J.A.
- Garrett, P.
- Georgaras, S.
- Gillard, J.E.
- Gibbons, S.W.
- Griffin, A.P.
- Grieser, S.J.
- Hatton, M.J.
- Hall, J.G. *
- Hoare, K.J.
- Hayes, C.P.
- Jenkins, H.A.
- Irwin, J.
- King, C.F.
- Kerr, D.J.C.
- Lawrence, C.M.
- Livermore, K.F.
- Macklin, J.L.
- McChliss, R.B.
- McMullan, R.F.
- Melham, D.
- Murphy, J.P.
- O’Connor, B.P.
- Owens, J.
- O’Connor, G.M.
- Price, L.R.S.
- Pilcher, T.
- Plibersek, T.
- Quick, H.V.
- Ripoll, B.F.
- Roxon, N.L.
- Rudd, K.M.
- Sawford, R.W.
- Sercombe, R.C.G.

**NOES**

- Anderson, J.D.
- Andrews, K.J.
- Bailey, F.E.
- Baird, B.G.
- Baker, M.
- Baldwin, R.C.
- Barresi, P.A.
- Bartlett, K.J.
- Billson, B.F.
- Bishop, B.K.
- Bishop, J.I.
- Broadbent, R.
- Brough, M.T.
- Cadman, A.G.
- Causley, I.R.
- Costello, P.H.
- Cobb, J.K.
- Draper, P.
- Downer, A.J.G.
- Entsch, W.G.
- Elson, K.S.
- Fawcett, D.
- Farmer, P.F.
- Forrest, J.A. *
- Ferguson, M.D.
- Gash, J.
- Gambaro, T.
- Haase, B.W.
- Georgiou, P.
- Hartsuyker, L.
- Hardgrave, G.D.
- Hockey, J.B.
- Henry, S.
- Hull, K.E.
- Howard, J.W.
- Jensen, D.
- Hunt, G.A.
- Jul, D.F.
- Johnson, M.A.
- Kelly, D.M.
- Keenan, M.
- Kelly, J.M.
- Laming, A.
- Ley, S.P.
- Lindsay, P.J.
- Lloyd, J.E.
- Macfarlane, I.E.
- Markus, L.
- May, M.A.
- McArthur, S. *
- McGeough, P.A.
- Moylan, J.E.
- McGeough, P.A.
- Nelson, B.J.
- Neville, P.C.
- Panopoulos, S.
- Pearce, C.J.
- Prosser, G.D.
- Pyne, C.
- Randall, D.J.
- Richardson, K.
- Robbins, A.
- Ruddock, P.M.
- Schultz, A.
- Scott, B.C.
- Secker, P.D.
- Somlyay, A.M.
- Smith, A.D.H.
- Somlyay, A.M.
- Stone, S.N.
- Thompson, C.P.
- Ticehurst, K.V.
- Tollner, D.W.
- Truss, W.E.
- Tuckey, C.W.
- Turnbull, M.
- Vale, D.S.
- Vasta, R.
- Wakelin, B.H.
- Washer, M.J.
- Wood, J.

* denotes teller

Question negatived.

Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper.
QUESTIONS TO THE SPEAKER
Oath or Affirmation of Allegiance
Mr TUCKEY (3.29 pm)—Mr Speaker, is it a fact that the only difference between the wording of the oath of allegiance and the affirmation of allegiance, as required in this place, is the exclusion of any reference to God in the affirmation declaration? To what extent is the affirmation utilised during the allegiance ceremony? Is there a record of persons who choose to disassociate themselves from God in this fashion arguing a case for special treatment in IR legislation for those days in our calendar that recognise the birth and death of the Son of God?

The SPEAKER—I thank the member for O’Connor. There were a number of questions there. I believe the first question was probably correct in its assumptions. On the other points, as far as the records of the House can be utilised, I will make further inquiries and report back as appropriate.

Government Responses
Mrs IRWIN (3.30 pm)—Mr Speaker, my question relates to the practice of the Speaker presenting a schedule listing government responses to House of Representatives and joint committee reports. Page 689 of House of Representatives Practice states that Speakers have followed the practice of presenting that schedule to the House at approximately six-monthly intervals. And:

Subsequently the Leader of the House presents a list of parliamentary committee reports showing the stage reached with the government response in each case.

As I am interested in the government’s response to the report of the Standing Committee on Family and Community Services Roads to recovery, an inquiry which began in March 2000 and the report to which was tabled on 8 September 2003, I ask if you can give any indication of when your next schedule listing government responses will be tabled.

The SPEAKER—I thank the member for Fowler. I will follow that matter up, and I am sure we will be able to report shortly.

Standing Orders
Mr McMULLAN (3.31 pm)—Mr Speaker, I ask you to report to the House on circumstances arising from the ruling you made with regard to the Leader of the Opposition’s last question, where he raised queries about the fitness for office of a person who had been appointed to the Reserve Bank board. The effect of your ruling, literally applied, would be that it is impossible in this House to ask a question about the fitness for office of people appointed by a minister other than in the most general terms. It would mean that, if one had information of criminality or impropriety by an appointee, one could not ask a minister why that person had been appointed. I understand the difficulty under the standing orders, and I am not reflecting on that—although I do not agree with the interpretation you made, I do know it is a difficult matter—but I would ask you to report to the House on how we might pursue such matters and still be consistent with the ruling or otherwise to reconsider the ruling.

The SPEAKER—I thank the member for Fraser. As he would be aware, standing order 100 states:

(c) For questions regarding persons:

(ii) questions critical of the character or conduct of other persons must be in writing.

The member would be aware that an earlier question along similar lines did not name an individual and that accordingly the question was allowed to stand. The question that he is referring to was critical of an individual. Accordingly, I ruled either that the question go on the Notice Paper, as the standing orders specify, or—and I gave the Leader of the
Standing Orders

Mr McMULLAN (3.34 pm)—Mr Speaker, with due respect, the implication of that is that if Ned Kelly were appointed to the police board you could not ask a question about whether it was proper or not. I have to say that is an inappropriate interpretation of the standing orders and I ask you to consider how we can, consistent with the standing orders, maintain accountability such that when a minister makes a singularly inappropriate appointment it can be pursued in this House. You cannot ask a minister, ‘Did you appoint somebody who was inappropriate?’ You have to be able to refer to the person in question; otherwise, you cannot hold ministers accountable in this place. I ask you to consider that. I appreciate that it is difficult, because I do know what the standing order says, but if it is interpreted in the way you have then we have lost a significant accountability mechanism for which this parliament was created. I ask you to reconsider.

The SPEAKER—I thank the member for Fraser. I think I did give him a full answer to his question, but I will make two further points. Firstly, on the question of accountability, as I made clear, when a person is named in a critical way the question can be placed on the Notice Paper. Secondly, if he believes the standing orders should be changed, then I would urge him to take the matter up with the Procedure Committee. But, while the standing orders are as they stand, it is the duty of the occupant of the chair to interpret them accordingly. As I said in my first answer, there was a question asked earlier today in the same vein which was acceptable because it did not name an individual.

AUDITOR-GENERAL’S REPORTS

Report No. 19 of 2005-06

The SPEAKER—I present the Auditor-General’s Audit report No. 19 of 2005-06, Performance audit, entitled Managing for quarantine effectiveness—Follow-up: Department of Agriculture, Fisheries and Forestry—Biosecurity Australia.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.36 pm)—Documents are tabled in accordance with the list circulated to honourable members earlier today. Details of the documents will be recorded in the Votes and Proceedings. I present a document on the following subject, being a petition which is not in accordance with the standing and sessional orders of the House:

Relating to the government’s anti-terrorist laws—from the member for Grayndler—655 Petitioners.

MATTERS OF PUBLIC IMPORTANCE

Howard Government: Leadership

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

The need for the Government to govern for all Australians not just a privileged few.

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

More than the number of members required by the standing orders having risen in their places—
Mr BEAZLEY (Brand—Leader of the Opposition) (3.37 pm)—I thank the House. Before I begin, Mr Speaker, I think I ought to assist you with the member for O’Connor’s question a bit earlier on. I think he was suggesting to you, Mr Speaker, that unless you were a Christian you did not have a good reason to have Christmas Day off. The logical implication of that in the mind of the member for O’Connor would be that employers in future should not employ Christians—but we will see what he has to say.

This week Australians have seen the truest of this government’s colours: out of touch, out of control and downright disgusting. They are disgusting when you see the Prime Minister and the Treasurer smirking their way through the question times of the last two or three days, laughing up their sleeves: ‘We’ve appointed our mate, that big Liberal Party donor, to the board of the Reserve Bank. We’ve got away with it, and we’re just two little suburban solicitors! And we’re going to sit around here parsing each answer, making absolutely certain that we slip and slide around everything that the opposition present to us. At the end of the day we can shut them down when they try a censure motion on us— get rid of that, shut that down—and we’ll go on in our own sweet way as though this doesn’t matter, because we are all that matters. We are the high and mighty. We are the people with the right to rule. We can do anything we like to Australians, whether we tell them we’re going to do it during an election campaign or not, because they’ve voted for us and they’ve given us a majority in the Senate.’ They are out of touch, they are out of control and they are downright disgusting—a Treasurer not fit to lead and a Prime Minister with power gone to his head. They are two men with a common trait—sheer arrogance. They are two men saying to Australians, ‘You carry the load; we’ll reap the rewards.’

This MPI is about standards; in fact, it is about double standards. Let us recap on the week and the double standards that the Liberals have set us as they reward their mates and punish ordinary Australians. These are the standards set by this decaying government. Tax evasion? That is okay provided it is a mate who does it. Tax havens overseas? Not a problem, provided of course that it is one of our mates who is engaged in it. Owning the tax office $150 million? No big deal. Why? Because, according to the Treasurer, we are all entitled to contest a tax ruling and then find ourselves on the Reserve Bank board, provided of course we can get over that initial hurdle: a $1.1 million donation to the Liberal Party. If you jump that hurdle, it is not so bad. I was out with a group of firefighters this morning, the firefighters here in Canberra. They are always having $100 million, 14-year tax battles with the tax office! They said to me this morning they were quite relieved: they planned to fly their accountants back from the Bahamas to direct them in AWA negotiations in the future! So it should all work out quite well for the firefighters of Canberra, well-known users of that common provision in the taxation arrangements of this nation—the tax haven for your average Lib!

Add to this that it is just fine and dandy to work seven days out of 11, as Mr Gerard did—no problems at all. He is the worst attendee on the Reserve Bank board. When you are appointed to the Reserve Bank board—and I am not sure all Australians would know this but those of us who have been in government do appreciate this—you are appointed to probably the most important official position in this country outside the cabinet and the parliament. It is an extraordinary privilege to be there, and all of those who have gone there—be they millionaires, trade union officials, academics or whatever—have regarded it as a tremendous privilege and have put in the work. Even
Frank Lowy, who is a far busier businessman, with many more overseas interests than just simply tax havens in the Bahamas, attends more than Mr Gerard. Even Frank lowy attends more than Mr Gerard, with vastly more overseas business interests than Mr Gerard has. So no problems at all if you attend seven days out of 11! So tax evasion and bludging is okay by the Prime Minister and the Treasurer; tax evasion and bludging is okay according to our leaders. Fair dinkum! Why don’t they apply their IR laws to Mr Gerard? He would not last five minutes. But, no, so upset are they with Mr Gerard’s behaviour that he is rewarded with appointment to the Reserve Bank board, our most important financial board, and they say he is exactly the right sort of person for the board! If I were a current RBA board member, I would consider defamation action against the Treasurer. I would not be at all thrilled with having my qualities compared to those of Mr Gerard’s.

What standards are they applying to the rest of Australia? Are they applying these same standards? Not on your nelly! The standards for the rest of Australia are these, as we found last night. Australians’ rights to overtime—gone. Australians’ rights to collective bargaining—gone. Australians’ rights to access to a no disadvantage test—gone. Penalty rates on public holidays—gone. And the list of shame goes on and on. There is only one conclusion that we can draw: these Liberals do not govern for Australia; they govern for themselves and their mates. They will not protect overtime, but they will protect their own. Liberal Party mates get perks; hard-working Australians get shafted. They reward tax evading in the Virgin Islands, but they will not pay penalty rates on Christmas Day.

The subject of Christmas Day shows how far gone this government truly is. I ask the parliament and the country to stop for a moment and consider this: Australia in 2005 has actually had a public debate on the question of whether Christmas Day and Easter should be protected. I thought we were a modern, prosperous country. I thought we had core Australian values. But even harder to believe is that this government actually argued against the protection of Christmas Day and still argues against penalty rates. Let us be absolutely clear on the so-called protection of Christmas Day because I do not think it has been fully understood out in the community. I have to congratulate the Prime Minister on one thing: he had a total win in the Liberal party room last night. Absolutely nothing changed on the industrial relations legislation. He absolutely got his way with that weak-kneed, time-serving pack of preference place seekers that now constitute the modern Liberal Party.

You can have Christmas Day protected, provided you have a reason. You have to give your employer a reason if you choose not to work on Christmas Day. I think we got a bit of a hint as to the reason for that yesterday from the honourable member for O’Connor, if he is right. I cannot think of any other reason for that spasm he had, other than the fact that there was a full moon yesterday! I think he was trying to say the only reason you can have for not working on Christmas Day is that you are absolutely a believer and a churchgoer and, from this point on, that no Jews can have Christmas day off, no Muslims can have Christmas Day off, no agnostics can have Christmas Day off and no atheists can have Christmas Day off. If you apply to this the logic of what the government tells us about maternity rights—if you give maternity rights to women, nobody will want to employ them—it would mean that, if you happen to be a Christian and want Christmas Day off, you do not get employed. There is no hope for Christians
from this point on—that is the logic of the government’s position. What a hide, what a cheek, for a government to say to its fellow Australians that, in this era, they have to give their employer a reason for refusing to work on Christmas Day and without penalty rates! It is disgraceful!

The Treasurer waxed eloquent during question time about people living in the Western Suburbs of Sydney. Unlike him, I know a fair bit about people living in the Western Suburbs of Sydney. Unlike him, I know a fair bit about people living in the outer suburbs of all our capital cities. They are the most aspirational, but struggling, Australians in our country. They are struggling to pay their mortgages. The government exploited that in the last election campaign by not telling the truth about what would happen to interest rates if the Labor Party were elected.

If interest rates rise, you have a struggle with your mortgage. If you lose your penalty rates, you have an even bigger struggle with your mortgage. The firefighters whom I met before we came into the parliament to debate these matters earn 30 per cent of their income in penalty rates. Go to any household in Greenway or Macarthur and sit down with them and have a chat about what happens with their income in relation to their mortgages and what role penalty rates play. Basically, people in the Western Suburbs of Sydney pay their extraordinary mortgages via three mechanisms: (1) both breadwinners work—and that imposes particular difficulties, especially on unprotected Christmas Day, holidays and weekends; (2) the principal breadwinner will probably hold two jobs; and (3) the principal breadwinner will be working extensive amounts of overtime in one of those two jobs. That is how a person on average earnings in this country pays a $350,000 to $400,000 mortgage these days.

Even with those three things in application, it is very finely balanced. If you take a look at the figures on indebtedness per household and the trend lines over the last decade, you will notice a very interesting thing: levels of household indebtedness have risen dramatically over the last 10 years. That is why the government’s deceitful campaign on interest rates at the last election was so successful. That is why you will have an awful lot to answer for at the next election to those people whom you are about to whack out of the system of penalty rates and overtime. If you think $30 or $40 a week extra on interest rates means something to them—and that was deceitful—think of what it is going to be like when you are talking about $100-plus, because you will be. And we will be. We will deal with you in the next election campaign on these matters as we point out to people in this country your double standards—how ‘fly’ you are with their conditions, how deceitful and dishonest you are with their conditions.

Mr Pearce—Can’t wait for that!

Mr BEAZLEY—And we can’t wait for you, sport! Your seat is exactly the sort of seat that has high-aspirational tradesmen earning substantial additional amounts in penalty rates and overtime. You will have a deal of explaining to do, member for Aston, when you confront those people on the doorstep at the next election. You might have been happy with your 63 per cent last time but, let me tell you, the minister for industrial relations had 63 per cent before he confronted the electors of Western Australia at the election before last and he was mauled miserably. He no longer has a future in Australian politics. He went out the back door, despite the fact that Western Australia had terrific growth rates at the time.

I will conclude where I began. We have seen a disgusting display of double standards
all week. We have seen a disgusting devotion to the mates of this government, the people who give them dough and then get appointed to the most respectable institutions in this country. We have seen disgusting double standards on that, while at the same time they have introduced a bill into this place which the government successfully defended in their own party room to deprive ordinary Australians of access to decent jobs, decent emoluments related to those jobs and a decent capacity to build a decent life for their families. *(Time expired)*

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.52 pm)—As the parliament draws towards the conclusion of this week, there is one conclusion that is inescapable—that is, the Leader of the Opposition and the Australian Labor Party are no closer to having a policy today than they have been for the last 9½ years. That is the reality of what we have seen this week in the federal parliament. A total policy-free zone is what the ALP in this place constitutes today.

The MPI was allegedly about the need for the government to govern for all Australians, not just the privileged few. That is what we are doing. If we are talking about the privileged few, there is no group in this parliament who are the privileged few more than those members opposite. Just look at how much they represent a sectional interest in Australian society compared with the rest of the community in Australia. Of the 88 ALP caucus members, 41 are former union officials; of the 32 members on the front bench of the Australian Labor Party, 17 are former union officials; and, of the 28 ALP senators, 18 are former union officials. Talk about a privileged few. Talk about the representation of a particular sectional interest. Indeed, this privilege is secured through the union movement by the donations of the unions to the ALP. Since 1995-96, Australian unions have donated no less than $47 million to the Australian Labor Party. And how many of their officials as a result of that have ended up in secure places in this place and in the Senate? So, if we are talking about privilege, there is one group that represents privilege in this place and that is the Australian Labor Party.

We heard a great deal from the Leader of the Opposition going on about penalty rates and people working on Sundays and suggesting that, in the future, people will not be paid penalty rates for working on a public holiday. First of all, the provisions in this bill say that, if there is no agreement about matters such as public holidays in the agreement, whether collective or individual, between the employer and the employee, there is a protective mechanism—namely, that the relevant award conditions apply. So, where those award conditions contain provisions for penalty rates, overtime rates and additional rates for people working, for example, on public holidays, there is a protection in the bill before the House for people in that situation.

If you were listening to the Leader of the Opposition you would imagine that there were no circumstances in which people have averaged their hours over the course of a month or a year or the term of their contractual arrangement which allows them to work on public holidays at those ordinary hours. You would imagine that is not the case at the present time in Australia. This illustrates the half-truths and hypocrisy of the argument being advanced by the Australian Labor Party at the present time. I have had a chance to grab a couple of agreements certified in the Australian Industrial Relations Commission. The first is between Transfield Worley and three unions: the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, the Australian Workers Union—one of the larger unions in Ausstral-
lia—and the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia. Here is an agreement certified by the Australian Industrial Relations Commission, a union bargained agreement, and it contains this provision about public holidays:

Payment for Public Holidays, whether worked or falling during an off duty period has been averaged and is included in the calculation of the flat hourly rate.

Here is an arrangement entered into by three unions, certified before the Australian Industrial Relations Commission, which provides for the averaging of the payment made, including an averaging for working on public holidays. That is one example. Another example I have involves the Media, Entertainment and Arts Alliance and, again, the Australian Workers Union, which is the union whose secretary is that putative member for Maribyrnong in Victoria, Mr Shorten. He wants to swap his job and come in here. Mr Shorten wants to replace one of the colleagues of—I can’t remember your seat, Tony—

Mr Burke—I’m not going to help you on that one.

Mr ANDREWS—And he is not helping me—the member for Watson. Mr Shorten wants to swap jobs with the member for Maribyrnong, one of the colleagues of the member for Watson. The secretary of the Australian Workers Union was hunting around at a recent conference of the ALP, making sure he had the numbers in the branches in Melbourne. It was reported in the papers the next day that Mr Shorten’s faction has the numbers so he can become a federal member of the Australian Labor Party. No doubt his union has made significant contributions to the Australian Labor Party over the last few years as well. But I am off the point. This agreement, negotiated with the Australian Workers Union and again certified in the Australian Industrial Relations Commission, has a provision in section 3.1, which is “Group level and rates of pay for all employees”. It states:

Wages are for all hours worked. They include a loading for hours worked in excess of 12 hours per day, for hours in excess of 38 hours per week, 76 per fortnight or 152 per 28 day period, as well as hours worked on Saturdays, Sundays and Public Holidays.

These are just two examples of certified agreements, negotiated and bargained by unions in Australia, in which there are averaged hours, including public holidays—that is, there is no penalty or overtime rate paid for those public holidays or, in the last instance I made reference to, for Saturdays or Sundays. Yet, if people were listening to the Leader of the Opposition this afternoon, they could rightly come to the conclusion that this sort of arrangement is something that does not now exist in Australia.

As I said before, we are recognising the flexibility which has been negotiated by Australian trade unions on behalf of their members in Australia, which has been recognised in this piece of legislation. But we are putting in a protection there—that is, if you do not specifically come to an agreement about the issue of public holidays, if that is not set out in a written agreement, whether it is a collective agreement involving a union or a collective agreement that involves a group of workers or an individual agreement, then the protection is the relevant award provisions. The relevant award provisions that apply will be those that contain provisions relating to penalty rates for public holidays. But, of course, there are conditions that are negotiated away in agreements, as I have just pointed out, where the unions themselves have been happy to have that degree of flexibility on behalf of their workers.
As I said, this debate indicates the level at which the Australian Labor Party will engage in untruths and half-truths. It has been a feature of this debate throughout the last few months in the way in which they have approached the government’s Work Choices legislation. That is the reality. The Australian Labor Party have been in opposition in this country for almost 10 years. I ask the Australian people: do you as a member of the Australian public know what the Leader of the Opposition stands for? Can you name something that the Leader of the Opposition stands for in this country? I know the member for Watson does, because he is one of his colleagues, but if you ask the ordinary Australian what the Leader of the Opposition stands for then I suspect you will get a blank look on their face.

The Leader of the Opposition gave a speech to an ALP conference in Perth at the weekend. It was interesting that, when the cameras panned back from the conference, it looked as though there were just a few dozen people there. But, on the face of it, what did the Leader of the Opposition say in this speech to his Western Australian colleagues last Saturday? First of all, he has obviously been told by his minders that he has to muscle up. We have seen it here in the parliament this week—20 minutes into question time on Monday and he is up there moving a motion of dissent against the Speaker. You would think that the union mates would be saying, ‘Listen, Kim, you ought to be in there saying something about industrial relations. We have donated millions of dollars; we have put money into advertising campaigns.’ We have heard hardly anything of that from the Leader of the Opposition this week in the parliament. But he has obviously been told to muscle up.

Only two things came out of this speech on Saturday. There was an attack of nasty comments about members of the frontbench of the government, calling them all sorts of names, as though that is going to go down well with the Australian people. I think most people in Australia would regard that as pu- erile behaviour on the part of the Leader of the Opposition. The only policy I can really associate with the Leader of the Opposition is the implementation and the creation of a coastguard in Australia, which he called for again. This is his one policy. I am sure it goes back to the days, which I think he regards as the highlight of his political career, when he was the Minister of Defence. Riding around in the top of a tank was all much fun, I thought, for the Leader of the Opposition. But he called for a coastguard. If there is a question about which side of the parliament has been successful in protecting Australian borders, I do not think the Australian people would have too many doubts about that. In fact, this is the government which has done something about protecting Australian borders and has not had a different policy on every different day of the week about the way in which you ought to approach it.

But when it comes to the Leader of the Opposition he has been told to muscle up, look a bit nasty and move a dissent motion against the Speaker in the House on Monday; go on about things during the week that do not relate to what ordinary Australians might be concerned about; and talk about some old policy about putting a coastguard in place, as it is seen as being significant because of the border protection measures which have been taken by the government over the past few years.

As I said at the outset, at the conclusion of this week there is one thing that you can say about the Australian Labor Party and the federal opposition in this place—that is, after almost a decade, they do not have a set of comprehensive policies to take to the Australian people. You would have thought that they would have learnt from their experi-
ences in the past. If you read Mr Latham’s diaries—

Mr Burke—Why?

Mr Andrews—The member for Watson asks why should you read Mr Latham’s diaries. As I recall, the member for Watson was out there in his electorate in October last year campaigning—day in and day out, hour in and hour out—so that he could have elected as the Prime Minister of Australia one Mr Mark Latham. Why? This is the man about whom six or 12 months ago the Australian Labor Party were genuinely and sincerely saying to the Australian people: ‘This is the man that we want to lead this country. This is the man that we believe has the characteristics and the qualities to be the Prime Minister of the Commonwealth of Australia.’ And the member for Watson asks why. He was the one out there campaigning for Mr Latham to be leader of the Australian Labor Party and the Prime Minister of Australia. The reality is, as Mr Latham pointed out in his book, that the Australian Labor Party have wasted years in not being prepared to do the hard work, to get down and do the policy development so that they could put a comprehensive and coherent case to the Australian people about the direction in which they would like to take this country.

After all the overblown rhetoric, after all the verbiage we hear from the Leader of the Opposition every day of this week and again in the matter of public importance this afternoon—which is drawing to a conclusion—we come to the one fundamental, indisputable conclusion: the Australian Labor Party have no comprehensive and coherent policies to take to the Australian people. They have wasted a decade. They have not developed policies. Nothing that the Leader of the Opposition has said today in this debate, in question time this week, or indeed over the last 10 years points towards the development of comprehensive and coherent policies on the part of the Australian Labor Party. The supporters of the Australian Labor Party must despair at the leadership that they have in the Leader of the Opposition and the people in this place who are not able to undertake the absolutely fundamental thing that a political party ought to do—that is, develop and articulate policies. It is a great shame for them and for Australia.

Dr Emerson (Rankin) (4.07 pm)—This is a government that governs for the privileged few at the expense of the many. The Treasurer has a big problem with tax. Just ask the member for Wentworth. Just ask the Australian Taxation Office. Indeed the tax office in its annual report, released a few weeks ago, warned that ‘unfortunately, there has been no shortage of work’ for its newly created serious non-compliance unit dealing with tax evasion and fraud. Obviously Mr Gerard has given the tax office more than its fair share of work in that regard.

When I say that the Treasurer has a problem with tax, just ask the treasurer of the Groom FEC. Many of us who were in parliament at the time will recall the headline ‘Dinnergate’ in the Toowoomba Chronicle. The article went on to say, ‘Macfarlane, Costello deny accusations of a tax scam.’ Those accusations were made by the treasurer of the Groom FEC. The tax scam perpetrated by someone who is now a minister, as he was then—the member for Groom—was described by the Treasurer as ‘an error’. This is the pattern. Whenever there is tax evasion this government says, ‘It was an error; it was an honest mistake.’

Let us just examine what happened, very briefly, in relation to the Groom FEC to establish that pattern. The minister, then the minister for small business, hosted a fund-raising function at the Picnic Point Function Centre in Toowoomba. Who was the guest of
honour? It was the Treasurer of this country. The Groom FEC entered into fraudulent arrangements to obtain input tax credits for the catering of the Treasurer’s fundraiser. It did this by reversing a transaction nearly a month later—not an error—after it originally paid a catering company more than $9,000 for the dinner. It got a refund from the catering company and the Queensland secretariat of the Liberal Party issued a cheque instead to pay the bill. That allowed the Queensland Liberal Party to claim input tax credits while avoiding paying the GST. The Groom FEC perpetrated this fraud at the direction of the State Director of the Queensland Liberal Party and he said he did that under the advice from the Federal Secretary of Liberal Party and that the same fraud had been perpetrated by the Liberal Party in other federal divisions in Queensland. On 20 March 2001 a member of the Groom FEC advised a meeting of the Groom FEC, ‘If this got out it could bring down the government.’

The Treasurer knew of that fraud because the treasurer of the Groom FEC advised him, but he failed to refer it to the Taxation Office for investigation or to the police. Instead, the Treasurer defended that tax evasion by the Queensland Liberal Party as an error. He said in parliament, ‘But if the Groom FEC has made an error in relation to GST, that is a fraud.’ So he said it was an error. But the fact of the matter is that when an audit was conducted under pressure, exerted by the Labor Party, the Queensland division of the Liberal Party had to pay penalty tax. Does this sound familiar? The circumstances in which you have to pay penalty tax are the circumstances of deliberate tax evasion. We have the Howard government, the Treasurer of the country, condoning, in the case of the Groom FEC and again here in the last three days in parliament, deliberate tax evasion by a friend of the Liberal Party.

The tax matters were not settled at the time of the appointment of Mr Gerard. Six months later the tax office took a $250 million charge over the assets of Gerard Industries. Why? It was because the matter was not settled. The Treasurer is not being accurate. He is not telling the truth when he says the matter was settled. It was not.

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Rankin will withdraw that.

Dr EMERSON—I withdraw, Mr Deputy Speaker. At the time of the appointment, there was an outstanding matter not of tax avoidance but of tax evasion. I used to work for the Hawke government. Whenever there was a major appointment to a board, such as the board of the Reserve Bank, the central agencies would all complete a form—it was a green form in those days; who knows what colour it is now—that reported on the suitability of that candidate to be appointed to that position. It defies belief that the central agencies—the Department of the Prime Minister and Cabinet, the department of finance and Treasury—did not draw to the attention of the Treasurer, the Prime Minister and the rest of the cabinet the problem that this man was experiencing because he had engaged in tax evasion. It also defies belief because this had been on the public record for months in three courts in South Australia and the Attorney-General’s Department would have advised it and it is even possible, given that there was a foreign tax haven involved, that the Department of Foreign Affairs and Trade would have also advised it. But the Treasurer and the Prime Minister ignored that advice.
The fact is that this government is soft on tax cheats, especially tax-cheating Liberal Party donors. It is soft on tax-cheating Liberal Party donors and it is soft on tax-cheating Liberal Party members.

Many will recall the bottom-of-the-harbour schemes, the telephone books of advice that went to the then Treasurer of this country, now the Prime Minister, with the tax office pleading, ‘Please, do something about these blatant, contrived tax avoidance arrangements.’ And he refused. Why? He refused because friends of the Liberal Party were up to their snorkels in the tax avoidance arrangements back then. In the bottom-of-the-harbour tax arrangements, the Western Australian division of the Liberal Party was up to its snorkels in tax evasion and the present Prime Minister would not do anything about it. What did the government do when the incoming Labor government tried to act retrospectively against these blatant tax avoidance arrangements? It opposed it because it did not want any money to come out of the pockets of its good friends in the Liberal Party and its donors to the Liberal Party.

This Treasurer has staunchly defended Mr Gerard. In this parliament, he has been the champion of Mr Gerard. He said in relation to about 14 years of litigation that, at the time of the appointment, there was no such knowledge. Well, there is now. I believe there was then but, if there was not, there is now knowledge of 14 years of tax-evading activity and litigation against the tax office. But he has still defended Mr Gerard. He said in this parliament either today or in the last couple of days, ‘Mr Gerard has not avoided a dollar of tax.’ Thirty-six million dollars in penalty tax tell me that he has avoided a heap of tax—$150 million of tax—yet this Treasurer says he has not avoided a dollar. He said he has ‘broken no law’; he said that Mr Gerard is being smeared. Poor Mr Gerard—our hearts go out to Mr Gerard! He says that Mr Gerard is entitled to dispute the audit that was done by the tax office.

By the Treasurer’s actions and his staunch defence of Mr Gerard over the last three days, the Treasurer has destroyed any semblance of tax morality in this country. He has said to everyone who is contemplating whether it is right or wrong to get involved in some tax evasion: ‘It’s right. It’s okay. It’s okay for very wealthy people to get into tax evasion.’ And here we have the tax office warning in its annual report that it is overwhelmed with trying to deal with tax evasion in this country—because the Treasurer says it is okay, because it is moral. If you can get away with it, it is legitimate to have a stoush with the tax office, to fight them in the courts, when the tax office is trying to recover a fair share of tax from wealthy people in this country. What has Mr Gerard got over the Prime Minister and the Treasurer? That is what I would like to know. Apart from $1.1 million in donations, what other information does he have in relation to the Prime Minister and the Treasurer? If Mr Gerard refuses to go, the Treasurer should go. If he refuses to go, the Treasurer must go.

This is about governing for the few against the many. The Treasurer and the Prime Minister slug it out for the leadership, and the greatest concession they can give to workers is to avoid the sack on Christmas Day if you have a special reason. Call me an old-fashioned Christian, but I would have thought the birth of Christ was a pretty good reason to protect Christmas Day as a holiday. But no, this extreme government says no. Imagine the conversation that would go on between employees and their bosses. Employee: ‘I need to have a day off on 25 December.’ Boss: ‘Why? You’ll need a special reason.’ Employee: ‘But 25 December is Christmas Day. Isn’t that a special day?’ Boss: ‘Not according to the government.’
According to the standards of the House, the conversation could continue in this way.

Employee: ‘Can I have the day off to fly to Bermuda to meet with my tax accountant?’

Boss: ‘That’s okay. Bring me back a T-shirt and one of those mass-marketed tax schemes.’ This is about basic values. It is about protecting Christmas Day for the working people of this country, and it is about tax morality and making sure that tax cheats are forced to pay their fair share of tax. *(Time expired)*

Mr Pearce (Aston—Parliamentary Secretary to the Treasurer) (4.17 pm)—Where to start? Where to start when the tactical geniuses opposite give you an opportunity like they have given us today? I guess one place where we could start is by echoing the sentiments of most Australians. I can say that this government, the coalition government, is the greatest government this country has ever seen. Today what we see here is yet another desperate attempt by the opposition to score some cheap shots in the final days of the parliamentary year. That is all it is: it is an example of the opposition party trying to score some cheap shots in the final days of the parliamentary year. That is all it is: it is an example of the opposition party trying to divert attention away from their appalling parliamentary performance, not just this week but for the whole of 2005, and with that, another attempt to shield their total lack of any policy substance. That is what this is all about today.

I agree with most Australians when they say that the Labor Party is a policy free zone. The facts speak for themselves: the Labor Party is a policy free zone. For the whole of 2005, we have seen absolutely nothing other than these tactical displays of trying to divert attention, trying to blur the national agenda and trying to waste the time of the national parliament. I think it is a classic case of the Labor Party trying to shield and cover up their own internal problems, their own internal haemorrhaging and their own failings as a viable alternative opposition party for this country. We see them trying to use these types of points.

The MPI today goes to the point of governing for all Australians, not just the privileged few. I am sure that I have heard an expression like this—about governing for all Australians—somewhere before. Maybe, just maybe, a former leader of the opposition is now a consultant to the member for Brand— I am not sure. I am not sure, but he could even have an office in Centenary House which, of course, is that great Labor Party rip-off. But I can recall at the last election ALP candidates running all around Australia talking about opportunity for all Australians. Today, of course, what we have is ‘governing for all Australians’. So we have gone from ‘opportunity for all Australians’ to ‘governing for all Australians’. Despite the ALP attempting to ignore their ills and their total incompetence over the last year, history and indeed the Australian people will never forget the sorts of opportunities that we may have been subjected to if Australians had fallen for the plot at the last election.

You see, Mr Deputy Speaker, those members sitting opposite actually elected Mark Latham to be the alternative Prime Minister of this nation. Let us talk about that unmitigated failure and how far removed that election of Mark Latham was from governing for all Australians. The Labor Party want to talk about governing for all Australians, and they went and elected Mark Latham to be the alternative Prime Minister of this country. The federal parliamentary Labor Party ignored the fundamental flaws in Mr Latham and tried to pass him off on the Australian peo-
ple. They covered up. They went around at the last election—they had him in all their brochures—saying that he was the better Prime Minister for Australia.

By doing that they demonstrated a lack of respect for the Australian people and a lack of respect for the high office of Prime Minister, but, most importantly, they demonstrated a lack of respect for the future of our country. And yet the ALP want to come into the national parliament of Australia and lecture us about what is right and wrong, when they attempted to pull off the greatest rip-off in Australian political history that we have ever known—nothing more than an appalling fraud, in fact. The Australian people will never forget what the Australian Labor Party knowingly tried to do, in pulling the wool over their eyes. What they did in electing Mark Latham as their leader and putting him forward was to try and muck around with the government of the greatest country on earth. That is what they did.

This MPI goes to governing for all Australia. In the few minutes I had while I was sitting here before making this contribution, I thought I would make a handwritten list of some of the things that this government has done for all Australians. In the time that I had I came up with quite a few. I remember, for example, the First Home Owners Scheme. Some 720,000 families and individuals have now purchased their first home. I thought that was a scheme for Australians. I also came up with quite a few. I remember, for example, the First Home Owners Scheme. Some 720,000 families and individuals have now purchased their first home. I thought that was a scheme for Australians.

I also came up with the fact that we have created 1.7 million jobs—and I thought those jobs were for all Australians as well. And I am sure I am right when I say that under Labor there were one million people unemployed. I suppose they would tell us that that was good for all Australians! I also remember the personal income tax cuts that this government has delivered on four occasions. And do you know what, Mr Deputy Speaker? I remember that the Labor Party were opposed to those income tax cuts. The Labor Party did not want Australians to have an income tax cut, and now they are telling us that we do not govern for all Australians. I also wrote down on my handwritten list here—and I am sure that I am right when I say this—that the unemployment rate in Australia at the moment is at a 29-year low. I am sure I am right, and I am sure that when Labor were in office it was not at a 29-year low. I am sure that I am right in saying that that was not governing for all Australians. On my list, one item that is very close to my heart was that home loan interest rates are at a 28-year low. I suppose that Beazley and all the other members over there—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Aston will refer to members by their electorate.

Mr PEARCE—The member for Brand. Mr Deputy Speaker. I suppose that he would say that home loan interest rates at 17 per cent is governing for all Australians, I do not think so. I remember real household wealth has now doubled since 1996. I have written here on my list that it was this government that introduced the Medicare safety net for all Australians. What else have we done for all Australians? We introduced the maternity payment—the baby bonus. People get $3,079 per child this year. In July 2006 they are going to get $4,000 and then it is going to go up to $5,000. It is for all Australians. I wrote down on my list here that over 10 million Australians are now in work. I have written here on my list that we are implementing the greatest reform to family law that this country has seen in over 30 years. We are establishing new family relationship centres for all Australians. I have written here that we have introduced the private health insurance rebate. It is 30 per cent.
Mr Anthony Smith—What is going to happen to that?

Mr PEARCE—Yes, what is going to happen to that? As a matter of fact I am quite sure that the shadow spokesman for health—the member for Lalor—wants to abolish that.

Mr Anthony Smith—It is in the diaries.

Mr PEARCE—It is in the famous diaries. And I suppose the Labor Party would say that that is not governing for all people. I have written on my list here that we have increased the number of child-care places by 95 per cent since 1996. When we came to office there were 306,500 child-care places. There are now almost 600,000—almost double. What else have we done for all of Australia? Outside school hours care has increased by 295 per cent. Under Labor it was at 72,000 places; under us it is now at 285,000 places. They are for all Australians. We introduced the child-care benefit and the 30 per cent child-care tax rebate, which is worth up to $4,000 per child per year for out-of-pocket expenses related to child care for all Australians. I wrote on my list that we have introduced the new family tax benefit. We introduced the $600 per child benefit—the one that the member for Lilley said was not real. Do you remember that? And of course our education funding has increased in every budget for every year that this government has been in place. This MPI is not only a waste of parliament’s time; it is an attempt to completely distract and divert attention away from Labor’s appalling performance. (Time expired)

DEFENCE LEGISLATION AMENDMENT BILL (No. 2) 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 NAIRN (Eden-Monaro—Parliamentary Secretary to the Prime Minister) (4.28 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CENSUS INFORMATION LEGISLATION 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 NAIRN (Eden-Monaro—Parliamentary Secretary to the Prime Minister) (4.29 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ADJOURNMENT

The SPEAKER—Order! It being 4.30 pm, I propose the question:

That the House do now adjourn.

World AIDS Day

Mr Nguyen Tuong Van

Ms HOARE (Charlton) (4.30 pm)—Today, 1 December, marks World AIDS Day, which recognises the severe impact HIV and AIDS have on the world’s population. It also provides an opportunity to reflect on the advances that have been achieved in combating this disease and to look at ways we can im-
prove the chances of those living with HIV-AIDS and reduce the incidence of new victims. The theme for this year’s World AIDS Day is ‘Let’s talk about it’.

There are currently 40 million people living with HIV globally. The overwhelming majority of these people live in developing countries. Women make up almost half of all cases and are socially, biologically, economically and culturally more susceptible to infection. AIDS has taken 20 million lives to date and UNAIDS estimates that, if current trends continue, by 2020 AIDS will have claimed up to 100 million lives.

In Australia since the 1980s, 22,500 people have been infected with the disease—6,500 people have died, mostly before effective therapy became more readily available. Life for the 15,000 people living with HIV is dominated by treatments, some of which have debilitating side effects, but the prospects of having a lengthy life are significantly greater than they were 20 years ago.

Regrettably, around 800 new infections occur in Australia annually. I am concerned that people, particularly young people, are becoming a bit lax about HIV, with anecdotal reports showing an increase in unsafe sex practices. Perhaps it is now time to support additional advertising and public education campaigns to get the rate of infection right down. Australia also has a very important role in the fight against worldwide AIDS.

With our experience and expertise formed over the last 20 years, Australia has a great deal to offer in reducing new cases and treating those living with HIV-AIDS in developing countries.

In this morning’s Newcastle Herald, Dr Michael Boyle, director of the immunology and infectious diseases unit at the John Hunter Hospital, wrote:

To make sense of it all, it is important to talk about HIV/AIDS, learn from our past experience and remember the key principles that have served Australia in its local response. That should guide our contribution to the fight against HIV/AIDS globally: protection and support for the vulnerable, equality and universality in health care access; a commitment to combat discrimination in all its forms.

The Parliamentary Group on Population and Development, of which I am proud to be a member, has welcomed the Australian government’s commitment to increasing resources towards fighting HIV-AIDS, especially in the developing world. There is of course always room to increase our commitment to this important area of need and I would welcome additional resources being provided by the government.

The number of new cases of HIV-AIDS has decreased recently in a number of developing countries through the use of condoms and changes in sexual behaviour, although the overall numbers continue to rise. Over three million people have died of AIDS-related illnesses this year alone, with over half a million being children. The international community must work together and talk about HIV-AIDS to bring this growing epidemic to heel. I would like to note that the Manager of Opposition Business did request that time be allotted for a discussion in the House on World AIDS Day and that that request was refused by the Leader of the House, who is also Minister for Health and Ageing, of course. This is a great shame.

In the final minute or so that I have I would like to reflect on the scheduled execution in Singapore tomorrow of the young Australian man, Van Nguyen. He is due to die tomorrow morning by way of a barbaric, state-sanctioned killing. Words cannot express the horror of this punishment and it is impossible to know how his family—his mum, in particular—is feeling at this time. His mother is unable to so much as hug her boy before he is taken from her. How un-
speakably cruel to deny human contact knowing that death is imminent.

This execution is much more a reflection on Singapore than it is on the actions of Van Nguyen. Whilst it sees itself as a good international citizen, the use of barbaric capital punishment together with its denial of political and journalistic freedom adds to the sterility of the character of Singapore. Singapore does not deserve its reputation as a good international citizen. Killing Van Nguyen will achieve nothing other than grief for his loved ones. There is no benefit to the people of Singapore or Australia in his execution. Singapore stands condemned if it proceeds with this barbaric killing. I know all our thoughts are with Van Nguyen, his mother, his brother and his close friends at this time.

Ms Shirley Ward

Mr BROADBENT (McMillan) (4.35 pm)—Last Sunday, at the Warragul Country Club, I attended the launch of Put it on the slate, which was Shirley Ward’s story of her family and her autobiography. It tells of families in the generation that went before us. It is a story which many of us from country areas—especially you, Mr Speaker—would know about. It is a story of men of rough-sawn timber—men who could throw a hay bale to the top of a semitrailer, men who were used to hard work, men who built the roads and railway lines and laid the sleepers.

Part of Shirley’s story was the story of her husband, Keith. Keith has now passed away but he was as much a part of this book as was the rest of the family, the grandchildren and great-grandchildren of Shirley Ward. Shirley and her daughter saw an advertisement for a writers course. They went along to the course thinking it would be a bit of fun, but that bit of fun turned into an epiphany of expressions about the life that they had led. It told the story of desperate times for their family.

After they lost their breadwinner and father, they moved from Footscray to Warragul to live with their relation who had an extra home. The family moved without food. The story is told in the book of the family standing at Flinders Street station on their way to Warragul and being such a bedraggled group that somebody actually walked up to the mother and her family and gave them food for their trip.

Shirley tells the story of hopping on the train, and, as the train pulled out of Melbourne to go to Warragul, mum cried, so they all cried as well. She tells the story of arriving in Warragul and having to walk from the station to their place of residence, where their relations lived, and how even there they were greeted not with a friendly face, not with food and drink but, as the book says, with not even a biscuit for the children. It is about what it was like for them to live in those times and then make their way in the world. It was such a tragic time for that family, and it just shows that the generation we live in has no appreciation for what families like Shirley Ward’s went through.

It was a marvellous launch on Sunday, with the whole family gathered there. What did I learn from reading this book? I learned, after knowing Shirley and Keith for such a long time, that Shirley’s eldest son, Alan, was born on the same day as I was in 1950. So I had a direct association with the book, but mostly for me it was an appreciation of those people who were rough sawn timber, who went through so much difficulty and tragedy in their lives. They went through the world wars. If they did not lose their children to the war, those children were damaged in the war. This woman tells the story very openly and honestly about her brothers, who were so damaged by the war that they turned
to alcohol and other things that really wrecked their lives in the long run. It is about how they survived those difficult times and the support they had from their communities in dealing with these men, damaged after coming back from the world war.

*Put it on the Slate* told many stories. As a former country retailer, it was normal for us, when a family came into our business and said, ‘Put it on mum’s bill,’ to know exactly which family they were from without ever asking them to sign a docket or give us some form of identification. You knew the shape of the family’s face, their height, their style or who they were. To me, *Put it on the Slate* also had a special meaning because of that retail experience.

*Put it on the Slate* is a story about country Victoria during the Depression years and all that goes with that. *Put it on the Slate* tells the story of former wealth and of walking into a house full of old antiques that were eventually sold off to save the family, to buy food, to buy clothing. This is the story of people without shoes on cold days. This is a story of people without socks on cold days. This is a story about people who were sent to school in shame and were discriminated against because they were poor. But this is a story about victory, because on Sunday I joined that family at a time of victory, a time of pleasure when they all got together and celebrated the generations. (*Time expired*)

**Mr Robert Gerard**

Mr BOWEN (Prospect) (4.40 pm)—Today we have heard more voices added to the growing call for the resignation of Robert Gerard from the board of the Reserve Bank. Terry McCrann is not a commentator who is usually overly critical of the government, but he is a respected commentator. His comments today are a damming indictment of the Treasurer’s approach and a compelling call for Mr Gerard’s resignation from the board. But Mr McCrann is just one. If you look at the editorials of today’s newspapers, it is impossible to find a newspaper in Australia which says this is a Labor Party beat-up. This is an unusual occurrence. Usually, just as you find a confluence of views across the nation, you find many views represented in the ranks of Australia’s newspapers editors. But today there is a unanimity of views: Mr Gerard has to go.

This is also the view of the former Governor of the Reserve Bank, Mr Bernie Fraser. And today one of Australia’s most respected corporate watchdogs, Mr Henry Bosch, added his voice to the growing symphony of disquiet on this matter. He said, and it is an interesting quote:

> Appointments to all government boards are made by the minister or the Governor in Council. And I think it is increasingly recognised that governance on government boards is almost always less good than governance on equivalent private sector boards partly for that reason.

This is a pretty easy conclusion to reach when you consider the appointment practices of this government. Of course, it simply underlines the point: if Mr Gerard should not be a director of the Reserve Bank of Australia today, he should not have been a director of the RBA in 2003. This is not one of those cases where somebody is appointed to an important position when they have a clean record and then something goes wrong, something arises and there are allegations made. Mr Gerard was appointed to the board of the most important financial institution in this nation while the Australian Taxation Office was pursuing him for tax evasion which occurred over a period of 12 years.

Any economics, accounting or commerce student is taught a very simple lesson early in their studies. They are taught the difference between tax avoidance and tax evasion. Tax avoidance is a legal method whereby somebody minimises the tax they pay by
adopting legal ways of changing their arrangements; tax evasion is where somebody breaks the law of this nation. Mr Gerard was penalised to the tune of $36 million and the tax office made it clear in its correspondence that it regarded the activities of Gerard Industries as tax evasion which occurred over a period of 12 years.

The Prime Minister and the Treasurer have said again in the House today—and this is what I regard as the most disturbing episode of this saga—that Mr Gerard only did what every Australian is entitled to do. Either that is a big change in the law or there is one rule for one and another rule for many. If you donate $1 million to the Liberal Party then you get a leave pass. You can evade tax for 12 years and you get appointed to the board of the most important and prestigious financial institution in this nation.

On a day when this government is being tough on welfare recipients, it is being soft on its mates, soft on tax evasion and soft on corporate donors to the Liberal Party. This is the government’s hypocrisy at its worst. Mr Gerard should resign. If he does not resign, he should be removed—and the Treasurer should be removed as well.

Brisbane Landmark

Mr JOHNSON (Ryan) (4.43 pm)—In 2009 Queensland will celebrate 150 years of statehood. Queensland became a state in 1859, when we broke away from New South Wales. I want to speak today on a matter that I hope will get the support of Queenslanders and, indeed, the people of my electorate of Ryan, whom I have the great honour of representing in this parliament. I want to call on the Brisbane City Council and the Queensland government to work together to come up with an idea for an iconic structure for Brisbane.

The great cities of the world, such as New York, Paris, Bombay, Beijing, London and of course our own international city of Sydney, have wonderful and international landmarks. Take, for example, New York: the Statue of Liberty stands as a symbol for that great city. Everybody know Paris’s landmark and global structure is the Eiffel Tower. In Beijing, through a product of history, the Imperial or Forbidden City stands as something which the people of Beijing and China are very proud of. In London, there is the Tower Bridge. Whenever that landmark is shown, people around the world know that as a symbol of the great city of London. Speaking as an Australian, Sydney is our global city, our international city, and the Sydney Opera House and Sydney Harbour Bridge are recognised internationally as landmarks of great beauty and standing.

I call on the people of Ryan, the people of Brisbane and, indeed, the people of Queensland to put their heads together to consider the sort of global icon Brisbane can come up with. I think that this is an important development of our city. I think it is important to Brisbane, as we move and grow into the 21st century, that we have such an important symbol. I know that I am going to have my critics, but that is not surprising—there are always people who are anti development, anti progress and anti ideas; there always negative people around. But my point is: what was ever achieved by negative and do-nothing people? I have always thought that Brisbane should have an international landmark—a symbol or a structure that puts this beautiful city on the world map.

In Brisbane we do have some important sites that people can go and enjoy. We have the Expo site and, in my electorate, we have Mount Coot-tha. We also have the very well known and frequently visited Gold Coast. We naturally have many restaurants and terrific shops, but I still think that Brisbane does not have a standout icon, a global icon, which, whenever a camera panned onto it or
it was shown in a picture, people around the world would know as a symbol of the great city of Brisbane.

In 2009 Queensland will celebrate 150 years of statehood. I am delighted to see that there is another Queenslander sitting in the chamber at the moment, the member for Oxley, and I hope very much that he would support me in this initiative. I may be incorrect, but I think a former Labor Lord Mayor of Brisbane flirted with the idea of Brisbane having an iconic structure, one that would really stand out. If I am correct, I would endorse that. I think that the time has come for Brisbane to be a little bit more reflective and thoughtful about this notion, and I hope very much that the member for Oxley will support me. Indeed, this might even be one project that we as members of the national parliament can work together on to put Brisbane on the international map.

As I said, we do have some wonderful locations, restaurants and shops that the people of Brisbane can go to, but we also must appreciate that Brisbane welcomes tourism very warmly. I am delighted that the Minister for Small Business and Tourism is in the chamber. Tourism is an industry worth $73 billion to our economy. It is an industry which employs so many people in this country. So I call on architects, on designers and on young people in schools, and I encourage the community, to come together on this and to start the process of thinking about what sort of iconic structure Queensland can have, because I am sure that down the track this will stand us in good stead. (Time expired)

Treasurer

Mr RIPOLL (Oxley) (4.48 pm)—Today we learnt the truth about this government. This government and this Treasurer have finally come out. They are weak and they are gutless. They cut and ran today on the most important issue this country has ever had to deal with in terms of the Reserve Bank of Australia. They cut and ran from a censure motion, and for that they should be condemned. It has been an extraordinary week in Australian politics. But put aside for a moment the hubris and the arrogance from this government which we see displayed every single day, put aside for a moment the complete disregard the Howard government continues to display by running roughshod over parliamentary procedures and put aside for a moment the simple fact that this government, with each passing day, has been exposed as being arrogant, as out of touch and as an out-of-control bunch of conservatives, because they certainly are not liberals in the true sense of the word, for it is interested only in pursuing ideology and self-serving public policy which does no good for anybody in this country and certainly does no good for the people whom this government is meant to represent. The catch-all phrase from the Prime Minister is ‘Govern for all’. He does not govern for all; he just governs for his mates. Those are the only people he governs for.

This week the Treasurer, the member for Higgins—that is what I will call him from now on because he is not going to be the Treasurer for a heap of time to come—has failed to answer very important questions in this place about one of our most important institutions. He mocks this parliament and he mocks the Reserve Bank of Australia, and in doing so he mocks the people of Australia. Of course, I speak of the murky and shadowy circumstances surrounding the appointment of Mr Gerard to the board of the Reserve Bank of Australia. The people of Australia are entitled to answers, yet all we get from this Treasurer is a smirk and an uncomfortable wriggle. He was sweating today because he knows more than he is telling, and that is the reality. These are serious issues surrounding Mr Gerard that make him unfit for office.

CHAMBER
in any government appointed board or on any board in this country. But, more importantly, there are real issues surrounding the appointment of Mr Gerard that make the Treasurer unfit for office and certainly make him unfit for any higher office, which we all know he covets so dearly.

So we say, and the community demands, that there should be a full inquiry and examination of the Treasurer’s actions and what he actually did know, not just what he is telling in this place. It is clear also that the Treasurer knew that there were serious allegations about Mr Gerard and his company. The fact that there was an allegation of $150 million of tax evasion on its own should be enough to disqualify this man from the position he has been appointed to. But, wait, there is more. Mr Gerard is a significant donor to the Liberal Party—over $1 million only just recently. Surprise, surprise! Appointments to the Reserve Bank board must be squeaky clean and above reproach. That is why we say there must be a full inquiry. It appears that the government governs for itself and for its mates. We have a Treasurer here who is so harsh on working Australians but is so soft and weak on the strong and the privileged in this country. There needs to be a full inquiry into this matter. It is a very important and serious issue. The people of Australia do want to know, and that is reflected in all the commentary that has been going on around this place.

I turn now to the Treasurer’s own defence in the House today. He said that it was okay to appoint this guy to the Reserve Bank board because there was no conviction in a court. But no conviction does not mean that he is not guilty. It means that they settled out of court—and we know what a settlement out of court means. He also said in his defence that it was private information between him and the ATO and that everyone should respect that privacy. Of course we respect that privacy. But when you are appointed to the Reserve Bank of Australia you lose some of that privacy. You have to give guarantees, and he did not do that.

The other defence was that there were personal declarations on tax affairs. Yes, he did do that, but only for his personal affairs—not for his 100 per cent owned family company, which is in question. The Treasurer said that it is the same sort of declaration that High Court judges and federal judges and so forth make. Yes, but these guys are not involved in $150 million tax evasion scams. The Treasurer went on to to say that he had no knowledge. That may be so. I will give him the benefit of the doubt that he had no knowledge, but he knows now. Mr Gerard should be sacked and the Treasurer should resign for his shameful behaviour.

Australian Capital Territory: Jail

Mr NAIRN (Eden-Monaro—Parliamentary Secretary to the Prime Minister) (4.53 pm)—With the strong support of the residents of Jerrabomberra and Letchworth—both parts of Queanbeyan—in my electorate of Eden-Monaro, I lodged a substantial submission earlier this week objecting to the development application by the ACT government to build a jail on the Monaro Highway at Hume.

This has been an ongoing saga. I think the way in which it has been handled by the ACT government has been a disgrace. My objections were many and they were very much on planning grounds. The first question that any planning authority should ask when considering public infrastructure like a jail is: is it the best site for a jail? By the ACT government’s own words, it is not the best site. The ACT Chief Minister on a number of occasions said that his preferred site was land in the Majura valley—land that is currently controlled by Defence. That preferred site was made available to the Chief
Minister in June 2004. He said at the time that it was too late: he had gone too far with the Hume site at that stage. But he took 17 months to lodge a development application for his jail. So clearly June 2004 was not too late. He had ample time to change the location of his jail.

The jail is going to be located on the Monaro Highway. The Monaro Highway is a major entrance and exit to and from our nation’s capital. The National Capital Plan clearly shows the Monaro Highway as a main approach route to Canberra. The major southern entrance and exit to the nation’s capital is an inappropriate place for a jail. It seems that the first and most lasting thing the ACT government want international and domestic tourists and visitors coming into and out of the nation’s capital from the south to remember about Canberra is a jail.

The Monaro Highway is extremely busy. It provides the people of Tuggeranong access to the city. The people of Tuggeranong were not told about the jail and how it would affect their travelling to and from work each day. The development application was snuck into the ACT Planning Authority without any notification at all. It was only that I was watching the web site on a daily basis that I knew it was ultimately lodged.

The people of Tuggeranong, as well as my constituents in Jerrabomberra and Letchworth, are currently seeing the complications that will be created by a jail in this location, with the disruption to traffic at the moment. I say that they ‘currently’ see it because, even though the ACT government lodged the development application only three weeks ago, they started roadworks a month ago. Nowhere else in Australia, in any sort of jurisdiction, could you commence substantial roadworks—$2½ million worth—before you had lodged a development application for a major project. But that happened here. There has been no consultation with the people of Jerrabomberra and Letchworth about this jail. When it was announced originally, there was absolutely no consultation. The government then stuck around a few newsletters and claimed that that was consultation. We have heard nothing from them for 12 months, and now the development application has gone in.

Last night, the Chief Minister said that, if the jail did not go ahead or if it was delayed, it will be all my fault. Thank you. I will be very happy to take that responsibility, because it is absolutely the wrong place for a jail. It is bad planning. There is a better site. We do not want a jail as a gateway to our national capital. The Chief Minister should swallow some political pride and back off on this proposal to build his jail at Hume on my constituents’ doorsteps. I seek leave of the House to table the submission that I have made.

Leave granted.

Mr NAIRN—It is an important submission because it concerns our national capital. I am sure most Australians do not want a jail placed in such a prominent position in our national capital. (Time expired)

Western Australia: Great Eastern Highway

Mr WILKIE (Swan) (4.58 pm)—Last week the federal government conceded to additional funding for Western Australia under the AusLink program, but that is a drop in the ocean compared to the vast amounts of federal tax revenues generated by the state and, quite frankly, a joke. The reality is that, after the increase, Western Australia still gets only three per cent of federal rail funding and less than eight per cent of road funding, despite producing 30 per cent of the nation’s exports.

I have been calling on the federal government to address the desperate need for
federal funds to upgrade the stretch of the Great Eastern Highway between Perth Airport and Orrong Road in my electorate. This part of the Great Eastern Highway carries around 55,000 vehicles per day and is the main road link between Perth, the airport and the eastern states. It is a vital lifeline for residents in Perth and interstate businesses alike.

As the federal member, I hold the parliament and its processes in the highest regard. Today during question time, however, I made interjections to the Minister for Transport and Regional Services to draw his attention to the need for funding for this highway in my electorate. The stretch of highway should be designated part of the national highway for federal funding purposes so that improvements can be made. The current level of congestion on this road impedes efficient transport and makes it unsafe for passenger and freight vehicles alike.

While some additional funding has been made available by the federal government, the omission of this important and much needed road improvement is unacceptable. This is a particular concern, given the $400 million surplus that the federal government has in road funding due to the decision not proceed with the funding of the Scoresby Freeway in Melbourne. I will continue to pressure the federal government to address the need to make this part of the Great Eastern Highway a national highway and continue to point out the inequity of federal funding for Western Australia.

The SPEAKER—Order! It being 5.00 pm, the debate is interrupted.

House adjourned at 5.00 pm

NOTICES

The following notices were given:

Mr McClelland to move:

That this House:

(1) notes:

(a) the Parliament’s and the Government’s support for the international ban on victim-activated anti-personnel landmines but that no corresponding ban exists on vehicle-activated anti-vehicle mines;

(b) that anti-vehicle mines contaminate at least 56 countries around the world with severe impacts from anti-vehicle mines occurring in Afghanistan, Angola, Eritrea, Ethiopia and Sudan;

(c) that, like anti-personnel landmines, anti-vehicle mines:

(i) are indiscriminant, failing to distinguish between civilian and military vehicles;

(ii) kill many more civilians, humanitarian aid workers and peace-keepers than soldiers, killing hundreds each year;

(iii) leave behind a deadly legacy that lasts for decades after conflicts finish;

(iv) disrupt the movement of essential goods and humanitarian aid in impoverished post-conflict countries, resulting in thousands of lives being put at risk; and

(v) have had little actual combat usefulness since World War II;

(d) that the presence of anti-vehicle mines makes the construction of improvised explosive devices easier for terrorist and insurgent groups;

(e) that the costs of clearing anti-vehicle mines are expensive and time consuming;

(f) that since 1974, three Australians have been killed by anti-vehicle mines;

(g) that publicly available information suggests that Australian Defence Force personnel have not used anti-vehicle mines in any conflict since the Second World War;
(h) that Australia’s stock of anti-vehicle mines is obsolete and used only for training purposes; and

(i) that the dominance of air power on the modern battlefield and the development of modern anti-tank weapons means that anti-vehicle mines are becoming more and more irrelevant to modern armed forces; and

(2) calls on the Government to:

(a) introduce legislation to prevent the production, trade and use of anti-vehicle mines that are not command detonated, except for training in mine clearance by ADF personnel, effectively extending legislation that already exists for victim-activated anti-personnel landmines; and

(b) request that the Joint Standing Committee on Treaties conduct an inquiry into the best path forward for developing international consensus on an international instrument banning the use of, stockpiling of, trade in, and manufacture of, anti-vehicle mines that are not command detonated having regard to the:

(i) humanitarian impacts of anti-vehicle mines;

(ii) risks posed by anti-vehicle mines to ADF personnel in operations around the world;

(iii) evidence of the declining military utility of anti-vehicle mines on modern battlefields;

(iv) existing restrictions placed on anti-vehicle mines by Amended Protocol II of the Convention on Prohibitions or Restrictions on Use of Certain Conventional Weapons Which May Be Excessively Injurious or To Have Indiscriminate Effects (CCW) and the effectiveness of these existing measures; and

(v) current discussion within the CCW with regard to a new Protocol to place restrictions on the design of, trade in, and use of, Mines Other Than Anti-Personnel Mines. (Notice given 1 December 2005.)

Mr Price to move:

That this House:

(1) congratulates the Rooty Hill RSL Youth Club on the occasion of its 40th anniversary;

(2) recognises the important role it has played in the provision of sporting activities for the young people of the local area, such as cricket, rugby league, swimming, gymnastics, baseball, netball and soccer;

(3) acknowledges the fine work the club does in the local community, including participating and assisting in the Blacktown City Festival, National Tree Planting Day, the Salvation Army Red Shield appeal, the Mt Druitt Hospital Fete and the Royal Deaf and Blind Society’s Splash for Cash;

(4) notes the role the club has played in celebrating Australia’s ANZAC heritage; and

(5) wishes the club well for the future. (Notice given 1 December 2005.)

Mr Quick to move:

That this House:

(1) acknowledges the fact that alcohol misuse remains the number one health and social issue confronting the Australian community;

(2) expresses its appreciation to the Alcohol Education and Rehabilitation Foundation for its outstanding efforts to date in raising public awareness of the dangers of alcohol and illicit substance misuse and the importance of responsible consumption of alcohol;

(3) notes the effectiveness of the grants program administered by the Alcohol Education and Rehabilitation Foundation over the past four years;

(4) notes in particular the work of the Alcohol Education and Rehabilitation Foundation in addressing the scourge of inhalant abuse among young indigenous Australians; and

(5) calls on the Government to provide sufficient funding to the Alcohol Education and Rehabilitation Foundation’s Public Fund in the 2006-2007 Budget to enable the Foundation to continue its work in addressing the causes
of, and harms arising from, alcohol and licit substance misuse. (Notice given 1 December 2005.)

Mr Danby to move:

That, in light of recent calls by world leaders, including the President of the United States, for a resolution of the Tibet issue prior to the 2008 Beijing Olympics and the statement by Professor Samdhong Rinpoche, Prime Minister of the Tibetan Parliament-in-exile at the 4th World Parliamentarians for Tibet Convention in Edinburgh on 18 November 2005, this House calls on the Government to:

(1) urge the Government of the People’s Republic of China to finalise negotiations with the Tibetan government-in-exile for the granting of autonomy to Tibet within the People’s Republic of China, prior to the 2008 Beijing Olympics;

(2) congratulate the Government of the People’s Republic of China for re-opening negotiations with the envoys of His Holiness the Dalai Lama and the Tibetan government-in-exile;

(3) call on President Hu Jintao to demonstrate his personal commitment to resolving the issue of Tibet by meeting with His Holiness the Dalai Lama as soon as possible at a mutually agreed venue;

(4) call on the Government of the People’s Republic of China to issue an invitation to His Holiness the Dalai Lama to visit China and the traditional regions of Tibet;

(5) call on the Government of the People’s Republic of China to bring a halt to the destruction of historic buildings and other items pertaining to the cultural heritage of Tibet;

(6) request the Government of the People’s Republic of China to free all Tibetan political prisoners, including the Panchen Lama, Gedhun Choekyi Nyima;

(7) request the Government of the People’s Republic of China to commit to the preservation of the Tibetan language and Tibetan culture; and

(8) request that the Government of the People’s Republic of China give genuine consideration to the recommendations of the Declaration of the 41 World Parliamentarians for Tibet Convention, Edinburgh, 19 November 2005. (Notice given 1 December 2005.)

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS
Regional Partnerships

Mr Howard (Bennelong—Prime Minister)—In answer to a question from the member for Hotham on 31 October 2005, (Hansard, page 36) on the subject of an election commitment to provide $50,000 to a Newman town centre revitalisation project, I referred to a small contribution from BlueScope Steel. This reference was based on advice provided to me.

It has been brought to my attention today that it is BHP Billiton, not BlueScope Steel, that is making the small contribution towards this project.
Mr GEORGANAS (Hindmarsh) (9.30 am)—I rise to speak on an issue of continuing concern to my constituents in the seat of Hindmarsh and one which I have felt obliged to raise on several occasions since becoming the member for Hindmarsh. I refer to the PBS, the Pharmaceutical Benefits Scheme. The PBS has historically provided ready access to much-needed medicines for all Australians. It has been complementary to Australia’s Medicare system and an integral component of this country’s social welfare. It has been the cornerstone of Australia’s collective sense of decency.

The PBS is a program we should be proud of. Unfortunately, though, we have a federal government that is determined to restrict access to the PBS as part of a budget-cutting exercise. From a government that continues to boast about last year’s $13 billion budget surplus, this is nothing more than a cruel hoax that is being perpetrated on the Australian people.

The centrepiece of Mr Howard’s attack on the PBS has been the whopping 21 per cent increase in the copayment that came into operation on 1 January this year. This has been accompanied by changes to the thresholds for the safety net and the exclusion from it of many prescriptions filled within 20 days of the previous prescription. As someone who represents an electorate in which more than 20 per cent of constituents are over the age of 65, I am particularly concerned at the likely fallout from such a reckless policy. This policy, I might add, did not figure at all during the 2004 election campaign. It is simply another way in which this government treats the electorate with contempt.

The result of the changes in the government’s policy is that Australians are now paying more for essential medicines than ever before. Under this government the PBS is being transformed into a two-tier system. In other words, we are seeing the Americanisation of our medicine system, where access to essential medicines is increasingly based on capacity to pay rather than on need. The people who will be hit hardest by this user-pays approach will be the elderly and the poor.

The single-minded approach of this government is further illustrated by its treatment of the safety net. Under this government’s policy approach, the number of scripts that require a copayment before the safety net can be accessed has been increased to 52. As repeated scripts obtained within 20 days will not count, the number required will be even more in many cases. Irrespective of a person’s circumstances—for example, whether they are single or in a couple—that figure remains the same, 52. So it is only natural that a couple will reach that threshold more quickly, while someone who is single will continue to miss out on many occasions.

As if this were not bad enough, the government has moved to tighten the threshold even further. It currently has draft legislation in the Senate which, when passed, will yet again make access to the safety net more difficult. This will inevitably involve increased expenditure on essential medicines, a burden which is particularly onerous for people on fixed incomes.
To impose these additional financial burdens, particularly on the elderly and those most in need, and to do so in such an unprincipled manner strikes me as being a grossly insensitive and heavy-handed way of treating people. I, along with my Labor colleagues, believe firmly that access to the PBS must be reformed so as to provide affordable essential medicines for all Australians. The PBS safety net must be restructured to ensure equitable access and a fair go for all. Then, once again, we can be extremely proud of the PBS. (Time expired)

Isis Shire

Mr NEVILLE (Hinkler) (9.33 am)—The Isis Shire, centred on Childers in my electorate of Hinkler, is rapidly transforming itself into one of the most dynamic rural districts in Queensland. Once known solely for its rolling sugarcane fields and as a bastion of the sugar industry, the district now has many strings to its bow, including tourism, small crops and agribusiness, value adding to cane and power cogeneration.

Earlier this year the government provided a $385,000 Sustainable Regions grant to an innovative new business in the Isis Shire which will produce prepacked goat meat meals for the Muslim market. Auspak will create a vertical business chain to produce frozen TV dinner style meals from the paddock to the plate, based almost entirely on the Wide Bay region, with the meat, vegetables and other ingredients being sourced locally. More than one million goats are being slaughtered in Australia each year and up to 95 per cent of the product goes into the export market, so the potential for Childers is great.

More recently, a company called Australian Prime Fibre has established itself in the Isis district. It will source cane trash and process it into mulch for stock food and kitty litter. Ready markets have already been identified in Japan and Korea as well as Australia. The company is hoping to source around 100,000 tonnes of trash blanket for processing when its operation is in full swing. Local farmers stand to benefit enormously from this value-adding project, with the company paying around $160 per acre for trash. Based on this estimate, a 20-acre farm supplying trash could expect an additional income of between $25,000 and $35,000 each year.

A third project under way in the Isis Shire is electricity production, with a cogeneration plant being built at the Isis Central Mill. Like many others, this mill currently runs on steam generated from burning bagasse, the dry, fibrous material produced when the juice is extracted from sugar cane. In recent weeks the mill has taken delivery of a 40-tonne generator, at a cost of $5 million, which will produce 65 megawatt hours of electricity next season. That is enough to power 7,000 homes. One-third of the power from the generator will be used by the mill, and the rest will be fed into the Queensland grid. So, when the 2006 sugarcane harvesting season starts, the power plant will begin to feed green energy into the Queensland electricity supply. These projects are opening up a range of further opportunities for the district. I commend the proponents for investing in such a dynamic, potential-filled community, to say nothing of the civic leadership which has created a welcoming environment.

Welfare to Work

Ms BURKE (Chisholm) (9.36 am)—Today, as we lead into the Christmas season, I want to send out a loud and clear message to all my electorate to ignore the credit card—put it back in the purse, and do not spend too rashly this Christmas. A lot of people are suffering under
the weight of household debt. It is a good to bear in mind, as we go into the Christmas season, that the day of reckoning of the credit card does come.

I also want to thank the numerous organisations in my electorate who are busy making food parcels and collecting toys for disadvantaged people within my electorate. Bearing in mind that my electorate is one of the wealthier electorates, it is a distressing signal that we have such a huge call on our organisations at the moment. Dickson House, Amaroo Neighbourhood House, the many St Vincent de Paul outlets, Foxhill, Burwood and Oakley community information bureaus, the Salvation Army, the Eastern Relief Centre and many more have put out requests. I hope people heed that call and come up with goods that can be used for these families in need at this time.

I want to say to the government, which has gagged my ability to speak on the Welfare to Work reforms today, that this situation will only get worse in 2008 and 2009, when these draconian and bad laws come to pass. These laws will affect a massive number of people. The government itself estimates that thousands will be affected—at least 66,000 people with a disability, 77,000 single parents and at least 77,000 children of these parents. This may well be one of the last Christmases where those sole parents can afford something special for their children. It is a crying shame.

With my child going to school this year, it has been harder for me to juggle work and my husband’s commitments. Long day care is just that—long day care. You actually have a beginning and an end. When your child hits six and goes to school, it is much harder. They very much like it when mum is there to drop them off and when mum is there in the afternoon to pick them up.

Mr Baldwin—Or dad.

Ms BURKE—Yes, or dad. In our case it is dad who does all the picking up. I draw the distinction that she kind of likes it when mum does it, because it is a rare treat. After school hours care is there, but not all schools have it. When your child starts school, they are tired—they are exhausted—by 3.30, and they want to curl up into a little ball and go to sleep. They do not want to go off and be stimulated some more. They actually need to go home. People have not thought through how this legislation will impact on those children and those parents. Anyone in this room who is paying child-care fees at the moment will support me when I say that this will hurt those parents. I go to a community based centre and pay $50 a day. That is one of the cheapest going in my neck of the woods. Some people in my electorate pay up to $100 a day. These women will go to work and they will lose money. They will not earn money by going to work. This ‘reform’ is not reform. It will hurt families, and it is bad for so many people. If there were genuine jobs and support, it would be okay, but there are not. (Time expired)

Wakefield Electorate: Floods

Mr FAWCETT (Wakefield) (9.39 am)—I wish to draw the attention of the Main Committee to the devastating Gawler River floods that affected the electorate of Wakefield on 8 November this year. Although Gawler itself was affected, the people who were most affected were in the horticultural sector in the area of Virginia. The horticultural industry is one of the main industries in that part of South Australia, in Wakefield, and the really devastating thing for these people is that all of the input costs had been put in and their crops were ready for
harvest. When the floods came through, we estimate that they caused some $40 million worth of crop losses, not to mention the infrastructure damage that occurred at that time. Although some crops were lost completely, there is still a degree of uncertainty for a number of growers who are still waiting to see what the long-term effects will be on their olive groves and almond plantations. They are not sure of what the extended drowning of the roots of their trees is going to do to the long-term survival of those trees. As you can imagine, the re-establishment costs for people in those industries will be huge if they are forced to rip up and replant the trees.

I would like to particularly recognise the efforts of volunteers such as those in the SES and the CFS, as well as the residents and farm owners, who reacted admirably during that time. People came from all over the state, not just from Wakefield, to sandbag and to help people try to recover what they could in those circumstances. I would particularly like to note also the very effective and rapid response by the RAAF base at Edinburgh and Wing Commander David Flood—an appropriate name for the circumstances. His response was fantastic in providing very rapid support in terms of sandbags and pumping equipment. I would also like to recognise the efforts of Cheryl Simmons from Centrelink. Centrelink were on the scene within 24 hours and had interpreters there for the large Vietnamese community who needed support. Cheryl and her team have been fantastic in providing ongoing support to find solutions to give people the help that they need to get their families, their homes and their businesses back on track.

I would particularly like to draw the attention of the Main Committee to the role of Mr Mike Redmond, who is the manager of the Virginia Horticultural Centre. Whilst this centre was ostensibly set up to be a point of reference for the horticultural sector to help them with their growing and their business, what has emerged, particularly through this tragedy, is the pivotal role that Mike has played as a community leader, very much being the point of contact for coordinating the response to the flood as well as the relief efforts and coordination between state and federal government agencies and the growers and the whole hort sector. I wish to put on record my thanks to him and to recognise the role that he has played.

I would like to also thank the Prime Minister and the ministers here, who have responded through Farm Help and by making sure that that program can help the needs of people; through their existing commitment to flood mitigation schemes to make sure this does not reoccur; and through constructive talks with the state government to get a program in place that will see effective flood mitigation measures for the Gawler River. (Time expired)

HIV-AIDS

Ms PLIBERSEK (Sydney) (9.42 am)—Today is the 17th anniversary of World AIDS Day. It is a day when we should all reflect on the devastating effect of HIV and AIDS on sufferers and their families and friends and on the need to tackle this global problem with compassion and understanding. Currently, there are about 15,000 Australians who are HIV or AIDS sufferers, and there are about 14,000 people worldwide diagnosed with HIV every single day. Current infection rates in some countries in Africa are as high as 30 per cent of the adult population, and about 40 million people internationally suffer from HIV or AIDS. We had a stark warning today that, if we do not do something about HIV and AIDS in our own region, Papua New Guinea will be facing the same infection rates as those in Africa.
The theme for this year, ‘HIV/AIDS: Let’s talk about it’, is about raising community awareness of the illness, and it has two specific aims. The first is to spread the message that prevention is the best cure, and the second and most important is to let AIDS sufferers know about resources and health services available to them and to educate people to treat with dignity and respect those who live with HIV or AIDS.

In my own electorate there are fantastic organisations, such as the AIDS Council of New South Wales, the Bobby Goldsmith Foundation, People Living with HIV/AIDS, the Luncheon Club and Ankali, which work tirelessly within the community on advocacy and policy work and also in helping out with the day-to-day needs of their clients—everything from direct financial assistance to counselling services and even to providing very important friendship networks.

Tonight, people living with HIV-AIDS and the New South Wales Minister for Education and Training, Carmel Tebbutt, will be launching a new education resource for New South Wales schools aimed at preventing HIV infection amongst young people. With new infection rates amongst young people increasing, the new resource will be invaluable in teaching them about preventing HIV and other sexually transmitted infections. Unfortunately, I will be leaving Canberra too late to attend the launch, but I congratulate the minister and the authors of the resource.

So far, tragically, AIDS is a disease without a cure but, with treatment, people can expect to live a normal lifespan. There are also some very exciting developments in prevention. Currently there is a global campaign around a new range of medical products called microbicides, which have the potential to prevent many new infectious cases. They are not yet available but tests are being conducted in Africa, with around 10,000 women taking part in trials. The trials are at an early stage but the results are looking good. A new gel developed by a US pharmaceutical company will protect women from HIV and other sexually transmitted diseases while still allowing conception. It means that women whose partners refuse to wear condoms will still be able to protect themselves against infection. I encourage all members of the House to purchase a red ribbon or a white wristband today to show their support for this important campaign and to do all they can to support HIV and AIDS sufferers in their own electorates, around the country and internationally. A bit of understanding goes a long way.

Paterson Electorate: Citizen of the Year Awards

Mr BALDWIN (Paterson) (9.45 am)—On 14 November we celebrated the third year of the Paterson Citizen of the Year Awards, with special guest Prime Minister John Howard officiating. These awards recognise residents in the electorate of Paterson who have made an outstanding contribution to the community, have excelled as a young person or who have achieved in sport. The award for Young Citizen of the Year is given to someone who is aged 16 or under who has excelled in their community, and this year it was awarded to 12-year-old Justin Ryan from Forster. At just seven years of age Justin held his first fundraising concert in the backyard. He charged 50c for each person and provided the catering with his mum’s biscuits, which he found in the kitchen. He raised around $20 that day and gave the proceeds to the Forster branch of Diabetes Australia. Since then, he has raised money for various activities, including the Starlight Foundation, Camp Quality, the Westpac Rescue Helicopter Service and the Ronald McDonald Beach House, which is being built at Forster. I also recognise
the joy he brings to the many residents in the nursing homes in Forster Tuncurry as he visits them.

One of the great traditions in Australia is our love of and participation in sports and, certainly in regional areas, we have seen the development of great local talent who have gone on to representative level. This year, Paterson Sports Citizen of the Year Award recipient was Michael Godfrey. Michael represented Australia in the World Wake Boarding Championships in Russia, where the team came third overall. Michael came second at the World Wakeboard Association titles in Queensland last month. Michael has also won the New South Wales Summer Series for the last two years. He won the national event in 2003 and was second last year.

The Paterson Citizen of the Year Award is given to a recipient who lives in the electorate of Paterson who has made an outstanding contribution to their community. The winner of the 2005 Paterson Citizen of the Year Award this year was Howard Grigor. Howard is one of the most decorated Rotary members in Australia. He has travelled extensively overseas as part of his work to help others in need, from gathering and sending medical equipment to Third World countries and disaster areas to building an airstrip in New Guinea. He has been a member of Rotary Australia World Community Service for 16 years and, in 2003, he received Rotary’s highest award, the Service Above Self Award. Without Howard Grigor, the restoration of Williamtown Hall would not have been undertaken or completed. That hall is currently used for day respite for those in our community who suffer from dementia and other disabilities. Howard has also been instrumental in the development of sailing at Grahamstown Dam and, in particular, the Sailability Program for disabled people.

I congratulate all those worthy recipients, but I also take the time to recognise the support that was given by the local SES, which organised the parking and the crowd control on the day. To them I say thank you, also recognising that this is their 50th anniversary. Their motto is ‘the worst in nature brings out the best in us’, and they live up to that motto. We congratulate them and thank them for their commitment to our community.

**Water Management**

Mr SAWFORD (Port Adelaide) (9.48 am)—When you consider the state of water shortages in Australia you cannot help but think, ‘What the hell’s gone wrong in the last 30 years?’ The truth is that no matter who you categorise—us, state governments, business, unions, the arts community—all of us have taken our eyes off the ball as far as water is concerned. Take the premier city in Australia as a shameful example. Instead of the serious consideration of recycling of stormwater, deep well technology and other innovative water conservation techniques, that state has opted for a desalination plant. It is not just the current government that ought to be blamed for this appalling situation; business and developers, in particular, in the wider Sydney metropolitan area have destroyed much of the open space where recycling of water could have taken place. It can be a trite cliche, but water is a precious resource; it is the basis of economic development. In fact, you cannot grow your economy without a regular and adequate supply of water.

A Sydney member, a colleague, informed me earlier this year that he was able to water his garden by hand twice a week. Notwithstanding the fact that ordinary citizens use less than 10 per cent of the water supply, with the most going to agriculture and industry, that is quite an unacceptable situation. Why am I so critical of what is happening in Sydney when I could use
any other mainland capital as possibly an equally poor example, including my home town of Adelaide? The answer is simple. The madness that has been Sydney housing and retail development over the last 30 years is getting ready to infect my home capital and my electorate of Port Adelaide in particular.

The Cheltenham racecourse is the best wet weather horseracing track in Australia. But it is much more than that: it is the only open space left in the western suburbs. The area surrounding the racecourse is easily flooded, and that has been the case since the very earliest days of European settlement. It is an ideal area for the recycling of stormwater and deep well technology. In fact, the world leaders in these innovative techniques come from South Australia. The local municipality, the City of Charles Sturt, unlike its more progressive neighbour, the City of Salisbury, seems totally unaware of the water crisis that faces my state of South Australia. In fact, the leadership of the non-elected council seems far too happy and willing to accommodate Sydney developers to give us a housing and retail estate that is totally unwanted, undesirable and not in the best interests of the citizens of the western suburbs. The lack of corporate responsibility also applies to the current leadership and management of the South Australian Jockey Club in its flawed experiment to reinvent itself by selling the racecourse.

But the most important issue in South Australia is not horseracing; it is the permanent preservation of water. The sale of Cheltenham racecourse for housing to a Sydney developer would destroy that option for all time. That must not be allowed to occur. The stances of the state Labor and state Liberal parties as we lead up to the state election next year on 18 March will be carefully watched and exposed. We do not want a desalination plant in metropolitan Adelaide in the next 10 years. (Time expired)

Flinders Electorate: Telecommunications

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.51 am)—I rise to argue for the inclusion of Cranbourne and Cranbourne South to be included within the Melbourne metropolitan zone for telephone call charges. It is a very simple proposition. The area that is contained within the Cranbourne South exchange, which includes the town of Cranbourne and all the residents of Cranbourne South, involves at present about 16,692 houses. Of those houses, the advice from the City of Casey is that 15,148, or well over 90 per cent, are contained within the existing 50-kilometre radius from the Melbourne GPO. Why is that important? It is important because everyone else in Melbourne within that 50-kilometre radius is on Melbourne metropolitan charges. So the residents of Cranbourne are disadvantaged relative to all the other residents in Melbourne within that same zone.

The historical reason for this is that Cranbourne was a small town. However, over the last three decades urban growth has meant that Cranbourne now has been linked to, has been utterly absorbed into and is now utterly part of the broader City of Melbourne precinct. So the proposition I have put both to Telstra and to the Minister for Communications, Information Technology and the Arts, the Hon. Senator Helen Coonan, is very simple: that Cranbourne should be included within the Melbourne metropolitan zone.

The minister has been tremendously supportive. I am delighted to inform the House and to inform residents of Cranbourne and Cranbourne South that she has written to the CEO of Telstra, Sol Trujillo, making the case and arguing specifically that Cranbourne should be included in the Melbourne metropolitan zone. This is a major step forward for the area. I make
no false guarantees as to the outcome, but support from the minister direct to the CEO of Telstra is the best hope we have for the residents of Cranbourne and Cranbourne South in getting their area included in the Melbourne metropolitan zone.

The response from Telstra—this relates to a generalised approach from the minister—has been to establish a task force on outer metropolitan calling regimes. I think that this, on the Telstra side, is an important response. I urge both Telstra, in particular the CEO of Telstra, to consider the specific proposal put forward by the minister for communications at the instigation of me and the City of Casey to include Cranbourne, Cranbourne South and all those residents in the Cranbourne South exchange within the Melbourne metropolitan call zone. I advocate this and I thank the minister. (Time expired)

Byron Shire

Mrs ELLIOT (Richmond) (9.54 am)—I rise today to speak on behalf of a part of my electorate—the Byron shire. Byron has unfairly received a bit of bad press recently. There has been discussion in the national media about violence on our streets and, incredibly, about the types of subjects offered to students at the local high school. I know that anyone who lives in Byron and almost every one of the 1.7 million visitors we welcome every year will want to join me today in voicing our outrage at this attack on our unique and beautiful part of the world. Of course, there are many challenges in having so many visitors to our region every year: there is a huge strain on infrastructure and there are challenges for the local police, who do a very good job under often difficult circumstances. As a former police officer, I would definitely like to commend the local police in that area for the great job they do.

The Byron shire is one of a kind. There are real reasons why people from all around the country and all around the world flock there. First off, it is beautiful, from the dusty blue views of the Border Ranges, shepherded by the sacred Mt Wollumbin, down to the folds of cool subtropical valleys, out across vast heath lands hemmed by pristine beaches and a vast glassy ocean. It is nothing short of stunning. But perhaps more importantly our area is made unique by the people who call the Byron shire home.

There is an incredible social and cultural diversity in this area. To see this, you only have to look at the range of talent teeming out of every studio, gallery, school, cafe, hall, street and house. There are artists, musicians, performers, writers, craftspeople and film-makers. We have a very strong sense of social justice and social awareness. We stand out for not just tolerance but indeed a celebration of difference, respect and love of the environment. We care about what happens in our backyard, across the country and around the world—politically, economically, culturally and environmentally. You only need to read our high-quality local papers, Byron Echo and Byron Shire News, to glean that this is no parochial backwater. It hosts a talented bunch of people who care about what is happening around them.

Last week I hosted a high-level environment hearing with the Labor caucus committee, and they were very impressed by the depth, range and commitment shown by our local environmental groups. In fact, Byron Shire Council has just won a peak national award for its strategy for respecting, preserving and enhancing our local biodiversity.

Community outcry and effort in response to international injustices and tragedies like whaling, the war in Iraq and the tsunami are nothing short of impressive. Our schools and youth organisations are bursting with hardworking, open-minded, creative young people who are
often mature beyond their years. Our local schools, teachers and youth workers should be congratulated for using progressive, creative local solutions to support and engage our young people in education, training, sport and the arts. The list goes on. We host the highly prestigious Byron Bay Writers Festival and a range of musical festivals like Splendour in the Grass and the blues festival. This truly is a unique and beautiful part of Australia. I am very proud to represent the people of Byron and to stand here today and speak about the great qualities of Byron shire.

**Fishing Industry**

**Workplace Relations**

*Mrs GASH (Gilmore) (9.57 am)*—I would like to congratulate our Minister for Fisheries, Forestry and Conservation, Senator Ian Macdonald, on the fishing industry buy-out plan. For Ulladulla fishermen, this package will return a level of sustainability to the local fishing industry. There is no doubt that the industry has been under a lot of strain, with a fall in quotas and diminishing returns for fishermen. So the package will certainly be welcomed by both those who choose to stay and those who choose to forgo their licences. The package is a very generous one and close to what the industry has been seeking. There are provisions to buy out licences and boats on a voluntary basis. Our industry asked for $47 million for the licence buy-out and actually got close to that, with a $43 million provision.

The reality is that the total allowable catches, or quotas, will be reduced next year, with further reductions planned for 2007. Clearly with these reduced quotas there will be far too many operators to support a viable industry. The Ulladulla quota will fall from 677 tonnes next year to 619 tonnes in 2007, a reduction of nine per cent. I particularly welcome the provision of a $20 million community structural adjustment package to assist affected communities. It is certainly something that we will pursue to get something positive done in Ulladulla, possibly with the boat harbour. I notice the Minister for Veterans’ Affairs is in the chamber; she well requires the Ulladulla boat harbour. I have invited the minister, Ian Macdonald, to come to Ulladulla to explain the package further. I have to say that this is very welcome news and I applaud the government for its initiative and practical approach.

With the little bit of time I have left, I would also like to say that I have offered my office to field complaints about workplace relations exploitation. I know there are many people uncertain about these laws and, given the extent of the negative publicity, I am certainly not surprised. So as a means of offering an avenue of redress for workers who feel they have been exploited, I am inviting them to let me know. I do not agree that anyone has the right to exploit another person, and the same goes for the workplace. I will not tolerate bullying or intimidation in any form and I will make it my business to ensure that unscrupulous employers and employees are weeded out. I feel it is our moral obligation to protect our constituents to the best of our abilities.

I know—and we all know—that this legislation is necessary for Australia, but it will not come at the expense of workers. It is my responsibility to ensure this initiative succeeds, and I will not have that compromised by individuals who manipulate the system for their own ends—employers or employees alike.

*The DEPUTY SPEAKER (Hon. IR Causley)*—Order! In accordance with sessional order 193, the time for members’ statements has concluded.
DEFENCE LEGISLATION AMENDMENT BILL (No. 2) 2005

Second Reading

Debate resumed from 30 November, on motion by Mrs De-Anne Kelly:
That this bill be now read a second time.

upon which Mr McClelland moved by way of amendment:
That all words after “That” be omitted with a view to substituting the following words:
“Whilst not declining to give the bill a second reading, the House:
(1) condemns the Government for its failure to implement in full the recommendations of the Senate Foreign Affairs, Defence and Trade References Committee report on military justice 2005;
(2) notes that the measures contained in this bill will not be sufficient to address the issues of bullying, harassment, victimisation, intimidation bias and failure of natural justice which have been revealed so regularly in the last decade; and
(3) notes that unless the Government properly deals with this matter in a determined fashion, the reputation of Australia’s armed forces will continue to be unfairly sullied and remain a deterrent for talented young Australians to join the ADF”.

Mr FAWCETT (Wakefield) (10.00 am)—I rise to address the Defence Legislation Amendment Bill (No. 2) 2005. I want to talk partly about this bill and its current impact, but more importantly I want to address the broader context. This bill is part of a process that is looking at what has happened and what should be done, but very little has been said about why and I think it is important that we address that. This bill is the first in a planned suite of legislation that is intended to address the problems in the Australian military justice system. It makes various amendments to the Defence Force Discipline Act 1982 as well as the Defence Act 1903. It includes three new statutory appointments: Director of Military Prosecutions, Registrar of Military Justice and Inspector-General of the Australian Defence Force. These positions were actually created administratively in 2003, and what this bill does is provide a legislative basis for these appointments. So in some aspects the impact of this bill is not going to be large.

The bill has stemmed largely from three reviews into the justice system, being the Burchett review 2001, the study into the judicial system under the Defence Force Discipline Act by Brigadier the Hon. Mr Justice Abadee, and the Senate report The effectiveness of Australia’s military justice system. I think it is really important that we look at the broader context that underpins the environment that the Defence Force is working in and where these reviews have come from. Back in 2001 the Joint Standing Committee on Foreign Affairs, Defence and Trade handed down their Rough justice? report into allegations of abuse in 3rd Battalion. The report came out and the then CDF was prompted to make comments to the effect that he recognised there were matters of concern in some small units and they were being investigated. But the way that it was portrayed in the media was that this was a large culture that was propagated within the Australian Defence Force, and it was almost as if the actions were occurring because of this culture in the Australian Defence Force.

In the opinion of Admiral Barrie, the Burchett report found that there was not a culture in the ADF of widespread or systematic avoidance of due process, or, indeed, of inappropriate behaviour. But the perception has persisted. Subsequent examples of suicides and harassment since 2001 have only served to reinforce this perception that the ADF is incapable of managing
its own system of discipline, so the pressure to look at what has happened and what should be
done just gets stronger. Indeed, the Senate committee found:

Despite several attempts to reform the military justice system, Australian Defence Force (ADF) person-
nel continue to operate under a system that, for too many, is seemingly incapable of effectively address-
ing its own weaknesses ...

A decade of rolling inquiries has not met with the broad-based change required to protect the rights of
Service personnel.

I agree that there has been a decade of rolling inquiries. What we should be asking is: have
they actually been asking the right question? I contend that the question of why these things
are occurring—that is, both the occurrences and the Defence Force’s response to them—is
equally as important, if not more important, to understand as the what. To do this, firstly I
want to look at the issue of occurrences of inappropriate behaviour and particularly address
the perception that this is somehow caused by a culture within Defence. Let me make it clear
that I do not seek to excuse or condone these activities but to highlight that the contention that
they are somehow a product of a culture within Defence is plainly wrong and misleading.

You only have to do a quick search of Public Service, companies, universities, schools,
health industry and personnel guides to find that they are replete with instructions and guid-
ance to address the issues of harassment, bullying and overcoming bias and unfair behaviour
and reporting and supervision structures. Bullying is one of the major factors behind work-
place stress complaints. In Victoria last year over 1,100 WorkCover claims arose out of either
harassment at work or exposure to workplace violence. This is a figure that is believed is un-
derreported. Bullying occurs across all sectors of the work force, but it has been found that the
most likely areas are not in the military, but in education, health services and public admini-
stration.

Workplace violence is one of those employment problems that just refuses to go away be-
cause for so long it has been seen as part of a workplace culture. Why does the media, for ex-
ample, have front page stories about something that occurs in the ADF whereas when a local
council employee was subjected to practical jokes which involved him being tied up to trees
and tables sometimes naked, taunted and harassed by older employees and having ice poured
down his pants while he was tied up, these things were set aside and excused by some as just
‘fun pranks’? WorkCover reports that as a farewell joke to one worker in Ingham’s Enter-
prises a 28-year-old leading hand and a 24-year-old cleaner threw a 23-year-old female
worker into a large washtub filled with hot water and detergent. She ended up with second
degree burns requiring hospital treatment, and needing plastic surgery. But the report con-
cluded that supposedly harmless pranks are common, especially those involving newer young
workers, who are often tormented or bullied in the name of initiation.

I am making quite a point of this because I believe it is really important that we understand
that the ADF is a microcosm of our broader community. So whilst we do not condone what
happens, it is important to realise that these things occur not because of an ADF culture, but
because the people in the ADF are drawn from our community and in our community these
things are commonplace. There are no definitive figures in Australia, but, drawing on com-
parative research in the UK, it is estimated that one in four Australians will be bullied. Some
of the UK figures would indicate that in some workplaces up to 95 per cent of employees suf-
fer some form of work force bullying.
Given that this occurs, the question then obviously is why do we not address it adequately in the ADF? What do we need to do to make sure that we can address it? We have just said that the ADF is a microcosm of the broader society but it is also important to notice that in terms of how we address the discipline system the ADF does have a unique environment, both in peace and in war. Justice Abadee outlined the philosophy guiding the preparation of his report when he wrote:

... the integrity of the chain of command can only be preserved if discipline is inculcated at each level of the military hierarchy and there exists a system of justice which is specifically designed to respond to the unique needs of the military. Discipline is at the heart of the efficient and effective military forces. This reality explains and justifies the existence of a separate justice system, with a unique Code of Service Discipline ...

Justice Abadee maintained that that should remain in place and I believe that is a starting point we should accept. Given the investment we make in training quality and competent officers to lead the military, why is the system not working? This question leads to perhaps an even more insidious issue than the flow-on of unacceptable behaviours from the broader community mores into defence. This issue, I believe, is the flow-on of the focus on management and process at the expense of experienced and effective leadership. Our broader society is increasingly relying on management and the application of process at the expense of leadership when working with people. At the core of issues surrounding behaviour and relationships are people. They are not resources, not even human resources. They are people, and people need leaders to help inculcate suitable behaviours, not managers. The Australian Defence Association’s submission to the Senate inquiry highlights some of these points. They say:

The overall growing reliance on achieving due process in the DFDA proceedings acts to the detriment of swift and summary efficiency that was historically one of the great strengths in military law, especially in summary jurisdictional matters at and below unit level. A decline in the experience and possibly the standard of regular ADF legal officers has been exacerbated by an increased reliance on complex legal procedures for the low grade offences that used to be handled in summary hearings administered at sub-unit and unit commander level. The legitimate desire to eradicate perceived injustice in summary hearings has resulted paradoxically in increasingly ineffective summary justice.

I do not think that anyone would deny that we need to have checks and balances in place so that we make sure that the rights of individuals are not ridden over roughshod by people’s perceptions or biases or by human nature. Right now in the media there are some examples of cases where that has happened. Nobody is denying that that has happened. Nobody is denying that we need checks and balances. But we do need to recognise that, like any combination of systems, none of the systems—in this case DFDA—acts in isolation. To understand how the DFDA is implemented in the ADF, we also need to look at the other changes that have been affecting the ADF, particularly over the last 14 years, and how they have affected the culture and the effectiveness of the outcomes of the ADF.

The whole issue of checks and balances—how much we seek to control versus how much we seek to empower people—is at the core of what has characterised Australian forces. In March 2003, Michael O’Connor posted an article on On Line Opinion which said:

Australian military history is replete with incidents where individuals ... have taken control and dominated a situation against heavy odds. These ... have occurred not only in battle at senior levels but in challenging circumstances of peace operations. It has led to the phenomenon of what is called ‘the stra-
tegic corporal’, where very junior personnel, often in their early 20s, can have a widespread effect on a campaign through the force of personality and training.

Australian military doctrine reinforces this capability by what it calls the system of ‘directive control’. The article explained that directive control is a system that does not believe in the giving of very detailed orders. It continued:

Instead, commanders, even at junior levels, are given broad directives and resources of personnel and supplies, and told to get on with the job using their discretion ...

Rather than having people controlling the minutiae, they are given a fair degree of latitude and a fair degree of trust. They will not always be perfect. Occasionally things will happen. But at the moment, through the application of increasing levels of process, increasing levels of scrutiny and increasing levels of public perception apportioning blame, we are seeing a reluctance by our command structure to empower those junior commanders with the very essence of what has made Australia a potent military force in the past.

Why is this transformation affecting leadership in the ADF and, importantly, how is it affecting the men and women who are at the receiving end? In the 2004 Defence attitude survey, 47 per cent of people surveyed said that there had been a decline in military discipline. Nearly a quarter said that they had more to do than they could handle. And amongst the most influential reasons for leaving the ADF were insufficient people to undertake the required tasks coupled with a lack of confidence in senior Defence leadership.

Why is that? What has happened to our leaders? The area that I believe needs immediate review and action is the process of change to support services which has affected the ADF over the last 14 years. Senator Robert Ray, as the defence minister in 1991, presided over the commencement of the commercial support program, which looked to outsource many areas of logistic and administrative support traditionally held within the military command structure of the three services.

This process of seeking ever increasing efficiency has now had several transformations in name and form, and it has delivered some benefits. However, they have occurred particularly where there has been rationalisation within ADF structures. One example I can point to with great accuracy is how the airworthiness within the Australian Defence Force has now been brought under Air Force as opposed to having separate airworthiness authorities. We have seen great benefits through that rationalisation. In some cases, outsourcing through the commercial support program to agencies has played a role.

But the focus on efficiency has had unintended consequences for effectiveness in a number of areas. Some of these do not directly relate to military discipline, but they do relate to the attitudes and the lack of confidence in Defence leadership that has an impact on it. For example, we talk about skills shortages almost every day, but one of the things that have resulted from that decision in 1991 is that Defence no longer trains the apprentices and skilled tradespersons that it needs to continue the operations in support. The commercial support contracts that started being let back in 1991 were based on costings of taking tradesmen out of the ADF. We no longer train them. Their costings do not include the training. Where do we get them in the future? That is already having an impact, particularly in the aerospace sector.

I will now talk about the organisational tempo. We often talk about operational tempo, but the constant change in the ADF has resulted in commanders at all levels having to spend so
much time managing change that they are seriously affected in their ability to lead their people. This is particularly because the workload has increased, and that effort has been transferred from leadership to management. The work force that used to be in place for a commander—administrative and logistics staff to do things and staff in his headquarters to inform him to enable him to make decisions—has largely been taken away by the various structures that have been put in place, supposedly to achieve efficiencies across the Defence Force.

At the unit level, this has meant that commanders now spend far more of their time trying to manage the relationships with the service providers. Because they have to do that, they do not have the time to lead. Importantly, and this is where the lack of confidence in senior Defence leadership has partly come from, they no longer have control of all the enabling elements that impact on their ability to deliver effective outcomes. They may plan, work hard and train their troops, but they do not control all the enabling support elements they need to achieve outcomes. That is one of the key things that decrease confidence in Defence leadership.

It also means that in the administration of military law—like DFDA—where you previously had orderly room staff who had a great deal of experience in the system and were able to advise commanders, you now have a decreased level of corporate knowledge. Often, you do not even have servicepeople in those positions anymore. The commanders are increasingly finding that they are not able to get the advice they need to quickly and effectively administer the system, so complaints and issues are passed up the chain of command to higher levels or, importantly, the system in place is not used and issues go unaddressed, which reduces the confidence of troops that the military discipline system is effective and will work. Why? Again, because of the changes that have reduced the capacity of our commanders to lead and reduced the work force that was available to them to inform and implement decisions that they make. That work force has been transformed into another layer of management, external to a commander’s command structure, which he now must manage, which has transferred his effort. The unity of command is a large issue that we need to address.

The operational tempo has resulted in a higher utilisation of Australian Defence Force personnel than we have seen in many decades. The old assumption of defence, which is that if you want to have one field force unit you need to effectively have three—one to be deployed, one to be working up and one to be recuperating—has been replaced, in the name of efficiency, by saying, ‘We just need one.’ So people are often tasked back-to-back deployments, which is resulting in a reduced capacity to have a full appreciation and control of issues of morale and discipline that affect things like the implementation of DFDA.

In conclusion, there is no justification for unacceptable behaviour nor a deficient discipline and administrative response to those occurrences. It is important to determine what has happened and what should be done; I do not deny that. These legislative changes are one small step in a planned sequence of steps toward this issue. I make the point, and I hope I make it strongly, that it is equally important to recognise the context of what is happening in the broader community and that Defence culture per se is not a causal factor. It is also important to ask why our military commanders are facing increasingly large obstacles to be effective leaders of the men and women who serve in the defence of Australia.

It is also vital to recognise the impact of the last 14 years of constant change on the ability of our forces to achieve the effective outcomes for government with the ever-increasing work-
loads which do not contribute to their core role. I believe it is also important at this point in
time, particularly in light of media reports and public perception, to recognise the commit-
ment of the vast majority of men and women in the Australian Defence Force who, in spite of
the obstacles placed in their way, the negative media portrayals and the continual scrutiny,
continue to serve Australia with great professionalism, good humour and honour.

Mrs DE-ANNE KELLY (Dawson—Minister for Veterans’ Affairs) (10.20 am)—I would
like to thank those who have contributed to the debate on the Defence Legislation Amend-
ment Bill (No. 2) 2005: the member for Barton, the member for Fisher, the member for Blair
and the member for Wakefield. I will go to the remarks that they have made shortly.

The amendments to the Defence Force Discipline Act 1982 and the Defence Act 1903 con-
tained in this bill give effect to certain recommendations made by Brigadier the Hon. Mr Jus-
tice Abadee in his study into the judicial system under the Defence Force Discipline Act,
known as the Abadee report, and by Mr James Burchett QC in his report An inquiry into mili-
tary justice in the Australian Defence Force, known as the Burchett report. Additionally,
a number of the amendments are an initial step towards giving effect to the government re-
response to the Senate Foreign Affairs, Defence and Trade References Committee inquiry into
the effectiveness of Australia’s military justice system which reported on 16 June 2005.

In broad terms, the amendments create the statutory appointments of the Director of Mili-
tary Prosecutions, the Registrar of Military Justice and the Inspector-General of the Australian
Defence Force. This is being done to ensure that people in these positions are independent of
the normal military chain of command and have the capacity to act impartially and the appro-
priate authority to do so. This independence is achieved in part by providing that the appoint-
ments will have tenure in office and a separate scheme of remuneration. The requirement for a
statutory appointment of an independent military officer as the Director of Military Prosecu-
tions was recognised both by the Senate in its report and by the government in its response to
that report.

There will be a need for further amendments to legislation as additional parts of the gov-
ernment’s response are implemented in the future. Government has asked Defence to imple-
mement the agreed recommendations within two years and to report to the Senate committee
twice a year throughout the implementation period. Many of the changes made by these
amendments will need refining once an Australian military court has been established on a
legislative basis, replacing the current system of individually convened trials by courts martial
and Defence Force magistrates.

The legislation implements substantial measures that will help to ensure the military justice
system is open, transparent and fair. The Director of Military Prosecutions will provide an
independent prosecuting authority, thus ensuring that decisions on whether or not to prosecute
at a Defence Force magistrate and courts martial level are made in a fair and unbiased manner.
In addition, the Inspector-General of the Australian Defence Force will provide the Chief of
the Defence Force with ongoing review of the military justice system, independent of the or-
dinary chain of command. This includes both the ADF discipline and the Defence inquiry sys-
tems.

The establishment of a standing court will involve the creation of significant administrative
and legislative arrangements. The government is committed to implementing changes with
minimal delay, and this bill implements those measures which can be put into effect quickly
within the current system. Further reforms will progressively be rolled out as quickly as possible.

I would now like to turn to the comments made by those who have contributed to this debate. I would like to thank the members for Fisher and Blair for their contributions and, most particularly, to thank the member for Wakefield, who gave a very in-depth overview and showed significant understanding of the challenges facing Defence. I will refer to the member for Wakefield’s address again in a moment, but I would like to go to the member for Barton’s comments. He raised some four or five issues that he saw as being of concern.

The first point he raised was the issue of in-house judgments. ‘Caesar judging Caesar’ is the term that he used to say that in some ways these appointments would be under the shadow of senior personnel. I reiterate that the Director of Military Prosecutions is out of the command chain. It is a statutory appointment and it is a completely independent role. It is not reported on or reporting to anyone else. It is similar to the Director of Public Prosecutions. As you would know, Mr Deputy Speaker, DPPs are independent. Neither the Premier of the day nor anybody else can override their independence, and it will be so with the Director of Military Prosecutions. They will also have a completely independent statutory role. So I think that the concern that the member for Barton has raised is not going to be seen when this is implemented.

The second point that the member for Barton has made is that the inspector-general refers matters to civilian authorities. The member for Barton made the point that he would prefer to see that as references made to ‘civilian police’. Again, not all matters would be referred necessarily to civilian police. It may be, for instance, that a matter might be referred to the appropriate profession or some other civil instrumentality—a mental health board, for instance. Leaving it as ‘civil authorities’ allows the latitude to refer matters to whoever the most appropriate civil authority is. There is also, for the member for Barton’s interest, a Defence instruction which sets out very clearly the approach to be taken in referring matters to civil authorities. In 12 months this policy will certainly be strengthened in terms of Defence instruction. But ‘civil authorities’ as a reference rather than ‘civilian police’ gives those making the referral a broad range of authorities to refer to and ensure that action is taken. We would not want to limit it merely to ‘civilian police’.

The third point that the member for Barton made—if I understand his point correctly—was that the inspector-general should be preparing reports which are available for public scrutiny. The reality is that the inspector-general’s role is an internal and confidential one of reporting to the Chief of the Defence Force. It is the role of the Defence Force Ombudsman to report publicly and to parliament. So again the member for Barton has raised a point that is well covered by this legislation.

The other point that the member for Barton made was that he receives complaints to his office about delays and lack of outcome. That is the very reason that these changes have been made in the legislation. The Registrar of Military Justice’s entire role is to ensure that the oversight and administrative role is done independently. It is his role to ensure that delays are minimised and that things are done in a timely fashion. He is given the independence and statutory authority to do that.

Finally, the member for Barton queried the confusion, as he put it, between prosecution and administration. There is no confusion. Prosecution is the Director of Military Prosecutions’s
role. Administration is the role of the Registrar of Military Justice. There are two separate roles for two statutory and independent positions. So the concerns that the member for Barton has raised have been well covered in the legislation.

I would like to go to some other points that were made. There was a concern raised that the Director of Military Prosecutions represented service chiefs. The reality is that the representation of the interests of the service chiefs before the Defence Force Discipline Appeals Tribunal reflects the legal fact that the respondent to such an appeal is the service chief. It is no different to a civilian criminal matter brought on behalf of the sovereign. The service chief is in this respect the legal figurehead.

There were other points made. I refer to the comment that this is the first step by the government for a long time. That is not the case. As well as significant policy amendments within the department, the relevant legislation has been amended on no less than 10 occasions since 1995. So the government has been vigilant about ensuring that the legislation meets contemporary requirements.

I would like to go to what I think is a misunderstanding about the military justice system that some of those on the other side may have. The military justice system is integral to military discipline. It is critical to operational effectiveness and it is a core responsibility of command. The purpose of the system of military justice is to allow the ADF to deal with matters that relate directly to effectiveness, efficiency and morale in the military. I was pleased to see the member for Wakefield particularly talk about the importance of leadership and morale.

Effectiveness and efficiency in the challenging environment of military operations requires highly disciplined behaviour from our people, governed by one system of military justice. With our defence forces on operations in other countries it is absolutely vital that the system under which military justice is implemented at home, under which they train here, is the same as the one that is used on operations, to avoid confusion, operational ineffectiveness and unjust treatment.

Our civil legal system does not have the provisions required to fully support military operations, which require a strict maintenance of order, discipline and cohesive teamwork. Our military justice system provides a stand-alone code where a civilian jurisdiction may not apply or simply does not exist, as would be the case on deployment in other countries. It also provides a means to deal with misconduct that might otherwise be subject to the jurisdiction of foreign countries or an international criminal court. There is no question that the ADF currently refers serious crimes, and crimes where there is no obvious service connection, to the civilian authorities, in this case the civilian police, for investigation or prosecution in Australia. This has always been the case and will continue to be the case. I want to make it clear that the Defence Force Discipline Act is not a duplication of the criminal system. It cannot be. To suppose that it should be misunderstands the role of the military justice system.

In closing I would like to say that the government does not accept the amendments put forward by the member for Barton. I particularly note point 3 in the amendment, where the opposition says:

... unless the Government properly deals with this matter in a determined fashion, the reputation of Australia’s armed forces will continue to be unfairly sullied and remain a deterrent for talented young Australians to join the ADF

MAIN COMMITTEE
In recent surveys the public perception of Defence has risen to one of the highest in Australia. While there certainly are articles and allegations of various natures out there, the fact is that the Australian people see very clearly the great debt that they owe to our Australian Defence Force and to its members. They are extremely proud of our Defence Force. They see them in humanitarian operations such as those involved in the tsunami assistance and after the earthquake, they see them playing a regional role in the Solomon Islands and they see them defending democracy in Iraq and helping to rebuild that tyrannised nation. Australians are very proud of their Australian Defence Force.

As to the amendment saying that this is a deterrent for talented young Australians joining the ADF: we do focus groups regularly on the views of young Australians towards the Australian Defence Force, and let me assure the member for Barton that they do not raise these matters as concerns that they have with regard to joining the ADF. The government rejects the amendments put forward. They are not based on fact. I commend the legislation to the House and thank again those who contributed, in many cases so very energetically, to the debate.

The DEPUTY SPEAKER (Hon. DGH Adams)—The original question was that this bill be now read a second time. To this the honourable member for Barton has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

COMMITTEES

Environment and Heritage Committee

Report

Debate resumed from 9 November, on motion by Mr Barresi:

That the House take note of the report.

Mr McARTHUR (Corangamite) (10.36 am)—I am delighted to speak on the Sustainable cities report of the Standing Committee on Environment and Heritage, tabled in August 2005. I note the presence in the chamber of my very good friend the member for Scullin, who participated quite vigorously in the inquiry in both parliaments and made a valuable contribution. I acknowledge the activities of the committee in the previous parliament under the chairmanship of the member for Dunkley, Mr Bruce Billson. He was most enthusiastic about the project and contributed quite considerably in the deliberations on many of the submissions and committee hearings in the early part of the discussion.

The thrust of my observations is that this report demonstrates the possibility of making some real changes in the design of cities and the way in which we handle waste, energy, buildings and transport. It is not so much that I want to talk about the recommendations which the committee has made, which I support, but that I want to say that this is a blueprint for what can be done in our sustainable cities in Australia. Australia supports a population of 20 million people, but about 87 per cent of those persons reside in city boundaries.
I would like to draw the attention of the parliament to some aspects of the report which I found to be interesting—to get those on the record—and to make some comments as to why this report is a landmark report in showing the way towards better planning; how we can think about alternative ways in which we could design our cities, ways in which we might renew the inner city areas; and how we might think about urban design over the next 20 or 30 years.

I might get on the record some of the outlines that we were particularly interested in and then deal with some of the details. The objectives as reported by the committee are quite interesting. I might just note them. One is that, on a practical level, a sustainable city should aim to have urban green zones. I note that in the city of Melbourne in my home state of Victoria there has been some pressure on the urban green zones. The member for Scullin might mention that.

Another objective is to ensure equitable access to efficient use of energy, including renewable energy resources. Again, the committee spent a fair bit of time in looking at access to renewable energy and the use of energy in domestic and industry sources.

Another objective concerns the establishment of a sustainable water and stormwater management system and addressing the capture, consumption and treatment of water and opportunities for its reuse. In my electorate of Corangamite, water is a key issue. We are lucky enough to get water from the Otways, but the use of water in the expanding urban metropolis is a problem foreshadowed for 20 years ahead.

Another objective is to manage and minimise domestic and industrial waste. Again, this is a very difficult issue. On my reading of it, it would seem to me that Australia and most Australian cities have handled industrial and domestic waste pretty efficiently and the recycling systems in place have been of a world-class nature.

Another objective concerns the development of sustainable transport networks, nodal complementarity and logistics. Again, we have a long way to go in getting people out of a motor car and into a public transport system.

There is also an objective to incorporate eco-efficiency principles in new buildings and housing and provide urban plans that accommodate lifestyle, employment and business opportunities.

It is interesting to note that the report observes that the biggest growth is in the inner city areas. The member for Scullin and I can observe this taking place in Melbourne, where the inner city areas are now developing at a rapid rate. For the record, I would like to quote some environmental statistics which I think are very interesting with regard to Australia’s position in the world. The report states:

- Greenhouse gas emissions are 27 tonnes per capita per year. This puts Australia’s per capita rate as the world’s highest.

I think that fact is well known. We should be aware of it, and obviously we should be doing as much as we can to try to reduce greenhouse gas emissions. The report continues:

- Water consumption is 1540 kilolitres per capita per year. This is also the highest per capita rate (North America is 1510; Europe 665; Asia 650; World 670).

In very rough terms, we use water at three times the world average. There has been a lot of discussion both in the urban context and in the rural context about the use of water. Because
Australia is a very dry nation, we need to be very aware of water use and water recycling. The report continues:

- Dwelling space has increased 3 per cent per year for new dwellings (from 1992-1999), despite reductions in average household size.

So we have a nation of affluence which continues to build new dwellings on broadacre blocks, especially in the outer fringes of Melbourne and in some of the regional centres, yet we have smaller numbers per household. That is an interesting dilemma. I noted this morning in the OECD report that Australia has the highest price of housing of anywhere in the world. The committee looked at this problem. We have no particular answer to that desire of Australians to have a bigger house, but we note the ongoing difficulty. The report continues:

- Energy use in the residential sector has increased 60 per cent since 1975, despite population increases of nearly half this (35 per cent). Commercial sector energy use is forecast to double between 1990-2010 under business-as-usual scenarios.

Again, the argument about energy use is something that the committee were worried about, and we have observed some practical resolutions to some of those problems. The report continues:

- Travel (vehicle kilometres travelled) has increased by almost 60 per cent in cities such as Sydney between 1980 and 2000.

So we see that the observation of car travel is really reflected in the figures. The report continues:

- Material consumption, at 180 tonnes per capita per year, is the highest of all developed countries.

Again, that is something that we should be very aware of. The report continues:

- Domestic waste stream is 620 kilograms per capita per year. This rate is second only to the United States of America.

So we see some quite staggering figures in the urban sector. The report continues:

- Construction and demolition waste is 430 kg per capita per year, and contributes approximately 40 per cent of all solid waste disposed to landfill.

They are quite staggering figures. We regard ourselves as a country type nation, but in fact Australia has a major problem in the urban area.

I draw the attention of the Main Committee to some of the submissions. I was interested in the submission from the Western Sydney Area Health Service. They made some interesting comments on the impact of urban living as it might affect physical activities, social cohesion, personal safety, food supply, air and water quality, and open space. They were looking at how urban design and cities in the future might actually be an improvement on the current position.

I draw the attention of the committee to a couple of case studies. One was the Inkerman Oasis, which was developed jointly with the Port Phillip Council in Melbourne. The member for Scullin and I attended a demonstration that showed us some of the possibilities in respect of the orientation. Sixty-six per cent of the units in the building face north, and 16 of the community houses have solar hot water. There is solar communal lighting and there are roof gardens on the top of the 240-car basement. There is also non-mechanical ventilation. We were quite impressed with that inspection. Some of the concepts that were put forward about making better communities and better living arrangements for people who live in the centre of
cities were most encouraging. There is another one, which I did not see, but I will come to that in a minute.

I will move to the transport possibilities. I personally advocate the use of public transport, and I use it myself. The Sustainable Transport Coalition of Western Australia has used TravelSmart, a personalised marketing system, to encourage people to take public transport. This is a very interesting concept. The committee commends the Western Australian government for doing something positive and proactive in the development and extension of their urban rail network. Dr Christopher Rissel, Director of the Health Promotion Unit of the Central Sydney Area Health Service, explained how he is copying the TravelSmart system. He said:

We have developed transport access guides, which are maps of facilities which illustrate ways of getting to a destination without driving …

The TravelSmart system is not just about a theoretical argument to get rid of motor cars; it is about a system that could improve transport in cities such as Perth. From the inspections that the committee undertook, you could see that the urban sprawl was of a very high magnitude and that the state government was trying hard to expand the bus and rail networks to help those urban residents.

In view of the time, I will move quickly to a couple of the other aspects of the report. I note the argument about the use of energy within the domestic structures and commercial structures. The report says:

Two factors are currently inhibiting the growth of sustainable housing: the comparative upfront costs, and lack of easily accessible information. Origin Energy noted, for example, that ‘most home and building buyers are concerned about the up-front amount rather than the whole-of-life cost’.

What we are really saying is that, if there were incentives for energy saving within the structure and from the devices that people use over a lifetime, there could be considerable savings. The Higginbotham Group in South Australia were very interested and put up some very good, energy-efficient building designs. The Higginbotham Group also had some innovative approaches to waste water and the use of such water on the estates. I commend their submission, which, in my view, was one of the more outstanding submissions of the inquiry.

I draw attention to a couple of other important exhibits that the committee looked at. One was the Green building in Carlton. I personally did not see it, but it provides a possibility for the construction of both commercial and domestic premises. The energy savings were expected to be 65 per cent, savings in light costs of more than 80 per cent, a reduction in the costs of equipment ventilation and heating and cooling costs of more than 60 per cent, a reduction of approximately 100 per cent in annual carbon dioxide emissions, and savings of 90 per cent in averaged annual mains water consumption. From that example, you can see that it works. People have given considerable intellectual and planning energy to make sure that these possibilities are available.

The committee also looked at Christie Walk, which is a sustainable housing development. It was a very interesting example of water and energy conservation, material re-use and recycling and shared landscape areas and community areas.

I want to refer to one more part of the report, to do with the problem of energy. We can have a long argument about the use of energy, about brown coal in Victoria and about greenhouse gases. The committee was advised about the installation of airconditioners as an exam-
ple of peak power costs that do not flow through to the consumer. I will quote this because I think it is a very interesting problem:

...customers that install airconditioners impose a significant cost on the electricity system but do not pay for it because they only pay an average price. They do not pay for the peak power they use and they do not pay for the peak power network infrastructure that they use to deliver the power.

So we have a situation where energy use in domestic dwellings and in office blocks creates this enormous power demand at a time when sometimes the energy is not available and is not costed correctly.

I commend the report to the House. I think it is a landmark report and there should be further such discussions on the issues raised here. We have no panaceas for the difficulties that we encountered but we commend some of those people out there in the planning area, in the energy area and in the urban design area, where there are some very good things happening. We commend the report to the parliament, to those people interested and to the future generations who need to think about these things very carefully, because they will be living in the urban areas in 30 years time. (Time expired)

Mr JENKINS (Scullin) (10.51 am)—It gives me great pleasure to have the opportunity to speak to the Sustainable Cities report of the House of Representatives Standing Committee on Environment and Heritage. I would like at the outset to thank the committee secretariat for their assistance to the committee and for their hard work. The longstanding secretary of the committee, Ian Dundas, and the long-serving administrative officer, Marlene Dundas, gave the backup support to those who were directly involved with the inquiry. In this parliament the inquiry secretary was Ms Julia Thoener. I wish her all the best in her career outside the parliament. The research officer was Robert Little. We should also thank Dr Anna Dacre for her work as the inquiry secretary in the previous parliament. I acknowledge that she has now gone on to be a secretary of a House of Representatives committee in her own right. I think that is a worthwhile and deserved appointment.

I would really like to thank my colleagues on the committee from both sides of the chamber, both in this the 41st Parliament and in the 40th Parliament. When we recommenced this inquiry in this parliament, I was a little concerned because six new members came onto the committee. But they showed the same enthusiasm as the original committee back in the 40th Parliament.

I say that because this is an inquiry that started over two years ago in the back of a bus on an inspection related to a previous inquiry of the committee, when we were tossing around ideas about what inquiry would give the maximum benefit. There was a discussion about the way in which our cities were developing and we decided that we would ask for this inquiry, and I was pleased that the minister gave it.

I think that people who listened to the honourable member for Corangamite’s contribution today, which was a mirror of the way in which he has involved himself in the inquiry, would understand that a person who acknowledges himself as being from the ‘dry’ faction of the coalition showed so much passion on this subject. Whilst there is an element of joke in those comments, I would seriously like to say that. In both committees there was a diversity of view from both sides of the parliament, but we came up in a bipartisan way with a report that we think needs to be taken forward.
I agree with the honourable member for Corangamite. The fact that we have tabled this report is not the end of it. The report is not the be all and end all, but it is a body of work that people should pay attention to. When I talk about people, we acknowledge that so many players have a role in this. For all spheres of government, all sectors within the community—private, social, the whole lot—this is a very important aspect of the way in which Australia will go forward. We should not underestimate the impact that the shape of our cities and the way they operate can have not only in an environmental sense and an ecological sense but most definitely in an economic sense, because it is all about environmental issues, social issues, matters of governance and things like that.

The member for Corangamite quite rightly congratulated the previous chair, the Hon. Bruce Billson, the member for Dunkley. He did start this inquiry process with great energy. He gave us great direction and allowed all of us to be involved and to give the diversity of views that I have talked about. Mal Washer as chair in this parliament has finished the job in a way which has given the substance to this report. He again allowed all members of the committee to develop their thoughts and brought us all together to try to come up with a consensus view that meant that, no matter who is in power in this and other spheres of government, this is a serious body of work that does not just mention the problems. This was not a report about going through and identifying problems because, as the honourable member for Corangamite has listed, we know the statistics that drive this and what we need to do is to come up with solutions.

Along the journey of this report, we were exposed to the Melbourne principles for sustainable cities. The International Environmental Technology Centre developed these under the United Nations Environment Program. I think it is an interesting little document. It goes to a series of nine principles that they believe underpin sustainable cities. I would like to quote their commencement vision, a vision for the creation of sustainable cities, which is:

To create environmentally healthy, vibrant and sustainable cities where people respect one another and nature, to the benefit of all.

That is what this inquiry revealed. As the House of Reps environment committee, we started from an environmental view. Our starting point was: what is the ecological footprint of a city? How can we make sure that that footprint is not too large, that it is a sustainable footprint? But, right from day one when we started to gather the formal evidence, it was made clear that to look just at the ecological problems of sustainable cities was not doing the job at all.

The elements that have been mentioned include the importance of public transport and the movement of people around cities. We talk in emotive terms, and dries and wets within the coalition and different people across the chamber might get excited about remuneration and pay and conditions in debates about the workplace. But another aspect of people’s richness and people’s ability to involve themselves in the community is time. So many people now find themselves time poor because, in going about their economic activity, they are so displaced from their place of work. They are stuck in bottlenecks. Moving around takes so much time. So we have to look at the ways in which cities can move people around to do their work, to go about their business, to go to medical centres and hospitals and to go to their places of education. If we do not look at that, we will continue to have a vicious circle of people not getting anywhere.
The honourable member Corangamite represents part of the outer suburbs of Geelong and the other townships that are burgeoning along the Bellarine Peninsula. They are now not just holiday destinations but dormitory suburbs for people who are working in Greater Geelong. So the movement of those people to their places of work is important. I represent an electorate in the outer northern suburbs of Melbourne, where new housing is going in because it is now the closest land to the CBD. The pace of development is so great that the ways in which local and state governments are able to provide important infrastructure is being well and truly tested, and they are falling behind. We simply say in this report that we should return to a situation where, as in the past, the national Australian government has involvement in these matters.

I was going through some papers last week. They were talking about a states grants public transport bill from back in the 1970s, which used a model that we have now moved on from and that is now irrelevant, but the point is that 30 years ago we were thinking about it. During the Whitlam era there was the department DIIRD, so we saw then that we had a role. It had a great vision for decentralisation, which has now fallen by the wayside. We briefly discussed this around the table during this inquiry. We have not really gone towards that because there are so many things that are pushing against it. But it will be something that we have to look at. We have here the members for Shortland and Paterson. Along the Central Coast, the band between Sydney and Newcastle—

Mr Baldwin—The Hunter.

Mr JENKINS—And the Hunter.

Ms Hall—And the mid-north.

Mr JENKINS—The whole thing! These are suburbs and communities that really need to look at the way in which they are developing to ensure that they are sustainable. Again, a lot of the residents of the Hunter region are making those journeys and are time poor. That is the importance of these matters not only for the big cities but for those communities that serve the big cities, for those communities that need to be more self-sustaining in the way that they operate. It is about places of employment. It is about the way we use resources like water. It is about the way we ensure that we have proper disposal of waste. The matter that I really want to emphasise, because it has the most impact on my electorate, is the federal role in the provision of public transport. Recommendation 7 of the inquiry’s report reads:

The committee recommends that the provision of Australian Government transport infrastructure funds include provision of funding specifically for sustainable public transport infrastructure for suburbs and developments on the outer fringes of our cities.

Unashamedly that is a recommendation for the electorate of Scullin. If we look at the needs of the electorate of Scullin, we see that No. 1 in people’s aspirations as they develop new communities on the outer urban fringe is public transport, and we have to tackle the lack of it. The Victorian state government is emphasising traditional bus routes—that is, new bus routes but on a traditional basis—where they wind through the suburbs, and it is indicating that the cost for provision of public transport means it is unable to meet the needs in an efficient and timely way.

I put up for discussion a proposal for my local area, which I call the Plenty Valley mass transport loop. In our local area we are very lucky that a previous railway reserve, from the
suburb of Epping right through to the township of Whittlesea—some 20 kilometres—is still in government ownership. In simple terms, in the way people look at it, it is there to be used for an extension of the railway. In the planning process for the development of new areas in Epping North, there is a public transport corridor through the middle. That land has been set aside on the basis that there should be a railway spur going off between the Lalor and Epping stations to serve this new Epping North area.

But behind both of these examples is the intention of just expanding the overall Melbourne metropolitan rail network. I believe that the best way of achieving a public or mass transport network that meets the needs of the community in the outer urban north, which by, say, 2030 will have a population in excess of 200,000, is to put in place a public transport spine that meets the needs of that population. We should look upon that not as an extra 200,000 people over and above the four million people who already live in Melbourne. If we used this loop, which goes for something like 15 to 20 kilometres, we would be joining up the new suburbs, the new developments and the new estates. The loop goes past two major shopping centres. It goes past the major hospital, the Northern Hospital in Epping. It meets the Epping railway station. So, with one simple nodal change, people would be connected with the rail network. We would hope that eventually the Plenty Road light rail would extend out to meet it. I believe that this solution would meet the needs of the community that I represent.

Whether this mass transport loop is delivered in the form of heavy rail, light rail or a dedicated bus autobahn like you see in Adelaide or Brisbane, I do not really mind, but I think that we need to have the mindset that that is what we want to put in place and that it has the advantage of connecting with the metropolitan network. If we have to look at funding models, I want to move on in my thinking to say, ‘Let people come up with proposals.’ When it is all said and done, under the traditional bus model that we have in our major cities, what is happening is that they depend upon government subsidy of private companies. Let us look at different models and at how there can be a partnership between private and public moneys to deliver. I think they are important.

I would hope that people in this place take this report, Sustainable cities, very seriously. I hope that the government sees fit to pick up the major recommendations about models where we can see the state governments coming together and, at the level of COAG, come up to sustainable cities targets that will, in turn, go to ways in which we can fund to meet these goals. I think that these issues are so important that it requires an effort by all of us, whatever side of the chamber we are on, to support the recommendations of this report. (Time expired)

Ms HALL (Shortland) (11.06 am)—Firstly, I would like to congratulate the House of Representatives Standing Committee on Environment and Heritage on what I think is a very substantial report. As has been mentioned by members of that committee, it is a blueprint for the future. My only disappointment with the Sustainable cities report is that I was not able to be part of the committee that examined these very important issues. As the member for Scullin rightly identified, this is a very important issue for electorates such as Shortland, which is on Lake Macquarie on the Central Coast of New South Wales, and the electorate of Paterson, which is in the Hunter region and the mid North Coast of New South Wales—all very environmentally sensitive areas which the issues discussed in this report impact on greatly. So I would like to congratulate the committee. I think that they have identified the important issues and have come up with some very innovative recommendations that can make real changes in
the way we look at these issues. It is important because the report has recognised that there are challenges and has put in place strategies to deal with them.

Looking at the sustainability of cities, we are considering the built environment and the natural environment and how they impact on the physical and psychological wellbeing of people. I was very pleased to see in the report a section dealing with the issues of health. It looked at the impact that cities have on our environment, and I think it is worth noting some of those recommendations. The Western Sydney Area Health Service listed a range of health influences that impact on the urban living environment. They were stated by one of the previous speakers. The report identified that health outcomes as diverse as mental health, obesity, injury, violence, asthma and infectious diseases are affected by these and other aspects of the urban environment, and it also identified the relationships that encompass social, physical, behavioural and economic determinants.

If we do not plan our cities properly, we end up with numerous problems that have a great impact on our health. In planning our cities and planning future development in our cities, one of the things that we need to be very mindful of is whether or not there will be suitable open space so that physical activity can take place. This week the AMA released a report on obesity in children, and I believe that that aspect needs to be considered when we are looking at the sustainability of our cities. Poor planning and poor development can lead to obesity in the future and all the associated problems that children—and adults, for that matter—develop. It is very interesting to note that this report points out that the closer a person lives to a freeway the more likely they are to suffer from obesity and related illnesses. It is very important that we consider the health aspects of the sustainability of our cities. Respiratory illness is rising within city environments, and that is another aspect that we need to look at in relation to emissions and other factors.

What about waste disposal? That is one of the most common problems that face local government areas. We must always be mindful of the availability of landfill and the impact that not having that landfill available has on a community.

Another aspect of health that I would like to mention is psychological health, psychological wellbeing. I believe that the planning of our cities has a great impact on that. If we have cities that are crowded and people do not have adequate access to personal space or adequate access to an environment where they can exercise, they are much more likely to develop psychological problems. Any student of social psychology would be very aware of that. I also mention the impact that congestion on our roads has. The lack of public transport, as well as having a physical impact, has a psychological impact. It leads to road rage, depression and numerous psychological problems.

Mr Baldwin—Mr Deputy Speaker, I would like to ask a question.

The DEPUTY SPEAKER (Hon. DGH Adams)—Would the honourable member like to accept that question?

Ms HALL—Yes, most certainly.

Mr Baldwin—I notice that in the report there have been submissions by Newcastle council, in particular relating to public transport in surrounding and developing areas.

Ms HALL—Yes.
Mr Baldwin—What is your view on the removal of the train on the link through Newcastle from Civic to Broadmeadow? Do you support your state government’s view on that or are you opposed to the removal of it?

Ms HALL—The member for Paterson asks a most interesting question. I do not wish to comment on the actions of the state government, but I believe that public transport is very important and that there needs to be access to public transport for all people. I believe that we should be increasing public transport. I will be talking a little bit more about transport in my contribution, and the member for Paterson may find that quite interesting. It is not my intention to comment on a decision of a state government, but I believe that we should have more public transport rather than less. I hope that answer satisfies the member for Paterson.

I am very disappointed that he interrupted me with that question right at that moment, because I was coming to the point of talking about social isolation and psychological wellbeing of people living in cities. I believe we have to be very mindful of social isolation when we are developing and building our cities. The right social structures and transport infrastructure will ensure that that does not happen.

The electorate of Shortland is in a very pristine coastal region. I would argue that it is probably the most beautiful electorate in the whole of this country. It is situated between a series of lakes and the ocean and is very close to Sydney. For that reason, a lot of pressure is being placed on it. There are two local government areas within the electorate: Lake Macquarie and Wyong Shire. Each of those electorates is a high growth area and has enormous pressure for development being placed on them. When looking at pressure for development, we have to keep in mind important issues such as urban sprawl, which is talked about to some extent in this report, and ensure that we have sufficient infrastructure in place.

Water is one of the issues that is raised in the report and has been a very significant issue within the Wyong Shire Council area—an area that is developing very rapidly, where there are prospects for further enormous development and where there is great pressure being placed on the natural environment and water supplies. This year there has been a water crisis in Wyong Shire. A joint submission has been submitted to the Australia Water Fund by both Wyong and Gosford councils. They have put in applications for recycling projects. One proposal is focused on better management of water resources and sewerage in the coastal environments, specifically capitalising on the substantial resources that recycled water presents. The proposal can be transferred and translated to regional models within urban coastal environments. I recommend it to the House.

There is also a proposal for effluent reuse for Vales Point and Munmorah power stations within the electorate of Shortland. Once again, it is an innovative proposal that fits in with the kind of innovation that is mentioned in the report. There is also an application for funding under the Water Smart program, a joint project of the Hunter Water Corporation and the Gosford and Wyong councils. It is based on linking the metropolitan water supply systems of the Hunter, Gosford and Wyong regions, which will enable the enhancement and management of the regional water supplies. The project looks at linking the rich water resources of the Hunter with the large storage capacity of the Wyong and Gosford councils.

The final proposal to the Australian Water Fund is the increased need to locate and develop additional water resources to re-establish a secure water supply on the Central Coast of New South Wales. That is looking at groundwater and the harvesting of stormwater. They are all
very innovative joint projects that the councils and Hunter Water are looking at. I am not as supportive of the desalination project, the last option, as I believe that desalination creates more problems than it solves.

I mentioned transport. Within the electorate of Shortland there is a series of communities and the transport is very poor. On the Central Coast these communities are served by private bus companies. Basically it is one bus service in and one service out on the weekends. This isolates those communities and creates enormous pressure. Recently a social work student who looked at youth needs on the Central Coast identified that the single most important issue was transport.

Finally, I would like to congratulate the state government on bringing down the Lower Hunter Regional Strategy. I believe it is at a draft stage. It is a very important document because it looks at planning across the region—not just from one local government area. It is a draft plan. I hope that all the people of the Hunter contribute by making submissions to this plan so we can make sure that the issues that have been identified as needing to be expanded are expanded. Planning and leadership are the way to go. I support the recommendation of this committee that the Australian government take a leadership role in planning for sustainable cities. The federal government can add something to the future of this nation through that process.

Debate (on motion by Mr Baldwin) adjourned.

CENSUS INFORMATION LEGISLATION AMENDMENT BILL 2005

Second Reading

Debate resumed from 3 November, on motion by Mr Pearce:

That this bill be now read a second time.

Mr SWAN (Lilley) (11.22 am)—I welcome the opportunity to address the provisions contained in the Census Information Legislation Amendment Bill 2005. This is a non-controversial bill and Labor will be supporting it. As detailed in the memorandum to the bill, its main purpose is to codify the circumstances that name-identified information collected in the 2006 census and in all subsequent censuses will be stored by the National Archives of Australia. The five-yearly census of population and housing is the largest statistical collection undertaken by the ABS. Its purpose is to accurately measure the number of persons in Australia on census night, their key characteristics and the dwellings in which they live.

The 2006 census will take place on 8 August 2006. The census provides a range of information which is vital for effective planning by governments, community organisations and the business sector. At the last census in 2001, legislation was implemented which provided for the retention of census data. The legislation followed the Standing Committee on Legal and Constitutional Affairs report Saving our census and preserving our history that recommended retaining name-identified census information for future research with appropriate safeguards.

The bill we are debating today outlines the circumstances where name-identified information may be kept and when it may be eventually released. The bill sets out that name-identified information will only be retained for those households which provide explicit consent. The information will only be released after a closed access period of 99 years. These measures extend into the future similar provisions which were put in place for the 2001 census. Prior to the 2001 census, all name-identified information from past censuses has been
destroyed once processing was completed. For privacy reasons and to encourage households to consent, that name-identified information should not be available for any purpose within a 99-year closed access period, including access by a court or tribunal or other government agencies. This closed access period of 99 years contained in this bill is much longer than the usual 30 years for most archived material. This bill also makes some consequential amendments to the Census and Statistics Act 1905. Labor supports these measures.

Mr BALDWIN (Paterson) (11.24 am)—The Census Information Legislation Amendment Bill 2005 seeks to make some dramatic changes. Prior to the 2001 census all name-identified information from past censuses had been destroyed once statistical processing was complete. Information is an invaluable tool in planning and developing for the future of our nation. The ability to collect, store and maintain data, provided that privacy measures are maintained, is an important aspect of census data collection. I will continue my comments at a later time.

Mr RANDALL (Canning) (11.25 am)—I am very pleased to speak on the Census Information Legislation Amendment Bill 2005, because it is a bill I have a direct interest in. The Standing Committee on Legal and Constitutional Affairs, of which I was a member, delivered a marvellous report called Saving our census and preserving our history. Membership of this committee provides an interesting snapshot of the changes in this parliament. The committee chair at that time was the Hon. Kevin Andrews, who, as we know, has taken an elevated position in the parliament since that time. I was the member for Swan in that parliament. I lost that seat and have now come back as the member for Canning. Other members of the committee were the Hon. Neil Andrew, who has moved on, Duncan Kerr and Peter McGauran. Another member of that committee I particularly want to mention is the Hon. Stephen Mutch, who was the former member for Cook.

The DEPUTY SPEAKER (Mr Baldwin)—I remember him well.

Mr RANDALL—Yes, Stephen Mutch was somebody who I had an enormous amount of time for. He also took particular interest in this committee and we travelled the length and breadth of Australia taking evidence. As a result of this committee work five recommendations were made. The first recommendation is probably one of the most important:

The Committee recommends that name-identified information contained in forms from future censuses be retained.

The Committee further recommends that specific legislation be implemented to provide for the retention of name-identified information from all future censuses.

That report was delivered in May 1998 and has finally delivered the result in 2005. For those people who do not think reports in this place carry any weight or have any relevance, this report done on behalf of the Standing Committee on Legal and Constitutional Affairs in 1998 is bearing fruit today. The Treasurer provided the terms of reference on census retention. He is obviously keen to see the benefits of census retention as part of this legislation today. Besides the Treasurer, in the ensuing period there has been strong support from the current Parliamentary Secretary to the Treasurer, Mr Chris Pearce. He has been a strong advocate of this current legislation. Senator Mitch Fifield has also been very strong in his support.

As an interesting aside, while we were taking evidence on this particular reference, the Australian Bureau of Statistics was totally opposed to name-identified retention of census data—to the extent that the then head of the Australian Bureau of Statistics endeavoured to heavy the committee a few times on our views. I believe his name is Mr Bill McLennan. I am
quite happy to say that because I raised this almost as a matter of privilege at the time. He appeared before our committee several times. He sent one of his henchmen to follow us all around Australia and we felt in some respects slightly compromised by his attitude and over-bearing tones on this whole issue.

Another interesting matter is that one of the very passionate groups of people that have supported this legislation has been the ‘Save the Census’ lobby. The Save the Census lobby is made up of such people as genealogists, academic historians, epidemiologists and geneticists. The people who were against the retention were people such as the Australian Privacy Foundation. As an interesting aside, we found that, if you type the word ‘genealogy’ into the Google search engine on the internet, you will find that there have been 59 million hits. This compares to 22 million for ‘Elvis’ and 217 million if you typed in the word ‘sex’. That is how interested people are in learning about aspects of their history and genealogy.

In the taking of evidence, in particular, the importance of information was borne out quite strongly. It was not just for historical information for families et cetera; it was well documented by geneticists et cetera that the retention and name retention of census information is a magnificent tool with which to track diseases and genetic disorders down through the history and through families. As a result, this was something that was deemed to be strongly supported.

We know that the census is an important social record for the Australian culture. This is, as I said, a cultural aspect as well as a statistical tool. The Australians of tomorrow have a right to know their history, and we must balance their right to know with an appropriate right to privacy for living Australians.

While I am addressing this matter, I would like to mention a strong advocate and one of the people following this issue very closely during the reference which resulted in the 1998 report. I refer to a gentleman called Mr Nick Vine Hall. He is a genealogist and a maritime historian. He has produced several books; one, now in its third edition, is called Tracing your Family History in Australia: A National Guide To Sources. Mr Vine Hall is the chairman of the Australasian Federation of Family History Organisations. That is the peak body in Australia and New Zealand. It is very keen on this legislation because it provides its member organisations with a great tool in tracing family histories. I have to congratulate Mr Nick Vine Hall not only on the evidence he gave to the committee in 1998 but also because of his ongoing support of this census retention lobby. As we know, as I said earlier, the ABS—particularly its boss at that time—did all it could to stop this legislation getting to where it is today. I have mentioned my former colleague and friend Stephen Mutch, the former member for Cook. One of the interesting things to come out of the history is that the organisation has continued to assiduously promote the benefits of the retention of census material. It should be very pleased to see today’s legislation passing through the parliament.

We know that there was a successful trial in the 2001 census when Australians had an opt-in/opt-out choice of whether they wished to have their material retained, and over 52 per cent decided they wanted to have it retained. The 2006 census will again be an opportunity for all those involved in the census—for all the right reasons, as I have pointed out—to have their information retained. Those who do not can rest assured that that information will be destroyed and pulped. That should give some comfort to those from the privacy lobby who for
some reason seem to be quite alarmed about any information being retained for the good of all Australians.

Those who wish to take part can indicate on the census form that they specifically agree to this information being retained, and the National Archives of Australia will ensure the information is kept safe and secure and will not be released until the end of a 99-year period, which I think is quite fair and reasonable. I certainly will not be around then to delve into anyone’s background, skeletons or nefarious behaviour. I think there are lot of checks and balances there.

One of the concerns in evidence to the Standing Committee on Legal and Constitutional Affairs was how we were going to retain this information for 99 years. There was much debate on the ability to retain information in an orderly way. We know that if we were to retain it in paper form, we would have to build a couple of large buildings to house it over the ensuing years. We have progressed a long way since doing it on microfiche, and there was a much debate about doing it electronically on computers. It was eventually determined that the National Archives of Australia do have the capability and the modern technology to retain it in both a private and proper way well into the future. In support of this information being retained, I can report that Australia did keep census information many years ago. In fact, the last time that name-identified data was retained was in 1828. So we have done it before, but the privacy lobby then took over and people’s concerns were addressed.

The Australian government has provided sufficient funding through the budgetary process so that this information can not only be used but then be stored. Nineteen million dollars has been set aside to do this. If I am correct, the previous census took about $4 million to conduct, but this $19 million will go forward to provide the resources, the technology and the expertise to retain this information well into the future.

The AFFHO, which again I will point out is the Australasian Federation of Family History Organisations, covers both Australia and New Zealand, and it is keen to work with the government to develop a national policy on record retention in this country, especially in respect of certain basic data about each of our citizens, that should be collected and retained in perpetuity. Currently we have birth, death and marriage records kept by the various states, but there are all sorts of variations about what is collected, access rules and privacy periods. The same anomalies exist with adoption and divorce records around this country. That is interesting because, as millions of Australians were not born in this country, we do not even have their birth records. Millions of people are not on electoral rolls, and the keeping of basic historical records around Australia in government departments and archives is in disharmony. So this information will go some way to addressing the dislocation and disharmony that currently exist throughout the number of jurisdictions around Australia.

Finally, I would like to reiterate that this is a great move forward for Australia because it gives a statistical snapshot of the Australian people at a particular time. It also provides information not only for genealogists but also in the medical field. This will help track people in a longitudinal type survey for genetic disorders, which will have a positive benefit. As a result, I am very pleased, having been associated with the original report, to see this legislation go through the House today. I commend the bill to the House.

Mr Pearce (Aston—Parliamentary Secretary to the Treasurer) (11.40 am)—I start my summing up remarks today on the Census Information Legislation Amendment Bill 2005 by
thanking the member for Canning for his very learned remarks and contribution, for his sup-
port of this bill and for his participation and work on the report of the Standing Committee on
Legal and Constitutional Affairs, Saving our census and preserving our history.

A division having been called in the House of Representatives—

Sitting suspended from 11.41 am to 11.58 am

Mr PEARCE—As I was saying before the division, it is my honour to sum up the Census
Information Legislation Amendment Bill 2005. In 2001, when the last national census was
conducted by the Australian Bureau of Statistics—or, as most Australians know it, the ABS—
all Australian households were able to choose to have their census information preserved.
Over 50 per cent of households elected to do so. This bill will ensure that Australians can
again elect to have their name-identified census information retained by the National Archives
of Australia for a period of 99 years before it is then released for genealogical and other re-
search purposes. Importantly, the bill will allow households to elect this option not only for
the 2006 census but for all future censuses.

Prior to the 2001 census, all name-identified information from the censuses was destroyed
once processing was complete. The retention of name-identified census information was rec-
ommended by the House of Representatives Standing Committee on Legal and Constitutional
Affairs in its 1998 report called Saving our census and preserving our history. As I said in my
opening remarks, I want to congratulate the member for Canning for his contribution to that
report. The Australian government accepted the committee’s view that saving name-identified
census information for future research with appropriate safeguards will make a valuable con-
tribution to preserving Australia’s history for future generations.

Under the bill and in line with the 2001 census, name-identified information will be pre-
served only where households have explicitly elected this option on their census form. The
release of this information at the end of the 99-year period will be an important resource for
future generations, providing them with a comprehensive picture of the Australian people and
society at the time each census was held. The ABS has a strong reputation around the world
for the quality of its statistics and its census information. It is this information that proves vi-
tal for decision making by governments and the community at large. The bill reflects the im-
portance that the Australian government places on the need for all Australians participating in
the census to trust that their information will not be retained if they do not explicitly elect for
this to happen. Households that do not consent to the retention of their census information can
be assured that it will be destroyed as soon as statistical processing is completed.

The bill also provides that during the 99-year closed access period the retained name-
identified information will be completely protected. After the processing period the retained
census information will not be available for any purpose within the 99-year closed access pe-
riod, including use by a court or a tribunal. The bill makes it explicit that this protection in-
cludes protection from disclosure under compulsion to any Commonwealth agency. The bill
accordingly enhances the value of the census information by ensuring that it can be preserved
in a time capsule as a legacy for our descendants into the future.

The census is a vital component in planning properly for the wellbeing of all Australians. I
want to acknowledge the extensive work already done by the ABS and their staff for the 2006
census under the Australian Statistician, Dennis Trewin. The five-yearly census is a massive

MAIN COMMITTEE
data collection project. The government has every confidence in the professionalism and expertise of the ABS team. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

ADJOURNMENT

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (12.02 pm)—I move:

That the Main Committee do now adjourn.

Research and Development

Mr MURPHY (Lowe) (12.02 pm)—The proportion of GDP spent on research and development is universally recognised as an objective indication of a nation’s potential for future prosperity. During the Howard government’s time in office the countries with the strongest economies have increased their R&D spending, while research activities at Australian universities have been seriously degraded by deliberate fiscal strangulation. In what many perceive as a deliberate intensification of the government’s attack on research workers, the Minister for Education, Science and Training has taken to personally vetoing otherwise successful research grant applications. Evidently the minister has decided to cancel funding for those research proposals that, despite being acceptable to highly qualified assessors, do not fit the government’s political straitjacket.

In 2004-05 the government will have outlaid $481.4 million for the Australian Research Council National Competitive Grants Program, and a further $193 million will have been spent on the Cooperative Research Centres Program. Similar sums will be spent in the years to come. One would expect that the administration of these large sums of public moneys would properly be placed before qualified assessors, such as the Australian Research Council’s College of Experts, for objective consideration. Instead, as I have been informed both by press reports and by university research workers, this process is being undermined by the highly inappropriate interference of the minister.

According to Stuart Macintyre, who is both professor of history and Dean of Arts of the University of Melbourne, the minister’s ideologically inspired meddling is seriously compromising the integrity of the allocation of research funding. According to Professor Macintyre, the minister’s first attempt to set up a Robespierre style committee of public safety to oversee the decisions of the College of Experts was rebuffed when the board of the Australian Research Council—which presently includes Nobel Prize winner Professor Peter Doherty—rejected the proposal. Professor Macintyre reports that the minister then tried to install unqualified members on the ARC Quality and Scrutiny Committee. Fortunately for the integrity of the ARC, this ministerial manoeuvre also failed. Apparently the appointees, including the journalist PP McGuinness, smelled a rat when they discovered that their role would be limited to examining the titles and summaries of research submissions that had received funding. Despite their concerns, these ill-informed inquisitors apparently saw fit to scrap 20 otherwise acceptable grants from the list before the minister stepped in.

I can only assume that the decisions of the members of the committee were not up to the standards required by the minister. Presumably they have been too lenient. The Minister for
Education, Science and Training has now allocated to himself the function of supreme arbiter of research grants and has apparently, without explanation or stated reasons, blocked a number of research proposals that had been approved by the ARC.

It is difficult to convey the levels of frustration and disappointment that these dodgy ministerial decisions are causing for Australia’s research community. Does the minister have any idea of the effort involved in preparing a submission for a research grant? A grant applicant may spend weeks or months producing a document that is often more detailed than a research paper only to have the application discarded at the random whim of the minister.

An indication of the cancerous effect that the minister’s action has had on his department was a pronouncement reported by Professor Macintyre as having been made by the Chairman of the ARC board. The chairman admitted that the minister had vetoed some grants in the humanities but said that this was ‘no big deal’. The Chairman of the Australian Research Council should know much better than to make such a statement. Is it any surprise that significant numbers of Australia’s best research workers are either abandoning their careers or taking up posts in the countries that value their work?

Roads: Perth to Bunbury Highway

Mr RANDALL (Canning) (12.06 pm)—Many people would know that in this place I have raised the issue of the Perth to Bunbury highway, better known as the Peel deviation or the Mandurah bypass, many times. I am pleased to say that in the intervening period since we were last in this House, in the two weeks spent back in our electorates, the state member for Armadale, the Minister for Planning and Infrastructure in Western Australia, the Hon. Alanah MacTiernan, has finally signed the AusLink agreement, which allows this road to commence.

The federal government, as we know, had offered $170 million towards his project. That was the amount of money that the state government asked for, by the way. The department asked for $170 million, which was consigned through AusLink to the project, the Mandurah bypass, as part of the AusLink agreement. Minister MacTiernan then decided that she would find cost blow-outs. She said it would cost an extra $110 million and wanted the federal government to cough up an extra $55 million—just like that. Then she thought, ‘It might even cost another $100 million,’ so she was looking for another $50 million. She said she would not sign the AusLink agreement unless the federal government coughed up this money. To that extent she endeavoured to blackmail the Commonwealth in some respects. As a result, as the minister she made Western Australia the last state to sign the AusLink agreement. She said—it is recorded in Hansard—in the Western Australian Legislative Assembly on 23 August 2005:

We are saying we will not sign the AusLink agreement.

Again, she said in the Western Australian Legislative Assembly on Thursday 22 December:

We will not be signing off on our contribution to the Peel Deviation. We will be continuing our campaign to fight against it. But the rest of the agreement will be signed anyway.

What she tried to do was to take the Mandurah bypass out of the AusLink agreement and have it set aside as a disagreed item, which would have been tantamount to putting this important piece of infrastructure on the backburner for years and years. We know, because of WA’s budgetary forecasts, that this road would not have been built until at least 2012. The region is
crying out for this valuable piece of infrastructure to stop the bottleneck through Mandurah to the south-west of Western Australia and in the Peel region in general.

But the federal members and the ministers held their ground and said that, if Minister MacTiernan wished to take this out as a disagreed item, she would lose the $170 million. We know that she was never going to be allowed by her cabinet and by her state treasury to hand back $170 million to federal consolidated revenue, because Western Australia would have missed out. Western Australia has a $1.5 billion surplus and she is entitled to use some of that money to get on and build this road.

Surprise, surprise—it is pleasing to say—Minister MacTiernan signed the AusLink agreement after getting several extensions from Minister Truss in this period. As a result, the road will now be built in a timely fashion. The federal government, knowing the sort of trickery and chicanery that she gets up to, has put a number of conditions on the building of this road. They are that it is to be started in 2006 and that traffic be running on it by the end of 2009. She signed up to that. She has also signed up to absorb any further cost blow-outs. She has not presided over one project in Western Australia that has been built on time or on budget. Every project that the Minister for Planning and Infrastructure in Western Australia, Alannah Mac-Tiernan, has been involved in has blown out extraordinarily. For example, the Mandurah to Perth railway line has gone from $1 billion to $1.5 billion—making it dearer than the Alice Springs to Darwin line. We are talking about 70 kilometres in this line.

The federal government had to put into place several checks and balances to make sure that Minister MacTiernan delivered her commitment on time, on budget and in a formal way. She bragged that she got an extra $52 million out of the Commonwealth by hanging out and running a $200,000 campaign to sledge the federal government and me. Can I say that $40 million of that was always going to be delivered, so she wasted taxpayers’ money. The other $12 million for the Roe Highway-Great Eastern Highway intersection was essentially from black spot project funding, so the Commonwealth takes responsibility for that road in any case. The good news is that Minister MacTiernan, despite all her lame excuses, has been dragged along kicking and screaming and Western Australians will get the benefit of the Perth to Bunbury highway because we held our ground.

HIV-AIDS

Welfare to Work Legislation

Ms KATE ELLIS (Adelaide) (12.11 pm)—It was my intention to rise today, on World AIDS Day, to make a contribution about my grave concerns at the efforts to address AIDS in our world and to call on the Western world to step up and address AIDS, particularly in Africa, with a great deal more effort because I fear that future generations will judge us all very harshly on our lack of effort in this area. Unfortunately, due to events that have taken place this day, I now feel that it is my obligation to use this time to raise some of the grave concerns that people in my electorate have raised about the Welfare to Work legislation.

Once again this government has abused the democratic institutions of this parliament and has gagged debate on the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005. I, like many other parliamentarians, was on the speaking list to debate this bill in the chamber and to represent the views of my constitu-
ents. Many of my constituents hold some very strong views on this legislation, but I have been denied the opportunity to raise these in the House in the debate.

This should not surprise us. On 13 September the Leader of the House gagged debate on the Telstra privatisation bills, denying 26 Labor members the right to speak. On 10 November the guillotine was used to gag debate on the government’s mean and extreme industrial relations proposals. Now, as we face one of the biggest changes to social security since the Social Security Act was introduced in 1947, the government has again stripped the Australian people of their voice in this debate.

This legislation does not offer welfare reforms; this legislation is nothing but a cop-out. The government is never willing to confront the big issues facing Australia with good policies and valuable programs. Instead, the government shirks its political responsibility, opting for incompetent and reactive proposals which are negative and destructive to Australians and the Australian community.

The changes proposed in this bill are extreme. They cut household budgets for families who can least afford it. I thought Australia was a country of opportunity. I thought Australian culture was all about lending a hand and helping people achieve better outcomes for themselves. I thought Australians cared about not just themselves but other people and their community. With this government, you would not know it. I say: shame on this government. Shame on the government for not providing welfare reform that assists people to access employment that reduces reliance on welfare and that aids the skill shortage crises which are currently facing the Australian labour market.

I support the objective of moving people from welfare to work. I support the objective of helping people with a disability and single parents into jobs. The social and economic benefits that emerge from engaging in employment are far-reaching for the individual and the community. Employment grants individuals financial independence. It provides social interaction with local businesses, and the national economy profits from higher employment participation. However, this legislation slashes the entitlements for people eligible for the disability support pension or for the sole parent pension.

Since its election, the Howard government has been intent on hurting the most vulnerable people in our community. It has attacked those who are most vulnerable in every way possible. We saw it with the unfair tax package, offering least to those who most need it. We saw it with the changes to the industrial relations system and how they will affect our workers. Now, instead of giving Australians choices and instead of working on programs which will bridge the gap from the welfare system to appropriate employment, the government plans to dump people from one welfare payment to a lower welfare payment.

This bill slashes entitlements by changing the eligibility for the disability support pension, the parenting payment single and the parenting payment partnered in a way which restricts access to payments. The changes made to eligibility requirements will drive would-be recipients of these payments onto Newstart allowance, which offers a lower payment with more punishing effective marginal tax rates.

This bill offers disincentive after disincentive. It does not help people find jobs, and makes working less financially worthwhile. Instead of reducing the number of people who depend on welfare, the government is just dumping people from one Centrelink database to another.
call on the government to not punish those who can least afford it, but instead help and encourage people to move from the welfare sector into employment. I believe that we do need reform—there is no question that we need reform of our welfare sector—but we do not do that by punishing those who can least afford it.

The DEPUTY SPEAKER (Mr Baldwin)—I would advise the member for Adelaide that the bill she is talking about is being debated in the chamber at the moment.

Ms Kate Ellis interjecting—

The DEPUTY SPEAKER—But it is still under debate until 12.54 pm.

Tiger Airways

Mr TOLLNER (Solomon) (12.16 pm)—I rise today to speak about an announcement made in my electorate of Solomon by the Singaporean based airline Tiger Airways that they will commence service between Darwin and Singapore. The service will commence on Monday, 19 December with four flights per week planned. This will add an additional 37,000 seats per year into Darwin, representing a huge boost in international visitor numbers for the Northern Territory. This will be the greatest number of international seats to Darwin since April 2001.

Tiger Airways is a very, very low-cost airline that has a network into other Asian destinations such as Vietnam, Thailand, Macau, India and the Philippines. I believe that Tiger will be able to market Darwin as the gateway to both Asia and Australia. The unique place that is Darwin has many selling points that appeal to both Asian and Australian tourists and visitors alike. I had the opportunity to meet with Tiger’s CEO, Tony Davis, while stopping in Singapore in July this year. In our discussions, I pointed out to him the potential tourism opportunities of the Northern Territory and the fact that there was plenty of scope for new airlines to fly into Darwin. Mr Davis believed that, because of the increased demand for low-cost airfares in both Asia and Australia, they were in a perfect position to capitalise on both tourist and business-related travellers between Asia and Australia.

Mr Davis also said that he will be marketing Darwin as the gateway to Asia through Tiger’s flying network, and this will provide a stimulus to people interested in travelling to the Northern Territory. This will provide greater awareness of the Territory as an icon tourist destination throughout Australia. At the same time, the airline will assist in building and enhancing relationships with our near neighbours, which can only be good for all of us. As many people are aware, tourism is the second-largest industry in the Territory and the largest-employing sector. The continuing economic development of the NT depends heavily on increases in tourism numbers, and this announcement can only provide a boost to our tourism industry.

Over the years we have seen a decline in international tourism numbers to the Northern Territory, and it is something I have been working very hard with many ministers in this government to improve for the benefit and success of our local tourism operators. For example, the Parliamentary Secretary to the Minister for the Environment and Heritage recently announced that over $1½ million would be spent on infrastructure upgrades in Kakadu National Park, with much more to come. As well, a Darwin based tourism company recently received funding to help establish safari style camps in three locations across the Northern Territory. These are the sorts of measures which will help attract tourists to the Northern Territory.
As I said, I met with Tony Davis late in July this year in Singapore. Following that meeting, Mr Davis made connections with our international airport in Darwin and also the Northern Territory Tourist Commission. He is now ready to go by 19 December. It gives you a pretty good idea of how quickly these fellows work—how quickly they can get their act together and the professionalism that they have.

I should also acknowledge the very hard work that has been done by the Northern Territory Tourist Commission in promoting the Territory. They have been instrumental in their involvement with this arrangement and they have done a very good job, as has the Darwin International Airport. The CEO there, Mr Ian Kew, and his offsider and great supporter, Peter Roberts, have done a fantastic job in their negotiations with Tiger Airways. They have done a lot of hard work behind the scenes in securing this investment for the Territory.

Finally, I want to thank Tiger Airways and Tony Davis for their belief in the Northern Territory as a low-cost gateway to Asia. They have done an absolutely fantastic job in pulling things together so quickly. I believe that many Territorians will be rushing to get tickets. I will definitely be one of those, and I am sure my family will as well. (Time expired)

Prime Minister

Mr GIBBONS (Bendigo) (12.21 pm)—On Tuesday night, in its normal arrogant manner, the government gagged debate on one of the most important pieces of legislation to come before this parliament in the current term. It prevented 45 Labor MPs, me included, from participating in the debate. The antiterrorism bill is among other important legislation that the government rammed through parliament in a display of arrogance unprecedented in Australian politics. Just a few weeks ago the national media and its commentators were all bleating that the Prime Minister had been vindicated in his actions in arranging for minor amendments to then existing antiterrorism laws. I say: what utter rubbish. Why didn’t we see headlines like ‘The Prime Minister does his job’? After all, that is what he is elected to do—his job.

The Prime Minister was briefed by the appropriate authorities regarding a particular set of circumstances and he did his job. The Prime Minister is this country’s chief legislator and he did his job. He reported to his party, minor amendments were drafted and agreed on and he arranged for a briefing for the opposition leader and others, who did their job and agreed to these amendments, resulting in a smooth and quick passage through the parliament. That is how it works in a democracy: people do the job they are elected to do. But the Prime Minister went further. He called a media conference to brag about doing his job. This could have very easily jeopardised the entire operation, resulting in possible injury or, worse, loss of life. That is definitely not his job.

There are some, including former Liberal Prime Minister Malcolm Fraser, who have been branded cynics for alleging that the Prime Minister is capable of using fear, race and diversion tactics if it suits his political agenda. Those cynics—and I have to confess that I am one of them—could easily be forgiven for harbouring those thoughts about the Prime Minister, because this Prime Minister has form on using fear as a political weapon. This is the Prime Minister who in 2001 sent squads of heavily armed SAS soldiers out to board a boat loaded with helpless refugees, complete with TV news crews filming every aspect of the operation. I ask a simple question: why weren’t the appropriate authorities given this job—authorities like officers from the immigration department, the customs department or even the Australian Federal
Police? The Prime Minister wanted maximum fear instilled in the minds of Australians, for pure political gain.

This is the Prime Minister who exploited the ‘children overboard’ saga just to suck in some short-term political gain. This is the Prime Minister who has exploited the terrorism situation around the world for short-term political gain. This is the Prime Minister who sent our troops off to invade Iraq based on the lie that Iraq had weapons of mass destruction—something that the international intelligence available at the time had little or no evidence of. Subsequent searches after the invasion proved in fact that there were no weapons of mass destruction. We should never forget that at least 20,000 innocent Iraqi men, women and children were killed in that invasion, that hundreds of thousands were maimed or injured and that thousands of military personnel were killed or injured—all because of a lie. This is the Prime Minister who, when he ran into a bit of public criticism about his jackboot style with the latest terrorism and IR issues, suddenly exploited a current operation by the Australian authorities responsible for dealing with potential threats and could have easily jeopardised the whole operation.

We are all awake to the Prime Minister’s tactics after so many abuses. This is not just a case of the little man crying wolf; he is also usually the one hiding behind the door making the growling noises. This little dictator is riding roughshod over the Australian people and their rights on issues such as industrial relations, the so-called antiterrorism laws and forcing the Northern Territory to accept its role as the nuclear waste dump of the hemisphere. This pumped up El Presidente continues to try and ram his wishes down the throats of the elected parliamentarians from both houses of this parliament and from the states. Civil rights, state rights and individual responsibilities mean nothing to this egocentric little man. We are a potential target for terrorist fanatics.

The DEPUTY SPEAKER (Mr Baldwin)—Order! The honourable member will withdraw those comments.

Mr GIBBONS—Which comments?

The DEPUTY SPEAKER—I have given a reasonable amount of latitude. Starting off with the issue of calling the Prime Minister a dictator. I think you have gone way beyond what is acceptable parliamentary language. You will withdraw.

Mr GIBBONS—In deference to you, Mr Deputy Speaker, I withdraw. We are a potential target for terrorist fanatics and this Prime Minister has directly contributed to making us just that. Only this Prime Minister could be arrogant enough to deny his responsibility in making us a target because of his dangerous and egocentric desire to strut the world stage and receive pats on the head from the American President and the British Prime Minister. The Australian people should never forget that the Prime Minister has dramatically increased the possibility of this country experiencing ‘a’ or ‘the’ terrorist attack and he should be condemned in the strongest possible terms for it. (Time expired).

Ryan Electorate: Volunteers

Mr JOHNSON (Ryan) (12.26 pm)—Ryan residents will be pleased and interested to know that the value of volunteering in Australia is estimated to be in excess of $42 billion to the Australian economy. Of course, we must remember that Australia’s GDP is some $820 billion, but it is probably more correct to say that the value of volunteering to our country is close to the $50 billion mark.
In 2004, over 6.3 million Australians over the age of 18 years volunteered in Australia—a tremendous statistic. Also, I am sure that Ryan residents will be very interested to know that Australians gave approximately 836 million hours of their time in 2004, with each volunteer donating an average of 132 hours of their time. I am also very sure that the people of Ryan will be very interested to know that the largest number of hours on average were contributed by older and younger volunteers. The figures were almost 200 hours for the year by those aged 55 and 65 and over 132 hours for those between the ages of 18 and 24. I am also very confident to state in the parliament that the people of Ryan would be very interested to know that 41 per cent of adult Australians volunteered compared with 34 per cent in 2002 and 24 per cent in 1995.

The most active age group of volunteers in our country is the age bracket between 35 and 44 years of age. This is a wonderful statistic to talk about in the parliament, because it shows that the people of Australia are very civic minded, very dedicated. They have at their hearts this country's best. I am sure that the people of Ryan will be pleased that I am speaking in the parliament about this.

I am delighted to speak about this because the people of my community are no less generous than others in the giving of their spirit and time. They are very community minded. Whether they are young people going to school, whether they are in business or self-employment, whether they are in the professions or whether they are retired, the people of Ryan are deeply committed to the local community of Ryan. They are very compassionate. They are very patriotic Australians. As I have said, they have very much at their heart the local community of Ryan, which I have the great honour to represent in this parliament.

I raise this theme today because last Friday I had the great honour of presenting the 2005 Ryan awards to my community. We had a wonderful ceremony. It was a very pleasant evening when I had the opportunity to meet the young people of Ryan as well as businesspeople and retired people from across the vast communities of Ryan. I want to acknowledge in particular the young people of my community. They were outstanding in their talent, their spirit and their determination in making a difference to their community.

Since the awards were initiated by my office in 2002, following my election to this parliament in 2001, I have had the great privilege of presenting 224 Ryan recognition awards. In 2002, I presented 31; and, in 2003, 31 again. Last year, in 2004, 109 residents of Ryan received the Ryan recognition awards, and this year, last Friday, I had the great pleasure of presenting 53 awards to young and older Australians in my community.

These awards were established by me as a small way to acknowledge and thank very warmly and sincerely the volunteers in the Ryan community. Those people are the backbone of our community. They are the very best in Australia because they give of their time. They do not ask for any recognition, any reward or any financial benefit. They do this out of a spirit of generosity, and they are the spirit of Australia. I know that the recipients of these awards do not actually seek this attention, but I am sure they will continue to do their work.

As a member of our federal parliament, I want to pay particular tribute to the people and schools in the Ryan community. I should not single out too many people but I do want to single out two groups from schools in Ryan: the Indooroopilly State School Future Problem Solving Team of Susan Zhang, Henry Wen, George Target, Stephen Wilson, Jocelyn Descoe and Joshua Beattie; and the Sophie committee from Hilder Road State School. The Sophie...
committee was set up by a group of young Hilder Road students after Sophie Delezio and her friend Molly Wood were badly injured when a car hit their kindergarten—a story that gained national attention. *(Time expired)*

**Aged Care Facilities**

**Mr WINDSOR** (New England) *(12.31 pm)*—I would like to bring to the attention of the House some proposals that have been on within my electorate of New England for over 15 months and which would be relevant in other parts of regional Australia. Most people would be aware that something like 6,500 young people with disabilities are currently housed in nursing homes. Essentially, we have young people with a life expectancy of up to 50 years or more who are being housed in old people’s homes.

This was recognised in the Council of Australian Governments meeting in June as being a problem, and I urge the Minister for Aged Care and the government to escalate the resolution of this issue, as it is forecast that there could be 10,000 young people with disabilities housed in nursing homes by 2007. This is a growing problem for our community which needs to be recognised and rectified, not only for those young people who would be able to receive better therapy services more conducive to their age and disability but also for aged people who are currently missing out on getting placements in aged care facilities because young people are occupying those beds.

I congratulate the government on what it has done in relation to aged care. There has been a lot of progress in aged care facilities. Obviously we will always demand more, but I think it is one of the areas where the government has made quite big steps forward in recent years. But it is time to recognise that there are people who are inappropriately housed in those facilities and to do something about it.

The group in my electorate have been working for over a year now. They have had a series of meetings, and they are looking at this problem and doing a survey within the electorate to identify a real regional area that has real problems and how those problems could be rectified. They are looking at how those problems show up in a geographic sense and how we can do something about putting in place a range of solutions to those problems.

I would like to compliment the Adards aged care facility in Hobart that I visited earlier this year. In the area of dementia care and other areas with older people, they demonstrate a model which is very different to some of the other aged care facilities. It embraces a home concept, and it is a model that is working very well down there.

The group that I have been involved with is developing a model that we would like to see the minister and the government take on board in relation to the COAG investigation that will take place. It should be looked at as a regional model that may well work not only in the electorate of New England but also in other regional communities. Too often, as I am sure you would recognise, Mr Deputy Speaker, we impose on country communities city based models that do not recognise the vagaries of distance and smallness. That has been grasped. Again, I do not want to be seen to be congratulating the government too much on a particular day, but I think the multipurpose service model, where the state and the Commonwealth came together to look at acute care and aged care in small to medium sized communities and to keep the economics at a level that could be afforded, demonstrates that there are models out there that can be used to maintain the credibility of those communities.
I am not suggesting that we have a facility in every community for young people with disabilities that are currently housed in nursing homes, but I think that, particularly in some of the bigger communities, we have to move towards developing regional models that will take care of that. It may be through community care, therapy teams or residential care. Obviously, that would impact on not only the Commonwealth but also the state. It is an issue, as I said earlier, that I would like the minister to take on board. I congratulate her particularly, and the former minister, Kevin Andrews, for the work that they have done in aged care. I think they both recognise this particular issue. Now that the Prime Minister has elevated that issue to something of COAG significance, I think it is time that we came out with some positive progress.

**Former Western Sydney Australian Defence Industries Site**

Miss Jackie Kellty (Lindsay) (12.36 pm)—Frank Sartor, the New South Wales Minister for Planning, has announced an additional 270 hectares for the regional park on the former ADI site. For years, the ADI Residents Action Group has campaigned for no development on that site. During my time as the member for Lindsay, I have campaigned for complete preservation of the Cumberland wood plain on that site. This was delivered by Minister Hill in the 2001 election campaign, when all of the Cumberland wood plain was preserved.

The site was a munitions factory for the Department of Defence from the 1940s. It has a large area which was a buffer zone from where the munitions were stored. It was no longer required when those functions were moved to Benalla. Since that time, it has been in disuse, zoned on the Penrith City Council’s books as ‘defence military purposes’. With no military purpose for the base, the Department of Defence sought to rezone it and sell it. Defence entered into an agreement under the Hawke-Keating government with Lend Lease for the disposal of the site. The 1,500 hectares of the site were zoned for 8,000 homes for urban infill in Western Sydney.

In the recognition that we need to have some green lungs and green spaces amongst the huge housing developments in Western Sydney, I have long campaigned for the preservation of the site. When the Commonwealth finally sold the site a few years ago, there were barely 500 or 600 hectares of developable land available. The number of houses, though, miraculously, has somehow stayed at about 5,000. The less land these developers have to build on, the smaller the housing sites become. In the current release of the Ropes Creek crossing at the eastern end of the site, some of the lot sizes are as small as 270 square metres, when our normal suburban house blocks in Western Sydney are about 400 square metres or larger. It seems that the sizes of the lots get smaller whilst the number of homes remains constant.

That brings me to my next point, which is the requirement for that density of residents living together to have magnificent recreational areas and sporting grounds. The Howard government gave a commitment to a 100-hectare regional park for the area, because we have preserved the Cumberland wood plain for environmental purposes, and we needed an additional 100-hectare sporting park. I endorse Frank Sartor’s decision and congratulate him that this extra 270 hectares will be park space. I presume that this area of an additional 270 hectares to the already announced park would have to be in either the western or the central precinct. I recommend that he should preserve the central precinct, which is something the ADI Residents Action Group would approve, because urban development in that area really presses in on the park. It is the most obvious area to turn into green space and recreational space, with
mown lawns, barbecue areas, playgrounds and places to rollerblade. It could become like Domain Park or Centennial Park—I always call it a millennium park—that residents can actually use, rather than being a park which is preserved for environmental reasons.

It seems that either this is a bit of a come-back by the state government in trying to make amends or Frank Sartor is having a loan of the ADI Residents Action Group and me in reannouncing old policy. I would like to think that he has listened to the ADI Residents Action Group and is preserving an additional 270 hectares, being the central precinct for sporting, recreational and urban uses. It is something that would be great to see. I think it would certainly enhance the lives of the people in the area, not just in Ropes Crossing, the new suburb already on the site, but in the western precinct for the residents in Llandilo to the north and in Werrington to the south, who do have a number of concerns about flooding and other issues. The wonderful thing about the ADI site is that it provides a huge amount of green lungs for our suburbs in Western Sydney. (Time expired)

Breast Cancer: Herceptin

Ms GEORGE (Throsby) (12.41 pm)—Each year in Australia, almost 13,000 women are diagnosed with breast cancer. About 20 to 30 per cent of these women are diagnosed with HER2-positive cancer. HER2-positive breast cancer does not respond well to standard chemotherapy, so women with this type of cancer have a higher risk of their cancer returning. Since 2000, the drug Herceptin has been used to treat advanced breast cancer, with more than 230,000 HER2-positive breast cancer patients across the world having used this drug in their treatment. Herceptin is currently not listed on the PBS in Australia. Without the subsidy and listing on the PBS, a year’s supply of this drug costs around $70,000.

In December 2001, the government established a special program to subsidise Herceptin for women with advanced breast cancer. According to the government’s advice for eligibility to this program:

For the purposes of approving Herceptin, metastatic breast cancer is considered present when the cancer has spread beyond the breast and auxiliary lymph nodes to a distant site such as bone, liver, brain or lungs.

I want to know what the government’s explanation is for the fact that a constituent of mine in the suburb of Horsley has been denied access to this program, and through it to subsidised Herceptin, as it is clear that her cancer has spread.

The constituent in question was diagnosed five years ago with breast cancer, which led to a mastectomy and radiation treatment. Five months ago, her cancer reappeared in the right chest wall. Her oncologist has advised that that form of cancer would respond well to treatment with Herceptin. Her application, however, has been refused on the grounds that the cancer had returned in the chest wall rather than in the bones or the liver. How unjust and how inhumane! The family has had to borrow around $50,000 for the treatment, forcing my constituent’s husband to work seven days a week.

This in my view is a heartless and callous response by a government that is certainly lacking in compassion. This government has no shame in spending $55 million of taxpayer funds on their IR propaganda, but it wants to quibble about this woman’s obvious advanced stage of cancer and deny her the treatment to which she should be entitled. I have written to the Minis-
ter for Health and Ageing, Tony Abbott, urging his speedy consideration to resolve this obvious injustice.

In reading about the drug Herceptin, it has come to my attention that interim research results recently released show that this drug reduced the recurrence of tumours in women with HER2-positive cancer by 46 per cent within a 12-month period. The results now appear hopeful in halting the progress of early breast cancer. Certainly Australian experts argue that Herceptin could save lives if it were available to women with early breast cancer as well as to those with advanced breast cancer. The manufacturer of the drug, as recently as 20 October, applied to the TGA to have Herceptin registered. If the registration is successful, the company will ultimately see the medication listed on the PBS.

My concern is that this process could take several years. In that time, 4,000 to 5,000 women would potentially miss out on access to a drug that is achieving these very positive results. In my view there is no excuse for not immediately providing Herceptin treatment in all cases where women have been diagnosed with advanced HER2-positive breast cancer, wherever it has spread. Further to that, I believe that the Howard government should ensure that the TGA has the authority to expedite the assessment of Herceptin as a treatment for early as well as advanced cases of breast cancer.

As I say, under the normal processes it would take about two years for the drug to be listed. I think there is a strong argument for an early assessment. Failure to assess this drug early will place enormous strains on families like the Radfords at Stanwell Park, with the mother of five children anxiously raising funds, with the help of our local newspaper, the Mercury, to enable her to access Herceptin treatment.

To me, saving lives is much more important than the government’s budget bottom line. With a record budget surplus predicted at some $12 billion to $14 billion, this country can well afford to subsidise Herceptin for all patients for whom the treatment is recommended by their oncologist.

Queensland: Health

Mr NEVILLE (Hinkler) (12.46 pm)—Yesterday the final report from the commission of inquiry into Queensland public hospitals was tabled in the Queensland parliament. Commissioner Geoff Davies has presented a damning review of Queensland’s public hospital system and its health bureaucracy, stemming from the appalling surgical outcomes of Dr Jayant Patel at the Bundaberg Base Hospital. Commissioner Davies has made some stunning recommendations, amongst them that the Queensland police should investigate Dr Patel in relation to fraud, assault, grievous bodily harm and manslaughter. He has also recommended that the hospital should suspend a director of medical services, Dr Darren Keating, and that he should be referred to the Australian Federal Police for investigation into whether he had committed an offence on the basis that he may have knowingly or recklessly given false or misleading information to the Department of Immigration and Multicultural and Indigenous Affairs. He has recommended that the Bundaberg Base Hospital’s former district manager Peter Leck should face disciplinary action and is of the opinion that both Mr Leck and Dr Keating should be prosecuted by the Crime and Misconduct Commission for official misconduct.

Commissioner Davies has also found that former health ministers Wendy Edmond and Gordon Nuttall acted contrary to the public interest by concealing hospital waiting lists and in
the misleading and careless handling of the initial report into Patel, respectively. What is even more stunning is the fact that the Premier of Queensland has announced that he is retaining Mr Nuttall within his cabinet.

This terrible tale points squarely to the endemic problems of Queensland’s public health system, which has flourished under a regime of obfuscation, chronic underfunding and secrecy. The Premier has been quoted as saying:

Today is an historic day for Queensland because it enables us to continue the most significant reform of the health system in the history of Queensland.

He goes on:

No government in the history of this state has ever had the guts to do what we did. Rubbish—complete and utter rubbish. It is not a matter of guts; it is simply a matter of having no choice. All I can say is: thank heavens for the Morris and Davies commissions of inquiry.

The investigation would never have happened had it not been for the efforts of two people. The first was Toni Hoffman, who showed tremendous courage and persistence in the face of bureaucratic resistance. The second was my National Party state colleague the member for Burnett, Rob Messenger, who brought the matter to light. I also acknowledge the forensic journalism of Hedly Thomas of the Courier-Mail. Commissioner Davies had this to say about Mr Messenger’s contribution: had he not raised Ms Hoffman’s complaints in parliament, it may be that there would never have been a public inquiry into them. That is a damning indictment.

Rob Messenger was vilified and criticised by the then health minister Gordon Nuttall and the member for Bundaberg, Nita Cunningham, and even sections of the AMA—though they went into rapid retreat as this fiasco spilled out across the media of Queensland. But he has had his vindication.

In 24 months at Bundaberg Base Hospital, staff and patients made 20 complaints about Dr Patel—complaints that were persistently ignored or downplayed by administrators. I should stress that this situation would never have occurred if it had not been for the Beattie Labor government’s regime, which has driven Queensland’s public hospitals into the ground. The state public hospitals have been consistently underfunded to the tune of some $600 million a year while the number of bureaucrats in Queensland Health has increased by—wait for it—83 per cent in the last seven years. It is almost mind-blowing. In fact, in 2004, the average spending per state per patient was $375 for health, but in Queensland it was a miserable $323.

This has been a sad indictment of the Queensland health system. It has caused countless families, at least 87 families in Bundaberg, untold pain, misery and trauma. It is something that should be etched on our minds, and it should lead to a full inquiry into the administration of state health departments across this country.

**Workplace Relations**

Mr HAYES (Werriwa) (12.51 pm)—The workplace relations bills are about to be returned to the House of Representatives, with the Senate having tinkered at the margins. I see that Senator Joyce is claiming that he has saved Christmas. I guess the workers of Australia will be forgiven for thinking he actually does believe in Santa Claus. I think it is worth while to pause and reflect on what it is the Howard government is about to do. I will not go into great detail but just indicate what it is that we are about to embark on.
Obviously there has been some tinkering at the margins on the 38-hour week to ensure that there is some semblance of legitimacy over what was intended to occur, which was the averaging of 38 hours over a 12-monthly period. A more specific aspect is the ability for employers now to be able to establish their own greenfield site agreements. They are agreements with nobody. That is setting up agreements before there is even one employee on a site, and that agreement will set the terms and conditions for all subsequent workers that are engaged. That is a very novel approach to workplace relations.

On the matter of duress, just to make sure that people understand that they cannot be forced on to individual contracts—or at least that is what the government would like us to think—and just so that that can be given some authority, the government now wants to write into its legislation that duress will not apply when entering into AWAs. So the fact that an employer wants you to sign up to an AWA and forces you effectively—threatens you, coerces you—to do it will not be regarded as duress under this act.

There will be no scrutiny of what will be in these Australian workplace agreements other than in relation to prohibited content, and that content is yet to be determined by this minister. Good faith bargaining has been removed. Therefore, it is up to the employer to decide whether he wants to have collective bargaining or, alternatively, whether he will enforce individual contracts. It is interesting how that has now been taken and reported throughout the electorates. In my electorate, for instance, a number of papers actually refer to comments that have been made by government members in that regard. I would like to refer to the comment made by—

A division having been called in the House of Representatives—

Main Committee adjourned at 12.55 pm
QUESTIONS IN WRITING

Explosives
(Question No. 480)

Mr McClelland asked the Minister representing the Minister for Justice and Customs, in writing, on 8 February 2005:

(1) Is there a joint initiative between the Government and the National Institute of Forensic Science to minimise the potential criminal use of explosives in Australia; if so, (a) when, and (b) where will the results be publicly available.

(2) Can he confirm that (a) stage one, and (b) stage two of the joint initiative has been completed; if not, in respect of each stage, why not and when will it be completed.

(3) What was the allocation for the joint initiative for 2003-2004.

(4) What sum has been spent on the project as at 1 January 2005.

(5) What sum was allocated for the joint initiative for 2004-2005.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) Yes there is a joint initiative between the Government and the National Institute of Forensic Science to minimise the potential criminal use of explosives in Australia.

(a) and (b) The results of the initiative have been provided to the Government for its consideration. No decision has been made on the public release of the results.

(2) (a) Phase 1 of the project has been completed and the reports provided to the Government for its consideration.

(b) Phase 2 of the project has concluded and the report provided to the Government for its consideration.

(3) The amount allocated for the joint initiative for 2003-2004 was $671,600 (GST exclusive); with funding of $349,100 for Phase 1 from Attorney-General’s Department and $322,500 for Phase 2 from the Department of Education, Science and Training.

(4) The sum spent by the Government on the project at 1 January 2005 is Phase 1 $324,550 (GST exclusive), and Phase 2 $322,500 (GST exclusive).

(5) No additional funding was allocated for the joint initiative in 2004-2005.

Opinion Polls
(Question No. 1071)

Mr Bowen asked the Minister representing the Minister for Defence, in writing, on 10 May 2005:

(1) Did the department or any agency under the Minister’s portfolio conduct or commission an opinion poll, focus group or market research in 2004; if so, what was the (a) purpose and (b) cost of each opinion poll, focus group or market research survey conducted.

(2) What was the name and postal address of each company engaged to conduct the poll, focus group or research.

Mrs De-Anne Kelly—The Minister for Defence has provided the following answer to the honourable member’s question:
Details of advertising and market research paid by, or on behalf of, Defence are reported by financial year in its annual reports.

(1) The Defence Housing Authority (DHA) conducts an extensive research program that gauges customer and client satisfaction with the different services provided by the Authority.

There are a series of surveys conducted by the Performance Measurement Section of DHA on an annual, quarterly or more frequent basis. DHA’s surveys are primarily conducted as self completion postal questionnaires, with telephone surveying and focus groups used where required. External companies are not used in relation to these surveys.

DHA commissioned a survey in 2004 to measure the effectiveness of the communication strategy for the implementation of DHA’s new Property Management System, and to assess the effectiveness of several internal communication channels. The survey cost $10,450.

(2) The Property Management System survey was conducted by Orima Research, 65-67 Constitution Avenue, Campbell ACT.

Opinion Polls
(Question No. 1076)

Mr Bowen asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 10 May 2005:

(1) Did the department or any agency under the Minister’s portfolio conduct or commission an opinion poll, focus group or market research in 2004; if so, what was the (a) purpose and (b) cost of each opinion poll, focus group or market research survey conducted.

(2) What was the name and postal address of each company engaged to conduct the poll, focus group or research.

Mr McGauran—The answer to the honourable member’s question is attached:

<table>
<thead>
<tr>
<th>Department / Agency</th>
<th>Activity Conducted/ Commissioned</th>
<th>Purpose of activity (1a):</th>
<th>Cost of each activity (1b):</th>
<th>Company engaged (2):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Govern-</td>
<td>Workshop.</td>
<td>To assist the development of AQUAPLAN 2005-2010.</td>
<td>$3,600.91</td>
<td>Conducted in-house.</td>
</tr>
<tr>
<td>ment Department of</td>
<td>Telephone survey.</td>
<td>Assist in the development of stakeholder engagement strategy for National Landcare Program.</td>
<td>Total cost of strategy development $18,425.00 Can not isolate cost of survey.</td>
<td>Cox Inall Communications Level 1 44 Mountain St Ultimo NSW 2007</td>
</tr>
<tr>
<td>Agriculture, Fisher-</td>
<td>Internal telephone survey of OUTLOOK 2005 delegates. Evaluation forms handed to all delegates attending regional conferences.</td>
<td>To gain feedback on conference.</td>
<td>Internal staff costs only.</td>
<td>Conducted in-house.</td>
</tr>
<tr>
<td>ies and Forestry</td>
<td>2004 Wheat Export Authority Stakeholder Survey.</td>
<td>To determine stakeholder awareness, views and communications needs.</td>
<td>$4,716.70</td>
<td>Professional Public Relations Pty Ltd 27 Murray Cres Manuka ACT 2603</td>
</tr>
<tr>
<td>Department /Agency</td>
<td>Activity Conducted/ Commissioned</td>
<td>Purpose of activity (1a):</td>
<td>Cost of each activity (1b):</td>
<td>Company engaged (2):</td>
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</tr>
<tr>
<td>Australian Wine and Brandy Corporation</td>
<td>Conducted quarterly survey of stakeholders</td>
<td>To determine level of communication with wine industry and satisfaction with Corporation’s services</td>
<td>Internal staff costs only</td>
<td>Conducted in-house.</td>
</tr>
<tr>
<td>Australian Pesticides and Veterinary Medicines Authority</td>
<td>Stakeholder research.</td>
<td>Stakeholder feedback – registrants and general community.</td>
<td>$82,500.00</td>
<td>Solutions Marketing and Research PO Box 453 Neutral Bay NSW 2089</td>
</tr>
<tr>
<td>Cotton Research and Development Corporation</td>
<td>Market Research</td>
<td>Attitudinal research in cotton communities.</td>
<td>$40,000.00</td>
<td>Roy Morgan Research 2nd Floor 232 Sussex St Sydney NSW 2000</td>
</tr>
<tr>
<td>Grains Research and Development Corporation</td>
<td>Market Research</td>
<td>Organisational performance survey.</td>
<td>$187,641.00</td>
<td>TQA/IPSOS Level 4 493 St Kilda Road Melbourne VIC 3004</td>
</tr>
<tr>
<td>Land &amp; Water Australia</td>
<td>Commissioned stakeholder survey.</td>
<td>To evaluate the success or otherwise of the activities of the organisation.</td>
<td>$13,343.00</td>
<td>Computer Aided Research &amp; Media Analysis (CARMA) PO Box 671 Broadway NSW 2007</td>
</tr>
<tr>
<td>Land &amp; Water Australia</td>
<td>Commissioned product evaluation</td>
<td>To evaluate the adoption and usage of the ‘Rainman’ software product.</td>
<td>$14,950.00</td>
<td>Rural Futures Institute University of New England Armidale NSW 2350</td>
</tr>
</tbody>
</table>

**Consultancy Services**

*(Question No. 1087)*

**Mr Bowen** asked the Treasurer, in writing, on 10 May 2005:

1. Did the department or any agency under the Minister’s portfolio engage the services of a public relations, public affairs or media management consultancy in 2004; if so, what was the (a) purpose and (b) cost of each engagement.

2. What was the name and postal address of each company engaged for these purposes.

**Mr Costello**—The answer to the honourable member’s question is as follows:

**Australian Bureau of Statistics**

1. (a) The ABS engaged the services of one public affairs consultant to sit on the selection panel for the position of Director of Census Public Relations. (b) $1,320.
(2) Capital Public Affairs Consultants  
PO Box 172  
O’Connor ACT 2602  

**Australian Competition & Consumer Commission**  
(1) No  
(2) NA  

**Australian Office of Financial Management**  
(1) and (2) The AOFM did not engage the services of a public relations, public affairs or media management consultancy in 2004.  

**Australian Prudential Regulation Authority**  
(1) Yes  
(a) For the production of four quarterly qualitative media research and analysis reports in 2004.  
(b) Jan - March 2004: $10,326 (including GST)  
April - June 2004: $9,268 (including GST)  
July – September: $7,327 (including GST)  
October – December: $13,153 (including GST)  

(2) Media Monitors  
PO Box 2110  
Strawberry Hills 2012  

**Australian Securities and Investments Commission**  
(1) No  
(2) NA  

**Australian Taxation Office**  
(1) Yes  
(a) To provide public relations consultancy services as part of the Government Superannuation Co-contribution for Low Income Earners campaign  
(b) $76,526 excluding GST  

(2) Porter Novelli, PO Box 181, South Yarra Victoria 3141  

**Corporations and Markets Advisory Committee**  
(1) No  
(2) NA  

**Inspector-General of Taxation**  
(1) No  
(2) NA  

**National Competition Council**  
(1) (a) and (b) Yes - the National Competition Council engaged the services of Gavin Anderson and Company to assist the Council in monitoring and responding to comments on its 2004 assessment of government’s performance under National Competition Policy at a cost of $43,549  

QUESTIONS IN WRITING
(2) Name and address details –
Gavin Anderson & Company
137 Pyrmont Street
Pyrmont NSW 2009

Productivity Commission
(1) No
(2) NA

TreasurY
(1) No
(2) NA

Consultancy Services
(Question Nos 1088 and 1090)

Mr Bowen asked the Minister for Foreign Affairs and the Minister for Trade, in writing, on 10 May 2005:

(1) Did the department or any agency under the Minister’s portfolio engage the services of a public relations, public affairs or media management consultancy in 2004; if so, what was the (a) purpose and (b) cost of each engagement.

(2) What was the name and postal address of each company engaged for these purposes.

Mr Downer—On behalf of the Minister for Trade and myself, the answer to the honourable member’s question is as follows:

DFAT
(1) Yes.
   (a) (i) Provision of communications and public affairs services to the Australian Pavilion at the 2005 World Exposition Aichi Japan.
          (ii) Public relations preparation for communications tender.
          (iii) Development of Public advocacy techniques handbook.
          (iv) Assessment of communications strategy used by DFAT and other departments to outline the benefits of free trade agreements to the Australian public and business.
   (b) (i) $733 471
          (ii) $1 320
          (iii) $11 000
          (iv) $30 000
(2) (i) Parker & Partners Public Affairs, Boeing House 55 Blackall Street Barton ACT Australia 2600.
          (ii) Capital Public Affairs Consultants, 41A David Street O’Connor ACT 2602.
          (iii) Media Gurus, PO Box 4164 Kingston ACT.
          (iv) Brian Dale & Partners, 22 Mirral Road, Lilli Pilli NSW 2229.

AUSAID
(1) Yes.
(a) (i) AdPartners (Photon APG Pty Ltd) provided public relations services in relation to the importance of safe water in developing countries and the HIV/AIDS crisis in the Asia-Pacific region.

(ii) Essential Media Services designed and managed two stakeholder seminars on HIV/AIDS and trade and development.

(iii) Horizon Communications Group reviewed and provided comment on AusAID’s draft public affairs strategy.

(iv) Doust Business Consultants Pty Ltd provided specialist community engagement services and advice.

(v) Colmar Brunton Social Research reviewed AusAID’s public affairs qualitative research systems.

(vi) What’s the Drum Communications provided specialist media and public affairs support.

(vii) Gregson Edwards Communication provided specialist media and public affairs support.

(viii) Devena Wahlstrom provided specialist media and public affairs support.

(ix) Julian Cribbs and Assoc provided advice on public affairs strategies.

(x) Caption IT provided specialist filming and editing services.

(xi) Repertoire Media provided specialist photography and writing skills.

(xii) ID Photographics provided photographic images for use in Focus magazine.

(xiii) APP Images provided photographic images for use in Focus magazine.

(xiv) Phillip Martin Photography provided photographic services.

(xv) Panos Pictures provided photographic images for use in Focus magazine.

(xvi) Byword Services Pty Ltd provided writing and editing services.

(xvii) Vicki Collins provided writing and editing services.

(xviii) Walker Media Group provided specialist filming and editing services.

(xix) AusPic provided photography services.

(xx) Johnathan Hayman undertook a website review of AusAID’s Global Education website.

(xxi) Fiona Childs provided writing and editing services.

(b) (i) $540,729.48

(ii) $31,896.90

(iii) $880.00

(iv) $71,259.85

(v) $17,212.00

(vi) $42,354.15

(vii) $25,457.62

(viii) $7,029.22

(ix) $1,320.00

(x) $44,657.08

(xi) $30,347.16

(xii) $363.00
166  HOUSE OF REPRESENTATIVES  Thursday, 1 December 2005

(xiii) $629.00
(xiv) $247.50
(xv) $2,452.23
(xvi) $34,765.80
(xvii) $150.00
(xviii) $8,870.97
(xix) $225.50
(xx) $10,683.20
(xxi) $7306.60

(2)  (i)  AdPartners (Photon Pty Ltd) – 66 Bay Street, Ultimo NSW 2007
(ii)  Essential Media Services – Ground flr, Queensberry St, Carlton VIC 3053
(iii)  Horizon Communications Group – 3/2/137 Pyrmont St, Pyrmont NSW 2090
(iv)  Doust Business Consultants Pty Ltd – PO Box 197 Uraidla SA 5142
(v)  Colmar Brunton Social Research – Po Box 2212 Canberra BC ACT 2601
(vi)  What’s the Drum Communications – 34 Selwyn St, Hackett ACT 2602
(vii) Gregson Edwards – PO Box 4547, Kingston ACT 2604
(viii) Devena Wahlstrom – 6A Foveaux St, Ainslie ACT 2602
(ix)  Julian Criibs and Assoc – 27/35 Edie Payne Cls, Nicholls, ACT 2903
(x)  Caption IT – PO Box 338, Hall ACT 2618
(xi)  Repertoire Media – 31 Kia Ora Parade, Ferntree Gully VIC 3156
(xii) ID Photographics – PO Box 878, Fishwick ACT 2609
(xiii) APP Images – 9 Lang St, Sydney NSW 2000
(xiv) Phillip Martin Photography – 10 College Rd, Kent Town, SA 5067
(xv)  Panos Pictures – Studio 3B, 38 Southwark St, London SE 1 1UN
(xvi) Byword Services Pty Ltd – 35 Voyager Cres, Bawley Point NSW 2539
(xvii) Vicki Collins – PO Box 7567, Launceston TAS 7250
(xviii) Walker Media Group – GPO Box 2383, Canberra City, ACT 2601
(xix)  Auspic – 3-5 National Court, Barton ACT 2600
(xx)  Johnathan Hayman – 48 Roseberry St, Hawthorn East, VIC 3123
(xxi) Fiona Childs- PO Box 3100, Manuka ACT 2603

AUSTRADE
(1)  Yes.
   (a)  Communications & Public Relations Pty Ltd provided public relations services for a number of Austrade activities primarily in support of the Australian Export Awards.
   (b)  $52,641
(2)  The name and postal address:
CPR Communications & Public Relations Pty Ltd
Level 2, 263 George Street
Sydney NSW 2000

QUESTIONS IN WRITING
ACIAR
(1) Nil response
(2) Not applicable
EFIC
(1) Yes.
   (a) Provision of media relations and consultancy services in connection with issues arising from
       the enforcement of a mortgage over a vessel owned by Canadian American Transport Systems
       (CATS). The enforcement was in Rochester, New York and was to recover a loan made by
       EFIC to CATS.
   (b) $US2,400.
(2) Martino Flynn, LLC, 175 Sullys Trail – Suite 100, Pittsford, New York 14534

AJF
(1) Yes.
   (a) Provision of publicity services for a visit to Japan by an Australian author.
   (b) $2,567.39.
(2) Ms Miko Kurosawa, 5-25-11-308 Koishigawa, Bunkyo ku, Tokyo 112-0002, Japan.

Consultancy Services
(Question No. 1739)

Mr Bowen asked the Minister for Transport and Regional Services, in writing, on 22 June 2005:
(1) Has a department or any agency in the Minister’s portfolio engaged Crosby Textor Research Strategies for any purpose in the financial years (a) 2002-2003, (b) 2003-2004, and (c) 2004-2005.
(2) In respect of each occasion Crosby Textor Research Strategies was engaged, what was the value of the contract, (b) what services were provided, and (c) was a call for tenders issued.

Mr Truss—The answer to the honourable member’s question is as follows:
No records exist of payments to Crosby Textor Research Strategies Results Pty Ltd or to previously named Research Strategies Results Pty Ltd. for the periods (a) 2002-2003, (b) 2003-2004, and (c) 2004-2005 for the Department or any portfolio agency.

Consultancy Services
(Question No. 1742)

Mr Bowen asked the Minister representing the Minister for Defence, in writing, on 22 June 2005:
(1) Has a department or any agency in the Minister’s portfolio engaged Crosby Textor Research Strategies for any purpose in the financial years (a) 2002-2003, (b) 2003-2004, and (c) 2004-2005.
(2) In respect of each occasion Crosby Textor Research Strategies was engaged, what was the value of the contract, (b) what services were provided, and (c) was a call for tenders issued.

Mrs De-Anne Kelly—The Minister for Defence has provided the following answer to the honourable member’s question:
(1) No.
(2) Not applicable.
Consultancy Services
(Question No. 1752)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 22 June 2005:

(1) Has a department or any agency in the Minister’s portfolio engaged Crosby Textor Research Strategies for any purpose in the financial years (a) 2002-2003, (b) 2003-2004, and (c) 2004-2005.

(2) In respect of each occasion Crosby Textor Research Strategies was engaged, what was the value of the contract, (b) what services were provided, and (c) was a call for tenders issued.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) No.

(2) N/A.

Religious Organisations: Funding
(Question No. 1893)

Dr Lawrence asked the Treasurer, in writing, on 9 August 2005:

(1) Is the Minister’s department providing any funds to organisations which require their employees to meet certain religious requirements (eg membership of a particular church or religious group) as a condition of their employment; if so, will the Minister identify the organisations.

(2) Does the Minister’s department provide funds to any organisations for programs which include religious instructions, or faith-based counselling; if so, will the Minister identify the organisations.

(3) Does the Minister’s department place any requirements on church and charitable organisations which receive funds from the department that the funds not be used for religious or evangelical purposes; if so, what are the guidelines or requirements.

(4) How does the Minister’s department ensure that services and programs funded by the Government and delivered by church and charitable organisations are not used for religious or evangelical purposes.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) The Treasury has not knowingly provided funds to any organisations that require their employees to meet any religious requirements as a condition of employment.

(2) The Treasury has not knowingly provided funds to any organisations for programmes which include religious instructions or faith-based counselling.

(3) Not applicable

(4) Not applicable

Amphibious Ships
(Question No. 2239)

Mr McClelland asked the Minister representing the Minister for Defence, in writing, on 6 September 2005:

(1) In respect of the tender process for the amphibious ships build project, is the Minister aware of any prospective (a) overseas and (b) Australian bidders for the project.

(2) Has the Minister, any member of his staff or department, had any discussions, informal or otherwise, with any prospective (a) overseas and (b) Australian bidders for the project; if so, what were the outcomes.
(3) What circumstances led the Minister to (a) make a commitment on 5 October 2004 to the effect that the amphibious ships would be built in Australia and (b) modify that commitment on 16 August 2005 to indicate that the ships may be built overseas.

(4) What factors have influenced the proposed timing of the request for tender process to be in the second quarter of 2006 as suggested by the Minister on 16 August 2005.

Mrs De-Anne Kelly—The Minister for Defence has provided the following answer to the honourable member’s question:

1. (a) Yes.
   (b) Yes.

2. (a) Yes.
   (b) Yes. Discussions are confidential.

3. (a) and (b) The Defence Materiel Organisation conducted a Request for Quotation in early 2005 where prospective bidders were asked to provide prices to build each of the contender designs. The results of this Request for Quotation indicated that the cost of building these ships in Australia exceeded the project budget, whereas building either the Navantia or Armaris designs in their parent shipyards was achievable within, or close to, budget. This exercise validated the Defence Procurement (Kinnaird) Review recommendation that off-the-shelf solutions be presented for Government consideration.

4. Following Government First Pass approval on 9 August 2005, and to ensure that prospective Australian bidders have well-defined ship specifications to tender against, the Defence Materiel Organisation is in final contract negotiations with both Navantia and Armaris to conduct a Design Development Activity over the period September 2005 to March 2006. Request for Tender documentation will be released on completion of the Design Development Activities.

Commonwealth Funded Programs
(Question No. 2261)

Ms Grierson asked the Minister for Employment and Workplace Relations, in writing, on 6 September 2005:

1. Does the department or any agency in the Minister’s portfolio administer any Commonwealth funded programs for which community organisations, businesses or individuals in the electoral division of Newcastle can apply for funding; if so, what are the details.

2. Are the programs identified in part (1) advertised; if so, in respect of each program (a) what print and other media outlets have been used to advertise it and (b) were these paid advertisements.

3. In respect of each of the Commonwealth funded programs referred to in part (1), (a) what is its purpose and (b) who is responsible for allocating funds.

4. With respect to each of the Commonwealth funded programs referred to in part (1), how many (a) community organisations, (b) businesses and (c) individuals in the electoral division of Newcastle received funding in (i) 2003-2004 and (ii) 2004-2005.

5. What sum of Commonwealth funding did each recipient receive in (a) 2003-2004 and (b) 2004-2005 and what are their names and addresses.

Mr Andrews—The answer to the honourable member’s question is as follows:
The requested information is not readily ascertainable and it would involve an unreasonable diversion of the Department’s resources to provide such information.
Christmas Island Detention Centre
(Question No. 2270)

Mr Martin Ferguson asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 6 September 2005:

(1) Has the Minister’s department considered operating and managing the Christmas Island Immigration Reception and Processing Centre (IRPC) with Australian Government Protective Services Officers; if not, why not.

(2) Has the Minister’s department developed a proposal to maximise the provision of services to the IRPC by local business aimed at maximising local employment; if so, what training is being considered to prepare local people, in particular employees of the Christmas Island mine which has a limited life, for the opportunity to undertake such work.

Mr John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) No. The Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) contracts out the management and operation of its immigration detention facilities across Australia. The current Detention Services Provider (DSP), GSL (Australia) Pty Ltd, is contracted until August 2007, following an open tender exercise.

(2) The recruitment and training of staff and services for the operation of immigration detention facilities is the responsibility of the contracted DSP. However, DIMIA works closely with the DSP and together with the Department of Employment and Workplace Relations, will be seeking to maximise employment opportunities for Christmas Island residents.

Rwanda
(Question No. 2280)

Mr Danby asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 6 September 2005:

Further to the answer to question No 1321, (Hansard, 11 August 2005, page 136), have any allegations about the involvement of any non-citizen from Rwanda in war crimes or crimes against humanity been investigated since May 2005; if so, has any action been taken to cancel a visa or to refuse a visa to a person as a result.

Mr John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

My Department is not aware and has been provided with no information from any source of the identity of any non-citizen in Australia from Rwanda who is alleged to have been involved in war crimes and crimes against humanity. In this respect no action has been taken to cancel or refuse a visa for non-citizens from Rwanda in relation to allegations about war crimes and crimes against humanity.

Consultancy Services
(Question No. 2362)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 14 September 2005:

Did his department engage Wallis Consulting Group to provide brand management research at a cost of $44,583; if so, (a) was he consulted about this decision, (b) why was it considered necessary to research the brand name of his department, and (c) what form did the research take.

Mr Andrews—The answer to the honourable member’s question is as follows:

QUESTIONS IN WRITING
(a) I was consulted about the future branding arrangements for employment and related services. Wallis Consulting Group was engaged to provide brand management research at a cost of $44,583.
(b) The research was not to research the brand name of the Department. The research was conducted with a view to assisting job seekers’ recognition of the services and programmes that could help them into employment.
(c) Market research conducted by Wallis Consulting Group analysed the different communication products produced by the Department for employment services, including brochures, posters and website home pages.

Photographic Services
(Question No. 2363)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 14 September 2005:

Did DEWR engage Straight Photography to take photographs at a cost of $41,784; if so, (a) what photographs were taken under the terms of this contract and (b) why were the photographs required.

Mr Andrews—The answer to the honourable member’s question is as follows:

Yes. DEWR contracted Straight Photography to produce 150 images for its photo library to use on communication material.

The total cost for this project was $52,230.20. $41,784 was expended in the 2004-05 financial year.

(a) The images taken under this contract include:

- people from target groups in work settings—both individually and with co-workers and supervisors across a range of industries
- people in training (especially apprenticeship-type settings)
- people ready for an interview
- people using technology
- people meeting with an advisor-type person—including a Centrelink officer, a Job Network consultant, a career counsellor, or an interviewer
- employers/industry people with Job Network members and other providers.

(b) The images were required to provide a library featuring a broad range of Australians in employment-related settings to promote the various DEWR programmes in various mediums, including brochures and websites, and for use in the Department’s various promotional events.

Commonwealth Property
(Question No. 2380)

Mr Bowen asked the Minister representing the Minister for Defence, in writing, on 15 September 2005:

(1) What properties, or lettable floor areas at partially occupied properties, owned by the Commonwealth and in the possession of the department and each agency in the Minister’s portfolio, are currently not utilised by the department or agency in question, and are not let out.

(2) For how long has each property, or part of each property, identified in part (1) been vacant and why has it been left vacant.

Mrs De-Anne Kelly—The Minister for Defence has provided the following answer to the honourable member’s question:

QUESTIONS IN WRITING
The information sought in the honourable member’s question is not readily available. I am not prepared to authorise the considerable resources and effort required to manually collate the information requested.

**Commonwealth Property**

*Question No. 2384*

Mr Bowen asked the Attorney-General, in writing, on 15 September 2005:

1. What properties, or lettable floor areas at partially occupied properties, owned by the Commonwealth and in the possession of the department and each agency in the Minister’s portfolio, are currently not utilised by the department or agency in question, and are not let out.

2. For how long has each property, or part of a property, identified in part (1) been vacant and why has it been left vacant.

Mr Ruddock—The answer to the honourable member’s question is as follows:

1. There are no properties, or lettable floor areas at partially occupied properties, owned by the Commonwealth and in the possession of the Department or any agency within my portfolio, which are currently not utilised by the department or agency in question.

2. Not applicable.

**Defence Property**

*Question No. 2407*

Mr Kelvin Thomson asked the Minister representing the Minister for Defence, in writing, on 10 October 2005:

1. Does the Government intend to sell the Defence Department land at Jezzine Barracks at Kissing Point, Townsville.

2. What consultation has the Government entered into with the Townsville community concerning the future of the land.

3. Has the land been valued; if so, what sum does the Government expect it would receive for the land.

4. Has the heritage value of the land been assessed; if so, will the Minister make the assessment public.

5. Has the environmental value of the land been assessed; if so, will the Minister make the assessment public.

Mrs De-Anne Kelly—The Minister for Defence has provided the following answer to the honourable member’s question:

1. With the relocation of 11 Brigade to Lavarack Barracks scheduled for early 2007, the Parliamentary Secretary to the Minister for Defence, the Hon Teresa Gambaro MP, directed Defence to undertake a Future Options Study for the Jezzine Barracks, including the Kissing Point site, taking into account heritage, cultural, military, environmental, town planning, indigenous and community issues.

   Various options for the future use and management of the site are currently being developed by a Defence Project Team as part of the Future Options Study, which includes extensive investigations and community consultation.

   The draft options will be presented to a Jezzine Barracks Consultative Forum and to the public at shopping centre and market displays during November 2005 for comment.
The Future Options Study will be completed by the end of December 2005 and put to the Government for consideration in 2006.

(2) An extensive consultation process is being conducted as part of the Future Options Study. The Jezzine Barracks Consultative Forum has been established. The Defence Project Team has met with a wide variety of stakeholders. Focus groups have been conducted on heritage and indigenous issues. Input into the Future Options Study has been sought from the Townsville community through a telephone hotline 1300 739 959, by e-mail and by letter. Public displays of the various options will be held at shopping centres and markets towards the end of November 2005. Community members will have the chance to comment on the draft options with their input being considered as part of the Future Options Study.

(3) Valuations are being obtained.

(4) An extensive heritage investigation is being conducted as part of the Future Options Study.

(5) Extensive environmental investigations are being conducted as part of the Future Options Study.

**Domestic and Overseas Air Travel**

(Question No. 2432)

Mr Quick asked the the Treasurer, in writing, on 11 October 2005:

(1) For 2004-2005, what sum was spent by the Minister’s department on domestic and international air travel.

(2) For 2004-2005, what proportion of domestic travel by employees of the Minister’s department was provided by (a) Qantas, (b) regional Express, and (c) Virgin Blue.

(3) For 2004-2005, what sum was spent by the Minister’s department on domestic air travel provided by (i) Qantas, (ii) Regional Express, and (iii) Virgin Blue.

(4) For 2004-2005, what sum was spent by the Minister’s department on (a) economy and (b) business class travel on (i) domestic routes and (ii) international routes.

(5) For 2004-2005, what proportion of expenditure on air travel by the Minister’s department was on the domestic route (a) Sydney to Canberra, (b) Melbourne to Canberra, (c) Sydney to Melbourne, (d) Sydney to Brisbane, (e) Melbourne to Hobart or Launceston, and (f) Sydney to Perth.

(6) For 2004-2005, how many employees of the Minister’s department had membership of the (a) Qantas Chairman’s Lounge, (b) Qantas Club, (c) Regional Express Membership Lounge, and (d) Virgin Blue’s blue room paid by the Department.

(7) Which company provides travel management services to the Minister’s department.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) In financial year 2004-2005
   (a) expenditure on domestic air travel was $857,613.95
   (b) expenditure on international air travel was $1,155,235.56

(2) In financial year 2004-2005, the proportion of domestic airfares paid to carriers was -
   (a) Qantas 94.86%
   (b) Regional Express 0.89%
   (c) Virgin Blue 2.54%

   [other airlines 1.71%]

(3) In financial year 2004-2005, domestic travel expenditure of $857,613.95 was apportioned as follows –
QUESTIONS IN WRITING

(i) Qantas $813,532.60
(ii) Regional Express $7,632.76
(iii) Virgin Blue $21,783.39
[other airlines $14,665.20]

(4) In financial year 2004-2005
   (a) economy class domestic expenditure was $578,867.89
   (b) business class domestic expenditure was $278,746.06
   (a) economy class international expenditure was $25,077.59
   (b) business class international expenditure was $1,130,157.97

(5) In financial year 2004-2005 the proportion of air travel on the
   (a) Sydney to Canberra route was 34.78%
   (b) Melbourne to Canberra was 32.07%
   (c) Sydney to Melbourne was 10.33%
   (d) Sydney to Brisbane was 2.72%
   (e) Melbourne to Hobart or Launceston was 0.54%
   (f) Sydney to Perth was 1.09%

(6) In financial year 2004-2005 the Treasury paid membership for the following number of employees.
   (a) Chairman’s Lounge: nil
   (b) Qantas Club: 124
   (c) Regional Express: nil
   (d) Virgin Blue: nil

(7) Qantas Business Travel (QBT) is the Department’s travel management service provider.

Domestic and Overseas Air Travel
(Question No. 2438)

Mr Quick asked the Minister representing the Minister for Finance and Administration, in writing, on 11 October 2005:

(1) For 2004-2005, what sum was spent by the Minister’s department on domestic and international air travel.

(2) For 2004-2005, 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 2004-2005, what sum was spent by the Minister’s department on domestic air travel provided by (i) Qantas, (ii) Regional Express, and (iii) Virgin Blue.

(4) For 2004-2005, what sum was spent by the Minister’s department on (a) economy and (b) business class travel on (i) domestic routes and (ii) international routes.

(5) For 2004-2005, what proportion of the expenditure on air travel by the Minister’s department was on the domestic route (a) Sydney to Canberra, (b) Melbourne to Canberra, (c) Sydney to Melbourne, (d) Sydney to Brisbane, (e) Melbourne to Hobart or Launceston, and (f) Sydney to Perth.

(6) For 2004-2005, how many employees of the Minister’s department had membership of the (a) Qantas Chairman’s Lounge, (b) Qantas Club, (c) Regional Express Membership Lounge, and (d) Virgin Blue’s Blue Room paid for by the department.

(7) Which company provides travel management services to the Minister’s department.
Mr Costello—The Minister for Finance and Administration has supplied the following answer to the honourable member’s question:

(1) (a) Domestic: $802,491.00
    (b) International: $407,784.00
    NB: Figures are inclusive of taxes and GST

(2) (a) Qantas Airways and Subsidiaries: 80%
    [65% on Qantas and 15% on Qantas subsidiaries]
    (b) Regional Express: 4%
    (c) Virgin Blue: 12%
    NB: The remaining 4% was travelled on other smaller airlines.

(3) (a) Qantas Airways and Subsidiaries: $542,344.00
    [$437,896.00 on Qantas and $104,448.00 on Qantas subsidiary airlines]
    (b) Regional Express: $25,564.00
    (c) Virgin Blue: $80,808.00
    NB: Finance officers also travelled on other smaller airlines.

(4) (a) Economy: $845,101.00
    (i) Domestic: $648,675.00
    (ii) International: $196,426.00
    (b) Business: $334,363.00
    (i) Domestic: $151,377.00
    (ii) International: $182,986.00

(5) (a) Sydney to Canberra: 23%
    (b) Melbourne to Canberra: 26%
    (c) Sydney to Melbourne: 1.7%
    (d) Sydney to Brisbane: 1.1%
    (e) Melbourne to Hobart or Launceston: 1.4%
    (f) Sydney to Perth: 2.3%

(6) (a) Qantas Chairman’s Lounge: 1
    (b) Qantas Club: 161
    (c) Regional Express Membership Lounge: 4
    (d) Virgin Blue’s Blue Room: There are no memberships for the room, which can be used on a pay-per-visit basis.

(7) Finance has a non-exclusive arrangement with Qantas Business Travel.

Domestic and Overseas Air Travel
(Question No. 2441)

Mr Quick asked the Minister representing the Minister for Family and Community Services, in writing, on 11 October 2005:

(1) For 2004-2005, what sum was spent by the Minister’s department on domestic and international air travel.
(2) For 2004-2005, 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 2004-2005, what sum was spent by the Minister’s department on domestic air travel provided by (i) Qantas, (ii) Regional Express, and (iii) Virgin Blue.

(4) For 2004-2005, what sum was spent by the Minister’s department on (a) economy and (b) business class travel on (i) domestic routes and (ii) international routes.

(5) For 2004-2005, what proportion of the expenditure on air travel by the Minister’s department was on the domestic route (a) Sydney to Canberra, (b) Melbourne to Canberra, (c) Sydney to Melbourne, (d) Sydney to Brisbane, (e) Melbourne to Hobart or Launceston, and (f) Sydney to Perth.

(6) For 2004-2005, how many employees of the Minister’s department had membership of the (a) Qantas Chairman’s Lounge, (b) Qantas Club, (c) Regional Express Membership Lounge, and (d) Virgin Blue’s Blue Room paid for by the department.

(7) Which company provides travel management services to the Minister’s department.

Mr Hockey—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) The total spent on domestic air travel for 2004/05 was $4,638,861 and on International air travel was $457,461.

(2) (a) Qantas proportion of travel was 73.93% (excludes affiliated airlines).
   (b) Regional Express proportion of travel was 2.24%.
   (c) Virgin Blue proportion of travel was 1.26%.

(3) (a) Qantas total spend on travel was $3,247,021.49 (excludes affiliated airlines)
   (b) Regional Express total spend of travel was $85,368.80
   (c) Virgin Blue total spend on travel was $60,513.45

(4) (ai) The spend on economy domestic routes totalled $3,096,661.56
   (aii) The spend on economy international routes totalled $122,537.83
   (bi) The spend on business domestic routes totalled $1,262,056.80
   (bii) The spend on business international routes totalled $277,806.52

(5) (a) The proportion of expenditure for Sydney/Canberra/Sydney was 8.67%
   (b) The proportion of expenditure Melbourne/Canberra/Melbourne was 17.54%
   (c) The proportion of expenditure Sydney/Melbourne/Sydney was 1.71%
   (d) The proportion of expenditure Sydney/Brisbane/Sydney was 2.63%
   (e) The proportion of expenditure Melb/Hobart/Laun/Melb was 2.63%
   (f) The proportion of expenditure Sydney/Perth/Sydney was 3.27%

(6) (a) FaCS currently has 4 members of the Qantas Chairman’s Lounge
(b) FaCS currently has 466 members of the Qantas Club
   (c) Regional Express Membership Lounge is provided free to cluster members
   (d) There are no members to Virgin Blue’s Blue Room

(7) Qantas Business Travel provides travel management services for the Department of Family & Community Services.
Domestic and Overseas Air Travel

(Question No. 2446)

Mr Quick asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 11 October 2005:

(1) For 2004-2005, what sum was spent by the Minister’s department on domestic and international air travel.

(2) For 2004-2005, 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 2004-2005, what sum was spent by the Minister’s department on domestic air travel provided by (i) Qantas, (ii) Regional Express, and (iii) Virgin Blue.

(4) For 2004-2005, what sum was spent by the Minister’s department on (a) economy and (b) business class travel on (i) domestic routes and (ii) international routes.

(5) For 2004-2005, what proportion of the expenditure on air travel by the Minister’s department was on the domestic route (a) Sydney to Canberra, (b) Melbourne to Canberra, (c) Sydney to Melbourne, (d) Sydney to Brisbane, (e) Melbourne to Hobart or Launceston, and (f) Sydney to Perth.

(6) For 2004-2005, how many employees of the Minister’s department had membership of the (a) Qantas Chairman’s Lounge, (b) Qantas Club, (c) Regional Express Membership Lounge, and (d) Virgin Blue’s Blue Room paid for by the department.

(7) Which company provides travel management services to the Minister’s department.

Mr McGauran—The answer to the honourable member’s question is as follows:

(1) Domestic Air Travel - $4,393,302
   International Travel - $1,973,263

(2) (a) 74.91%
   (b) 2.55%
   (c) 3.62%

(3) (i) $3,290,822
   (ii) $111,903
   (iii) $159,118

(4) (a) (i) $3,628,674
   (ii) $331,447
   (b) (i) $764,627
   (ii) $1,596,213

(5) (a) Sydney to Canberra 7.94%
   (b) Melbourne to Canberra 13.24%
   (c) Sydney to Melbourne 2.23%
   (d) Sydney to Brisbane 2.24%
   (e) Melbourne to Hobart 1.00%
       And Launceston 0.21%
   (f) Sydney to Perth 2.06%

(6) (a) Qantas Chairman’s Lounge – Nil as membership is complimentary.
   (b) Qantas Club – the Department does not maintain a record of this information.
(c) Regional Express Membership Lounge – the Department does not maintain a record of this information.

(d) Virgin Blue’s Blue Room – the Department does not maintain a record of this information.

(7) Qantas Business Travel (QBT).

**Defence Medal**

*(Question No. 2469)*

Mr Murphy asked the Minister Assisting the Minister for Defence, in writing, on 12 October 2005:

(1) Further to the answer to question no. 2103 (*Hansard*, 10 October 2005, page 111), when are the eligibility criteria for the Australian Defence Medal expected to be finalised.

Mrs De-Anne Kelly—The answer to the honourable member’s question is as follows:

(1) The eligibility criteria for the Australian Defence Medal will be announced as soon as possible.

**Editorial Services**

*(Question No. 2535)*

Mr Bowen asked the Minister Assisting the Prime Minister for the Public Service, in writing, on 31 October 2005:

(1) Did the Australian Public Service Commission engage Rosemary Nicholls and Associates to provide editorial services at a cost of $17,875; if so, what was edited under the terms of this contract.

(2) Why was it considered necessary to engage an outside company to edit this material.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) (a) Rosemary Nicholls and Associates were engaged to provide editorial services at an estimated cost of $15,400.00 (GST inclusive).

Final cost for editorial services was $25,025.00 (GST inclusive). (The amount of $17,875 was the total of the first two invoices paid to Rosemary Nicholls).

(b) Rosemary Nicholls and Associates provided editorial services for the reviewed Public Sector Management (PSM) Program curriculum. The PSM Program is a graduate certificate level, public sector middle management development program. It is accredited by Macquarie, Griffith, RMIT and Curtin universities. Griffith University were contracted to review the curriculum but editorial services were a separate contract.

1. The original editing work estimate was for copyediting 1,200 pages or approximately 360,000 words. However, the assignment was longer and more complex than originally estimated. Ultimately the review consisted of 2600 pages. In addition, a PSM Program Orientation, Assessment and Referencing Guide was edited.

The assignment was complex because:

- The original curriculum had been poorly edited, resulting in inconsistent structure, style and layout and created additional editing work; and
- Some material was rewritten during the editing process which involved significant iteration of the reviewed materials by the reviewers and editor.

(2) The Commission does not employ an editor, or an individual, with sufficient skill and experience to undertake the editing of curriculum especially an extensive graduate certificate curriculum such as the PSM Program. When approving the curriculum review, the PSM Program National Board of Management stressed that the reviewed curriculum should be of high quality, both in its content
and style. Given the Board’s requirement, and the Commission’s capacity, it was necessary to seek editing expertise outside of the Commission.

Consultancy Services  
(Question No. 2537)

Mr Bowen asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 31 October 2005:
Did his department engage Howard Partners Consultants at a cost of $13,200; if so, what services were provided under the terms of this contract.

Mr McGauran—The answer to the honourable member’s question is as follows:
The Department of Agriculture, Fisheries and Forestry engaged Howard Partners Consultants in September 2005 to perform a review of the Budget Initiative “Enhancing Animal Health Infrastructure” in line with the Government’s requirements for lapsing programmes. The cost of the consultancy was $19,800.

Surveillance Services  
(Question No. 2554)

Mr Bowen asked the Minister for Revenue and Assistant Treasurer, in writing, on 1 November 2005:

(1) Are private investigation companies engaged by the ATO to provide surveillance services; if so, in respect of each company used during 2004-2005, (a) what is its name and address, (b) what sum was it paid, and (c) how many cases were referred to it.

(2) How many of the cases referred to private investigation companies resulted in people (a) having their benefits reduced or cancelled and (b) being prosecuted for fraud.

Mr Brough—The answer to the honourable member’s question is as follows:

(1) No

(2) N/A

Consultancy Services  
(Question No. 2568)

Mr Bowen asked the Minister representing the Minister for Family and Community Services, in writing, on 3 November 2005:
Did the Minister’s department engage Butler Direct at a cost of $13,513.50; if so, what services were provided under the terms of this contract.

Mr Hockey—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:
Yes, Butler Direct services were purchased at a cost of $13,513.50, which comprised three Platinum Subscriptions for the provision of a comprehensive service enabling access to the full range of Butler Group’s research, events and subscription (Information Technology related) services.

Air Warfare Destroyer  
(Question No. 2578)

Mr McClelland asked the Minister representing the Minister for Defence, in writing, on 7 November 2005:
In respect of the Air Warfare Destroyer contract, what is the (a) budget and (b) timeframe for the contract.

Mrs De-Anne Kelly—The Minister for Defence has provided the following answer to the honourable member’s question:

(a) The Defence Capability Plan has proposed the expenditure of between $4.5 and $6 billion for the delivery of three Air Warfare Destroyers. To date, around $450 million of the proposed budget has been approved.

(b) This first Air Warfare Destroyer is due to be delivered in 2013.

West Papua
(Question No. 2581)

Mr Laurie Ferguson asked the Minister for Foreign Affairs, in writing, on 8 November 2005:

Further to his response during Question Time on 2 November 2005 to the horrific incident involving the beheading of three young women in Poso, Central Sulawesi, which was condemned by President Yudhoyono, what has been (a) his personal, (b) his department’s, (c) President Yudhoyono’s and (d) President Yudhoyono’s predecessor’s response to events in West Papua, in particular the (i) Baptist Church of Papua’s exposure of the murder in August 2004 of the Reverend Elisa Tabuni with his hands handcuffed together in a praying position and the shooting of his son, Wettes Tabuni, (ii) rape of a woman by Indonesian soldiers in the Gospel Church in Monia, (iii) murder of Isai Imbir, (iv) murder on 7 December 2000 of Jonny Karunggu, an 18 year old student of Jayapura’s School of Economics, (v) execution of Yustinus Murib and ten others during a Kopassus raid on 4 November 2004, (vi) criminalisation of the work of the Institute of Human Rights and Advocacy, Aliansi Demokrasi Papua (ALDP), the Triton Foundation and the Office for Justice and Peace and the arrest and detention of their personnel as reported by Franciscans International, (vii) military’s destruction of personal property during February 2005 in the villages Panaga, Bolbor and Wunin by the Brimob mobile police and Kodam Troops, (viii) jail sentences of ten and fifteen years to Philep Karma and Uysak Pukage respectively for their roles in organising demonstrations, and (ix) continued resettlement of non Papuans in West Papua described on 19 October 2005 by Lord Triesman as leading to human rights abuses and which also abets higher rates of HIV infection.

Mr Downer—The answer to the honourable member’s question is as follows:

On question (a) and its parts (i), (ii) (iii), (iv), (v), (vi), (vii), (viii) and (ix) and question (b) and its parts (i), (ii) (iii), (iv), (v), (vi), (vii), (viii) and (ix): The Australian Government takes seriously reports of alleged human rights violations in Papua and we continue to urge the Indonesian Government to investigate suspected abuses and ensure that the human rights of all Indonesians are respected.

We welcome President Yudhoyono’s commitment to resolve the issue of Papua “in a peaceful, just and dignified way” and “based on special autonomy before August 2006”. Australia respects Indonesian territorial integrity, including its sovereignty over Papua and believes that the full and effective implementation of Special Autonomy is the best way of meeting local community needs. We regularly convey this view to the Indonesian authorities.

Australian aid assistance to programs in Papua amounts to $3.7 million for 2005-06. The assistance is delivered through aid activities in education, HIV/AIDS, rural development, work-place skills training and UNICEF family health projects.

Question (c) and its parts (i), (ii) (iii), (iv), (v), (vi), (vii), (viii) and (ix) and question (d) and its parts (i), (ii) (iii), (iv), (v), (vi), (vii), (viii) and (ix) are questions for the Indonesian Government.