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SITTING DAYS—2006

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- **GOSFORD**: 98.1 FM
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- **GOLD COAST**: 95.7 FM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 747 AM
- **NORTHERN TASMANIA**: 92.5 FM
- **DARWIN**: 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—FIFTH 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, 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

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<td>Bonner, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Wakelin, Barry Hugh</td>
<td>Grey, SA</td>
<td>LP</td>
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<tr>
<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Wilkie, Kim William</td>
<td>Swan, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Windsor, Antony Harold Curties</td>
<td>New England, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>Wood, Jason Peter</td>
<td>La Trobe, VIC</td>
<td>LP</td>
</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
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<td>The Hon. John Winston Howard MP</td>
</tr>
<tr>
<td>Minister for Trade and Deputy Prime Minister</td>
<td>The Hon. Mark Anthony James Vaile MP</td>
</tr>
<tr>
<td>Treasurer</td>
<td>The Hon. Peter Howard Costello MP</td>
</tr>
<tr>
<td>Minister for Transport and Regional Services</td>
<td>The Hon. Warren Errol Truss MP</td>
</tr>
<tr>
<td>Minister for Defence</td>
<td>The Hon. Dr Brendan John Nelson MP</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon. Alexander John Gosse Downer MP</td>
</tr>
<tr>
<td>Minister for Health and Ageing and Leader of the House</td>
<td>The Hon. Anthony John Abbott MP</td>
</tr>
<tr>
<td>Attorney-General</td>
<td>The Hon. Philip Maxwell Ruddock MP</td>
</tr>
<tr>
<td>Minister for Finance and Administration, and Leader of the Senate and</td>
<td>Senator the Hon. Nicholas Hugh Minchin</td>
</tr>
<tr>
<td>Vice-President of the Executive Council</td>
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<tr>
<td>Minister for Agriculture, Fisheries and Forestry and Deputy Leader of</td>
<td>The Hon. Peter John McGauran MP</td>
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<td>the House</td>
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</tr>
<tr>
<td>Minister for Immigration and Multicultural Affairs</td>
<td>Senator the Hon. Amanda Eloise Vanstone</td>
</tr>
<tr>
<td>Minister for Education, Science and Training and</td>
<td>The Hon. Julie Isabel Bishop MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women's Issues</td>
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<tr>
<td>Minister for Family, Community Services and Indigenous Affairs</td>
<td>The Hon. Malcolm Thomas Brough MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Indigenous Affairs</td>
<td></td>
</tr>
<tr>
<td>Minister for Industry, Tourism and Resources</td>
<td>The Hon. Ian Elgin Macfarlane MP</td>
</tr>
<tr>
<td>Minister for Employment and Workplace Relations and Minister</td>
<td>The Hon. Kevin James Andrews MP</td>
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<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
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<tr>
<td>Minister for Communications, Information Technology and the Arts and</td>
<td>Senator the Hon. Helen Lloyd Coonan</td>
</tr>
<tr>
<td>Deputy Leader of the Government in the Senate</td>
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<tr>
<td>Minister for the Environment and Heritage</td>
<td>Senator the Hon. Ian Gordon Campbell</td>
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<td>Minister for Justice and Customs and Manager of Government Business in the Senate</td>
<td>Senator the Hon. Christopher Martin Ellison</td>
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<tr>
<td>Minister for Fisheries, Forestry and Conservation</td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Minister for the Arts and Sport</td>
<td>Senator the Hon. Charles Roderick Kemp</td>
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<tr>
<td>Minister for Human Services</td>
<td>The Hon. Joseph Benedict Hockey MP</td>
</tr>
<tr>
<td>Minister for Community Affairs</td>
<td>The Hon. John Kenneth Cobb MP</td>
</tr>
<tr>
<td>Minister for Revenue and Assistant Treasurer</td>
<td>The Hon. Peter Craig Dutton MP</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>The Hon. Gary Roy Nairn MP</td>
</tr>
<tr>
<td>Minister for Vocational and Technical Education and Minister Assisting the Prime Minister</td>
<td>The Hon. Gary Douglas Hardgrave MP</td>
</tr>
<tr>
<td>Minister for Ageing</td>
<td>Senator the Hon. Santo Santoro</td>
</tr>
<tr>
<td>Minister for Small Business and Tourism</td>
<td>The Hon. Frances Esther Bailey MP</td>
</tr>
<tr>
<td>Minister for Local Government, Territories and Roads</td>
<td>The Hon. James Eric Lloyd MP</td>
</tr>
<tr>
<td>Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence</td>
<td>The Hon. Bruce Frederick Billson MP</td>
</tr>
<tr>
<td>Minister for Workforce Participation</td>
<td>The Hon. Dr Sharman Nancy Stone MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Finance and Administration</td>
<td>Senator the Hon. Richard Mansell Colbeck</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Industry, Tourism and Resources</td>
<td>The Hon. Robert Charles Baldwin MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
<td>The Hon. Christopher Maurice Pyne MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>Senator the Hon. John Alexander Lindsay (Sandy) Macdonald</td>
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<tr>
<td>Parliamentary Secretary (Trade)</td>
<td>The Hon. De-Anne Margaret Kelly MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs</td>
<td>The Hon. Andrew John Robb MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Malcolm Bligh Turnbull MP</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon. Christopher John Pearce MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for the Environment and Heritage</td>
<td>The Hon. Gregory Andrew Hunt MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon. Sussan Penelope Ley MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Education, Science and Training</td>
<td>The Hon. Patrick Francis Farmer MP</td>
</tr>
<tr>
<td>Parliamentary Secretary (Foreign Affairs)</td>
<td>The Hon. Teresa Gambaro MP</td>
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</table>
SHADOW MINISTRY

Leader of the Opposition
The Hon. Kim Christian Beazley MP

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

Leader of the Opposition in the Senate, 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>Position</th>
<th>Shadow Minister</th>
</tr>
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<tbody>
<tr>
<td>Shadow Minister for Consumer Affairs and</td>
<td>Laurie Donald Thomas Ferguson MP</td>
</tr>
<tr>
<td>Shadow Minister for Population Health and</td>
<td></td>
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<tr>
<td>Health Regulation</td>
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</tr>
<tr>
<td>Shadow Minister for Agriculture and Fisheries</td>
<td>Gavan Michael O’Connor MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow</td>
<td>Joel Andrew Fitzgibbon MP</td>
</tr>
<tr>
<td>Minister for Small Business and Competition</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Transport</td>
<td>Senator Kerry Williams Kelso O’Brien</td>
</tr>
<tr>
<td>Shadow Minister for Sport and Recreation</td>
<td>Senator Kate Alexandra Lundy</td>
</tr>
<tr>
<td>Shadow Minister for Homeland Security and Shadow Minister for Aviation</td>
<td>The Hon. Archibald Ronald Bevis MP</td>
</tr>
<tr>
<td>and Transport Security</td>
<td></td>
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<tr>
<td>Shadow Minister for Veterans’ Affairs and</td>
<td>Alan Peter Griffin MP</td>
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<tr>
<td>Shadow Special Minister of State</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Defence Industry, Procurement and Personnel</td>
<td>Senator Thomas Mark Bishop</td>
</tr>
<tr>
<td>Shadow Minister for Immigration</td>
<td>Anthony Stephen Burke MP</td>
</tr>
<tr>
<td>Shadow Minister for Aged Care, Disabilities and Carers</td>
<td>Senator Jan Elizabeth McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Justice and Customs and Manager of Opposition Business in the Senate</td>
<td>Senator Joseph William Ludwig</td>
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<tr>
<td>Shadow Minister for Overseas Aid and Pacific Island Affairs</td>
<td>Robert Charles Grant Sercombe MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Reconciliation and the Arts</td>
<td>Peter Robert Garrett MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>John Paul Murphy MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence and Veterans’ Affairs</td>
<td>The Hon. Graham John Edwards MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Education</td>
<td>Kirsten Fiona Livermore MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Environment and Heritage</td>
<td>Jennie George MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Industry, Infrastructure and Industrial Relations</td>
<td>Bernard Fernando Ripoll MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Ann Kathleen Corcoran MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Treasury</td>
<td>Catherine Fiona King MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Science and Water</td>
<td>Senator Ursula Mary Stephens</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern Australia and Indigenous</td>
<td>The Hon. Warren Edward Snowdon MP</td>
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The SPEAKER (Hon. David Hawker) took the chair at 2.00 pm and read prayers.

CONDOLENCES

Hon. Sir Reginald William Colin Swartz KBE, ED

Mr HOWARD (Bennelong—Prime Minister) (2.01 pm)—I move:

That this House records its deep regret at the death on 2 February 2006 of the Honourable Sir Reginald William Colin Swartz KBE, ED, a former federal minister, Leader of the House of Representatives and Member for Darling Downs, Queensland, and places on record its appreciation of his long and meritorious public service, and tenders its profound sympathy to his family in their bereavement.

The late Reg Swartz was a member of that group collectively described as ‘Forty-Niners’. They were a group of members who came into the federal parliament with the election of the Menzies government in 1949. They were overwhelmingly, but not completely, members of the coalition side of the House because of two factors. The first factor was the expansion of the parliament from 74 members to 124, decided upon by the Chifley government, which accompanied the expansion of the Senate and the change in the voting system in the election of senators. The second factor, of course, was the scale of the Menzies victory in 1949. I understand that there are now only two remaining Forty-Niners: on the Labor side, Clyde Cameron, the former member for Hindmarsh and, on the coalition side, Allen Fairhall, the former defence minister and former member for Paterson.

Reg Swartz’s membership of the House of Representatives was neatly coextensive with the period of coalition government between 1949 and 1972 but, having said that, he was a man liked and respected on both sides of the parliament. It was due in part to the extraordinary camaraderie that existed across the political divide between the men who had fought in World War II and particularly those, like Reg Swartz, who had fallen into captivity when the allies surrendered in Singapore. Reg Swartz along with many others had to endure years of imprisonment at the hands of the Japanese. He spent time in Changi and also a period working on the Burma-Thailand railway. When the war ended in 1945 he returned to Australia.

Reg Swartz was born on 14 April 1911 and was educated at Toowoomba Grammar School. At the age of 17 he joined the CMF and later enlisted in the 2nd AIF, serving with the 2nd/26th Infantry Battalion and the 8th Division in the Malayan campaign. Before entering parliament he had worked as an oil company executive and, as I said earlier, he was elected to federal parliament to represent the Queensland seat of Darling Downs, a seat he held continuously until 1972.

He held a number of portfolios and for the last two years of the McMahon government he was Leader of the House. He was a person who had a great capacity to calm the House at question time. When I first became a junior minister in the Fraser government, there was an expression, ‘the Reg Swartz award’, and it was meant to describe a very lengthy answer. So if you won the award, it did not necessarily mean that you were enjoying the approval of the then Prime Minister.

Perhaps the most moving and poignant association I had with Reg Swartz was in 1998 when, as Prime Minister, I had the privilege of travelling to Thailand to Kanchanaburi to open the Hellfire Pass Memorial. As well as being accompanied by a significant number of former prisoners of war, a group put to-
together by the Department of Veterans’ Affairs, I invited three former members of this parliament who had been prisoners of war of the Japanese: Sir Reginald Swartz; Sir John Carrick, the former government leader in the Senate; and Mr Tom Uren, the former Labor minister and a person well known on both sides of this parliament and well liked by many current and former members of the parliament. To be associated with those three men—and in terms of age and rank Reg Swartz was the senior of the three—was to be reminded of the remarkable spirit that kept them going during those dreadful times of captivity.

Curly Swartz, as he was known—a traditional Australian acknowledgement of his baldness—was the Leader of the House, a role he performed very well. He held a number of portfolios and he continued in his life outside of parliament in the CMF. He became a lieutenant colonel as Assistant Quartermaster General, Northern Command; and he was made an honorary colonel of the Australian Army Aviation Corps in 1969. He was created a Knight Commander of the Most Excellent Order of the British Empire in June 1972 and appointed a Member of the Most Excellent Order of the British Empire for distinguished services in the south-west Pacific.

In retirement Reg Swartz pursued his many and varied interests. He lived a very full life. He married a second time, after the death of his first wife. He died last week at the remarkable age of 94. The government has offered, and the family has accepted, a state funeral, which will be held in Caloundra on Thursday this week.

On behalf of the government and on behalf of the members of the Liberal Party throughout Australia—we are a party that Reg Swartz was proud to remain a member of and serve with such commitment and distinction—I record my gratitude for his service. He belonged to a remarkable generation of Australians who endured terrible suffering, came back with great hope and great optimism about the future of this country and then set about dedicating the rest of what was to be, in his case, a very long and fruitful life, to the service of his country both publicly and privately.

So on behalf of the government I extend to his wife, Lady Muriel Swartz, and his children Barbara, Graham and Rodney, and to other family members and friends, our very deep sympathy on their loss and in their bereavement.

Mr BEAZLEY (Brand—Leader of the Opposition) (2.08 pm) I support the motion moved by the Prime Minister and add to the remarks that he made. Sir Reginald Swartz was one of the last two surviving ministers of the Menzies government—Sir Allen Fairhall, who retired from parliament in 1969 on the grounds of ill health, still lives. Reginald Swartz was the member for Darling Downs for 23 years. He was first elected in 1949 and served as a minister in the Menzies, Holt, McEwan and Gorton governments. He was Leader of the House of Representatives from 1971 until 1972 and he held a range of portfolios, including Repatriation, Health, Social Services, Civil Aviation and National Development.

Obviously, I do not have personal memories of Reginald Swartz in quite the same way that the Prime Minister has—he was of the Prime Minister’s party. But I can remember him, as a young person, when I visited this parliament—or the other parliament, I should say—every August and watched the performances at question time. There was an audible groan whenever Reg Swartz rose to his feet because there would be an answer given, but it would not be a read answer; it
would be an answer that had an incredible amount of factoids added to it that made the various points that he wanted to make. He would absolutely be guaranteed to comatose any question time he involved himself in.

I remember with some pleasure, when I got to my feet early on as a minister in this place and was able to make the statement that I wanted to dedicate my answer to the memory of Reginald Swartz, being gratified by the groans that broke out in the then opposition on the Liberal side, who knew exactly what I meant when that question was going to be answered. But he was widely regarded on both sides of the House as being a man of decency and integrity. I know my father thought the world of him. One of the attributes of politics in those days, particularly when you held the sorts of portfolios that Reg Swartz held, was that you had many issues that members of parliament were, in a constituency sense, interested in. He was one of those ministers who, when you had a bit of an issue with repatriation or social services, it was not a bad idea to give him notice of your question. If he had a favourable answer, whatever side of the House you were on, he would give it to you—at length, in detail and totally to the satisfaction of your constituent, provided you had taken the trouble to arrange things beforehand.

Sir Reginald Swartz won election after election by sizeable majorities. That was probably a result of his practice of insisting that he visit every single town and village in his electorate every year between elections, despite the fact that he had a very substantial majority. He was well served by his press secretary, the late Mort Nash, who used to boast that he was firmly of the view that his job was to keep his boss out of the Sydney Morning Herald and in the Toowoomba Chronicle. By and large, the press secretary succeeded in his objectives. All of us in this place, whenever an occasion arises to do so, ought to express gratitude to the generation from which Reg Swartz came. It was undoubtedly the most significant, stoic, effective generation in Australian history—the people who lasted the Depression, the people who won the war.

Reg Swartz was a member of that generation. He did it as hard as any member of that generation did. After being enlisted in the 2/22nd Infantry Battalion, 8th Division, and participating in the Malayan campaign—which, despite the fact that it has been overshadowed by the surrender at Singapore, had many features that demonstrated effective delaying actions—he was captured, became a prisoner in Changi and had the most horrible of all wars as a result of that. Nevertheless, it needs to be noted that that generation came back with a sense of personal solidarity, a sense of the ability of the government to achieve things and a sense of national responsibility, which made them such effective participants in the political life of this nation. On behalf of the Labor Party, I extend my sympathy to his second wife, Lady Muriel Swartz, and his children, Barbara, Graham and Rodney.

Mr DOWNER (Mayo—Minister for Foreign Affairs) (2.13 pm)—I would like to join with the Prime Minister and the Leader of the Opposition in this condolence motion for Reg Swartz. The reason I do so is that he was a friend and a colleague of my father’s and a friend also of my mother’s. He was therefore somebody who was close to our family so, as a family, we very much grieve his passing.

Reg Swartz and my father had a good deal in common. They were born within one year of each other—Reg Swartz being one year younger—and both of them were members of the AIF during World War II in Malaya, in
the retreat down the Malay Peninsula to Singapore, and were incarcerated in the Changi prisoner of war camp. As you have heard from the Prime Minister and the Leader of the Opposition, Reg Swartz also went to work on the infamous Thai-Burma Railway, something my father managed not to do.

Reg Swartz was a man of enormous courage and determination to have survived those simply indescribable and appalling experiences, and I think it is important that we all acknowledge the great courage he showed through that time. He was also elected to the House of Representatives on the same day as my father in 1949. My father was one of the ‘Forty-niners’, a generation of Liberal politicians—or coalition politicians—

Opposition members interjecting—

Mr DOWNER—I am glad you picked that one up—who regarded themselves as particularly triumphant, having turfed out the Chifley government and begun the long and very successful regime of Liberal governments up until 1972, when Reg Swartz left the parliament. During that period, Reg Swartz was one of those ‘Forty-niners’ who served the parliament with distinction as a minister. He was a minister in the Menzies, Holt and Gorton governments. He would be particularly well remembered for his time as Minister for Civil Aviation, a portfolio he held for three years. But he was also Minister for Repatriation—what we today call ‘Veterans’ Affairs’—Minister for Health in 1964, Minister for Social Security in 1965 and finally Minister for National Development and Leader of the House.

Reg Swartz was an important figure in the history of the Liberal Party. He represented what is now the electorate of Groom—in those days it was Darling Downs—and the city of Toowoomba. I know that he did so with real distinction and was a very popular member. Today is a sad day to reflect on a man who had such a great career. He gave a lot to Australia and did so successfully. He is survived by his second wife, Lady Muriel, and his children Barbara, Graham and Rodney. I extend my condolences to all of them.

Mr EDWARDS (Cowan) (2.17 pm)—I am pleased to be associated with the remarks of the Prime Minister, the Minister for Foreign Affairs and Kim Beazley in this condolence motion for Sir Reginald Swartz. As we have heard, Sir Reginald was elected to this place in 1949 and this followed his service to the nation during World War II. He first joined the CMF at the age of 17 in 1928. He later enlisted in the AIF at the rank of captain and served with the 2/26 Infantry Battalion, 8th Division during the Malaysian campaign. Sir Reginald was captured by the Japanese and held in Changi. He was also forced to work on the infamous Burma-Thailand railway until the end of the war. He was repatriated to Australia in 1945. As the Prime Minister has indicated, Sir Reginald continued his association with the CMF until 1969, when he was appointed honorary colonel of the Australian Army Aviation Corp. His direct experience in World War II resulted in him being given the portfolio responsibility of repatriation, in which he served for three years. Sir Reginald also visited the troops in Vietnam in 1970—the year I was there. In his first speech to the parliament in 1950, he said in relation to the Japanese:

… I wish to leave a thought in the minds of honorable members in relation to our future cooperation with Japan. It has been suggested that the time has arrived when Japan should again take its place in international councils. Having lived with the Japanese for some years under rather curious conditions, and knowing their characteristics fairly well, I offer some advice to the Minister for External Affairs (Mr Spender). I suggest to the
honorable gentleman that we should use the Japanese internationally, but that we should never trust them.

As Minister for National Development, Sir Reginald visited Japan in 1970, and that must have been a very personal and emotional experience for him. His attitude to Australia’s dealings with Japan immediately after the war took much courage, and he certainly showed great leadership. At that time many former POWs and other Australians took a totally different attitude towards trade and involvement with that country.

I understand that Sir Reginald Swartz was held in high esteem by both sides of the parliament. This would have been a direct reflection of the strong mateship that must have existed in the parliament at that time among those who served the nation during the war and ended up on either side of politics. I also understand that he was held in high esteem by the veterans of Australia and his comrades in arms, whom he served as Minister for Repatriation. On behalf of the ALP, I join with Kim Beazley in extending our sympathy to his wife, Lady Muriel Swartz, and his children Barbara, Graham and Rodney.

Question agreed to, honourable members standing in their places.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.21 pm)—On 24 January I announced a number of changes to the ministry consequent upon certain resignations. The swearing-in took place on 27 January 2006. For the information of honourable members, I table an updated list of the full ministry with some minor changes to the Senate representation to that published in the list dated 30 January 2006. I also advise that the Minister for Revenue and Assistant Treasurer will be absent from question time today and tomorrow. He, along with some other members on both sides of the House, is representing the parliament at the Australian Future Directions Forum. The Treasurer will answer questions on his behalf.

The document read as follows—

FOURTH HOWARD MINISTRY

7 February 2006*

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<td>The Hon Malcolm Turnbull MP</td>
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<td>The Hon Mark Vaile MP</td>
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<td>(Deputy Prime Minister)</td>
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<td>The Hon Gary Nairn MP</td>
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<td>The Hon Jim Lloyd MP</td>
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<td>The Hon Fran Bailey MP</td>
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<td>Minister for Employment and Workplace Relations Parliamentary Secretary</td>
<td>The Hon Kevin Andrews MP</td>
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<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>The Hon Dr Sharman Stone MP</td>
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<td>Minister for Community Services</td>
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<td>The Hon John Julie Bishop MP</td>
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<td>Minister for Vocational and Technical Education</td>
<td>The Hon Gary Hardgrave MP</td>
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Each box represents a portfolio. Cabinet Ministers are shown in bold type. As a general rule, there is one department in each portfolio. Except for the Department of the Prime Minister and Cabinet and the Department of Foreign Affairs and Trade, the title of each department reflects that of the portfolio minister. There is also a Department of Veterans’ Affairs in the Defence portfolio and a Department of Human Services in the Finance and Administration portfolio. * The changes to the ministry list issued on 6 July 2005 took effect on 27 January 2006.
QUESTIONS WITHOUT NOTICE

Oil for Food Program

Mr BEAZLEY (2.22 pm)—My question is to the Prime Minister. I refer to his statement to the parliament on 25 March 2003 when he said:

... the oil for food program has been immorally and shamefully rorted by Saddam Hussein, who has used the proceeds of it to acquire his weapons capacity ...

In the middle of the Iraq war, with Australian troops in the field, why did the Prime Minister turn a blind eye to multiple warnings that Australia was the biggest contributor to this immoral and shameful rort, including Canadian government warnings in December 1999, warnings conveyed through the United Nations in January 2000 and warnings repeated by the UN in March 2000, which were all to the effect that Australia’s own AWB was rorting the oil for food programs to the financial benefit of Saddam Hussein? There were a few others as well.

Mr HOWARD—The basis of the question is wrong. I deny that the government turned a blind eye. I accuse the Leader of the Opposition of deliberately distorting the facts.

Religious Cartoons

Dr SOUTHCOTT (2.23 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the reaction to cartoons published in the international media which have caused offence to some Muslims.

Mr DOWNER—I thank the member for Boothby for his question and for his interest. Let me first say that I do condemn—and the government condemns—the violent protests that we have seen in Lebanon, Turkey, Syria, Iran, Afghanistan and, indeed, a number of other countries. This violence has been directed mainly at Danish and Norwegian interests, simply because these were the countries in which these cartoons were published. There has been some backlash to New Zealand as well.

But let me make this clear: we regard the backlash as indefensible and urge people to desist and remain calm. In this country, of course, we believe in the right to protest, but we only believe in the right to protest peacefully—not violently: not to burn down buildings and not to threaten people. If people do take offence at anything—and this happens from time to time in any society—if they are exercised about anything, they have a right to protest, but they should not resort to violence.

We hear reports that up to five people have been killed in these protests. There is no doubt that the cartoons depicting the Prophet Muhammad have caused offence to many Muslims, and that is unfortunate. But the decision about whether to publish such material is in the end a matter for the media. Freedom of speech is a cornerstone of a democratic society, not just in this country but in democratic societies all around the world.

Suffice it to say that with all freedoms, with all rights, come responsibilities, and any media organisation which publishes this material will obviously have given consideration to what the consequences of doing so might be. But, having said that, at the end of the day, in a free society, people have a right to express their views. If others disagree with those views or are offended by those views, they have absolutely the right to protest, to object, but only in peaceful ways.

While I will not go into the details of the security provisions at Australian missions overseas, let me just say that our mission in Ramallah in the Palestinian territories has been closed temporarily because it shares a
building with the Danish mission. Of course, the Danish mission has been particularly subjected to protests. We are liaising to ensure the security of Danish consulates here in Australia. There is not a Danish embassy, but there are consulates. We are obviously focused on the security of those missions.

Today my department is reissuing its travel advisories for Lebanon, Syria, Israel and Iran, noting that large demonstrations related to this issue have taken place in those countries and advising Australians to avoid any further such protests and to exercise good personal security awareness.

DISTINGUISHED VISITORS

The SPEAKER (2.27 pm)—Order! For the benefit of all members, I acknowledge the honourable Barry Cohen, former Minister for the Arts and Environment and former member for Robertson. On behalf of all members, I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Oil for Food Program

Mr RUDD (2.27 pm)—My question is to the Prime Minister. I refer again to his statement to the parliament on 25 March 2003 when he said:

... the oil for food program has been immorally and shamefully rorted by Saddam Hussein, who has used the proceeds of it to acquire his weapons capacity ...

Prime Minister, on what intelligence assessment did you base this statement, and when did you receive it?

Mr HOWARD—That statement was based on quite widely circulated material—and I refer in particular to an address by the British foreign secretary, Mr Jack Straw; for the benefit of the member, I will get him the precise reference—and also plenty of open source reports at the time which suggested that a number of things were happening: that Saddam was selling oil on a bilateral basis to bypass the UN sanction and was also adopting the practice of leaving unspent amounts in the United Nations escrow account and then pointing to the inevitable suffering of his own people to support his argument that the suffering was due to the behaviour of the allies. That is the basis of the claim, and it is totally accurate.

Mr Rudd—Mr Speaker—

The SPEAKER—Has the Prime Minister finished his answer?

Mr Rudd—The question was whether he based it on any intelligence assessment.

The SPEAKER—Order! The member does not have the call.

Mr Rudd—So you have no—

The SPEAKER—The member for Griffith does not have the call.

Trade

Mr HARTSUYKER (2.28 pm)—My question is addressed to the Deputy Prime Minister and Minister for Trade. Would the Deputy Prime Minister outline to the House Australia’s record exports in 2005? What is the projected growth in Australian exports?

Mr VAILE—I thank the member for Cowper for his question and recognise the enormous input into the local economy in his area that exports have, particularly from small and medium sized enterprises. Figures were released last week that indicated that in 2005 Australia reached a new annual record of exports, of $176.7 billion, a 15 per cent increase on 2004, which was also a significant figure. I will just repeat it: $176.7 billion in 2005.

We saw new annual records set across a number of areas, particularly—obviously—in
the resources sector, but also in the services sector. Interestingly, manufactured exports rose by nine per cent. Contrary to all the doom-saying comments by the Australian Labor Party, manufacturing exports rose by nine per cent. Australia’s export businesses deserve to be congratulated for this result, achieved in different global economic circumstances. We have taken the advantage where we have competitive advantages, and obviously in the resources sector. Australian exporters are taking up the opportunities provided by our government’s strong economic record, the stability of the economy and our trade policies in terms of opening up markets across the world.

It was interesting to note within those figures that 12 out of our top 20 export products reached new record levels—and not just resources, not just commodity exports. Coal, iron ore, education, beef, aluminium ores, natural gas, professional and business services, passenger motor vehicles, medicines, alcoholic beverages, including wine, and copper ores all reached new record levels in 2005. So 12 out of our top 20 exports reached new records. What are the private sector forecasters indicating is going to happen? I quote the ANZ Economic Outlook:

The Australian economy will return to the good times over the next two years on the back of solid business investment, a strengthening in resources and rural exports.

So the path that the government have gone down in terms of our policy settings to ensure that the economic environment and the workplace structures in Australia are ripe to take advantage of opportunities in the future is absolutely the right one. It was opposed all the way by the Australian Labor Party, but we will continue to work with and listen to the job creators in our country.

Oil for Food Program

Mr BEAZLEY (2.32 pm)—My question is to the Prime Minister. I refer him again to his 25 March 2003 statement to parliament that:

... the oil for food program has been immorally and shamefully rorted by Saddam Hussein, who has used the proceeds of it to acquire his weapons capacity...

Given that you have just said that the rort was widely known and that the AWB was the largest single user of the oil for food program worldwide, why didn’t it occur to the Prime Minister to investigate whether there were any problems with the AWB?

Mr HOWARD—At that time it was common between the government and the opposition that the AWB was an organisation of total integrity and repute. On 6 June 2003, three months after I made my statement to the parliament, there was a response to the allegations made by the American Wheat Associates—allegations, incidentally, as to their detail before the commission. Mr Cole has indicated that he will be very carefully examining the role of the AWB and also the Commonwealth in relation to that issue. This is what the then shadow minister for primary industries, Senator Kerry O’Brien, and the then trade spokesman, Craig Emerson, had to say, such was their belief in the integrity of AWB Ltd—

Mr Beazley—Mr Speaker, I raise a point of order on relevancy. Unless the Prime Minister wants to hand over the government to the Labor Party now, the stance that he is taking on this is completely irrelevant.

The SPEAKER—The Leader of the Opposition will resume his seat. The Prime Minister is in order. I call the Prime Minister.

Mr HOWARD—They said:
In the absence of evidence to support the allegation, Australian wheat growers are entitled to dismiss the claims as an attempt to promote the sale of US subsidised wheat in the Iraq market.

We had received no credible advice or evidence to doubt the integrity of AWB Ltd. That was a view that I retained well beyond the date quoted by the Leader of the Opposition. If he is honest with himself, so did he.

**Economy**

*Mr BARRESI (2.35 pm)*—My question is addressed to the Treasurer. Would the Treasurer inform the House of recent economic data results? What does this data indicate about the strength of the Australian economy?

*Mr COSTELLO*—I thank the honourable member for Deakin for his question. Since the House last met we have had the consumer price index for the December quarter, which showed an increase of 0.5 per cent in the quarter and 2.8 per cent through the year. These were very good outcomes, considering the pressure that petrol prices are putting on the economy and on inflation generally. We cannot afford to be complacent about this. There will be further pressure in the current quarter, but the important thing is to make sure that we do not have second-round effects, with petrol prices feeding into prices generally.

We have had, since the House last met, labour force figures for the month of December showing that unemployment remains at a 29-year low, at 5.1 per cent. We have also had moderate retail trade figures showing that in the December quarter retail trade volumes rose by 0.3 per cent to be 1.9 per cent higher than a year ago. As we have just heard from the Deputy Prime Minister, we have had welcome recovery in the trade performance, with a substantial increase in exports. All of this says that the Australian economy is in a strong position going forward, but we cannot afford to be complacent.

At the time of the last election I described the economy as a highly tuned performance car which, if you fiddled with modifications in different parts, you could knock off balance and easily turn into a mangled wreck. I had in mind the damage that could have been done to the Australian economy if Labor had been elected in October 2004.

*Mr Tanner interjecting*—

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

*Mr COSTELLO*—If you want a picture of what the Australian economy could have looked like had Labor been elected, it would have looked much like the camera of the *Daily Telegraph* photographer after the former leader of the Labor Party got to it. If he could do that to a camera, what could he have done to the Australian economy? He was the man put forward by every single member of the Australian Labor Party to be Prime Minister, to have his hands on the levers of the Australian economy. The damage that was done to the *Daily Telegraph* camera pales into insignificance when compared to the damage that could have been done by Mr Mark Latham. The important thing in economic management is to have people who are stable, who know what they are doing and who are restrained. The Labor Party have not learned their lesson. They lined up to a man and to a woman to put forward for Prime Minister the member for Werriwa at the last election, and they have learned nothing in relation to economic policy.

**Oil for Food Program**

*Mr RUDD (2.39 pm)*—My question is to the Deputy Prime Minister and Minister for Trade. When the Deputy Prime Minister, as trade minister, was warned in January 2000...
of Canadian and UN concerns about irregular payments by the AWB to Saddam Hussein’s regime, why did he turn a blind eye to these warnings by limiting the investigation to a simple phone call to the AWB, the very company that the Australian government had been warned about?

Mr VAILE—I thank the honourable member for his question. This is an issue that has been canvassed at length. If I can just make a couple of points. In response to the January 2000 allegation, DFAT contacted AWB and it categorically denied the allegation. Bear in mind that the allegation came without any evidence—there was no evidence. In March, when the UN noted continuing concern about the matter and raised specific questions over contract conditions, DFAT obtained from AWB the requested paperwork and passed it on to the UN. This resolved the matter to the UN’s satisfaction, the UN saying it had removed any grounds for misperception. Can we make one point very clear in this. It was always the UN’s role to approve the oil for food contracts, including assessing value and price, not that of the Australian government.

Mr Rudd—Would the Deputy Prime Minister table the correspondence to which he refers—that is, the letter sent from the government to the UN assuring them that the AWB was not roting kickbacks to Saddam Hussein?

The SPEAKER—Was the Deputy Prime Minister reading from a confidential document?

Mr Vaile—Yes.

Iran

Mr KEENAN (2.41 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of Australia’s response to continuing concerns about Iran’s nuclear program?

Mr DOWNER—First, I thank the honourable member for Stirling. I know what a lot of interest he has in international relations and what a good job he is doing in Stirling as well. At the recent Board of Governors meeting of the International Atomic Energy Agency, of which Australia is a member, Australia supported the resolution which reports Iran’s nuclear program to the United Nations Security Council, and we welcome the very strong support by other members of the board for that resolution. I attended a meeting of a number of foreign ministers in London, primarily to discuss the issue of Afghanistan. Also, during a dinner we were able to focus substantially on Iran. I am pleased to say that there is a very widespread—it is not complete but very widespread—consensus in the international community on how to deal with this issue.

Let us just remember what the simple facts are here. Iran has failed to give credible assurances to the international community that it is not developing a nuclear weapons capability. A nuclear armed Iran would have dire consequences for regional and international security. Reporting Iran to the Security Council is a response—and, I think, a necessary response—to Iran’s lengthy and well-documented record of concealing nuclear activities from the IAEA and to its continuing failure to cooperate fully with the IAEA. This, by the way, I think is essential to enhancing the IAEA’s authority to investigate Iran’s nuclear activities. We remain, of course, committed to a diplomatic solution. Reporting Iran to the Security Council is not the end of diplomatic efforts, but it does mark a new phase in these efforts. The door is still open for Iran to take the steps necessary to restore international confidence. We urge Iran
to comply with the board’s latest resolution, including resuming full suspension of its enrichment related activities.

To be honest—and many members of the House would agree with this—international concerns about Iran’s nuclear program have been increased by statements made by the President of Iran expressing a desire to wipe Israel off the map and other, I think, deeply offensive comments about Israel and Jewish people more generally. There is no doubt about it: the rhetoric of the Iranian regime causes deep concern and, considering at the same time that Iran is moving towards the enrichment of uranium and thereby getting closer to a capacity to build nuclear weapons, it is only understandable that the international community is deeply concerned about this. Australia has been playing a key role in ensuring that international efforts are constructive and forceful. We hope that in time they will turn out to be effective.

**Oil for Food Program**

**Mr Rudd** (2.45 pm)—I refer to the answer just given by the Deputy Prime Minister and Minister for Trade—

**The Speaker**—Order! Is the member directing his question to the Deputy Prime Minister?

**Mr Rudd**—I am—when he said that the UN alone was responsible for approving wheat sales to Iraq, I refer the minister to the Customs (Prohibited Exports) Regulations 1991, which state:

The minister is responsible for granting permission for trade with Iraq where the minister is satisfied that permitting the exportation would not infringe the international obligations of Australia.

My question to the Deputy Prime Minister and Minister for Trade is: is it not a fact that the approval power under the Customs regulations 1991 lies with an Australian government minister to issue the export permit and not with the United Nations?

**Mr Vail**—The point that I was making in reference to the question that was last asked by the member for Griffith was that the UN oil for food contracts were the responsibility of the UN’s section 661 sanctions committee. In terms of an export, after the contracts were certified and signed off on by the UN, we issued export permits. We had nothing to do with the pricing of the contracts or the contracts themselves. The UN’s responsibility was the oil for food contracts.

**Medical Training**

**Mr Laming** (2.47 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister inform the House how the government has expanded medical training since 1996? Minister, are there any alternative views and what is the government’s response?

**Mr Abbott**—I thank the member for Bowman for his question. I acknowledge his work over many years as a clinician and also his current contributions to public policy in this House. I can inform him and other members that, ever since the government received official advice about the general medical workforce shortage in this country, we have been substantially increasing the number of medical training places. Since 2000 there has been a 30 per cent increase in the number of first-year places in Australia’s medical schools. Last year there were some 1,300 medical graduates around Australia, and it is anticipated that, on current policies, there will be 2,100 medical graduates by the year 2011. That is a 60 per cent increase, thanks to the policies of the Howard government. Yesterday the Queensland Premier spent $150,000 on ads claiming that the federal government had somehow short-changed the
people of Queensland. Even on Premier Beattie’s own figures, the number of Queensland medical graduates has increased by some 25 per cent since 1996. But what Premier Beattie did not say was that between 1983 and 1995, when the population of Queensland increased by 30 per cent, the number of Queensland medical graduates actually decreased by six per cent under the policies of the Hawke-Keating government. What Premier Beattie also did not say was that there were just over 200 first-year medical students a year in Queensland under the former Labor government; this year, under this government, 404 students will commence publicly funded medical training in Queensland. I have a very simple piece of advice for the Queensland Premier: he should spend his taxpayers’ money fixing the Queensland public hospital system and not telling fibs about the federal government.

**Oil for Food Program**

Mr RUDD (2.50 pm)—My question is to the Deputy Prime Minister and Minister for Trade. Isn’t it a fact that Mr Trevor Flugge of the AWB wrote to the Deputy Prime Minister personally about his concerns regarding the wheat trade with Iraq just 10 days before the AWB again wrote to your department with their proposal to engage Jordanian trucking companies to assist their trade with Iraq? Deputy Prime Minister, how could DFAT have written back to the AWB just three days later formally advising them that this would not contravene sanctions against Iraq, without getting a written legal opinion, without to this day being able to track down the legal officer in the department who is responsible for consulting with them on this matter and without even bothering to consult the UN, despite your statement today that it was the UN and not the government that had the power to approve contract arrangements with Iraq?

Mr VAILE—With regard to the correspondence that the member refers to, obviously as the Chairman of the Wheat Board Mr Flugge corresponded with me from time to time on a whole range of issues. On the specific issue that the member raises with regard to the AWB-DFAT exchange of letters, it was in reference to a general inquiry on the possible use of Jordanian transport companies, and the exchange contained no mention of the specific company. As Volcker and Cole have highlighted, AWB had already been using Alia for around a year prior to the AWB letter.

I just make the point here that the Volcker inquiry has forensically investigated the oil for food program. It requested that governments that had companies involved in the oil for food program conduct an inquiry into whether domestic laws had been broken in those countries. That is what we are doing. The Cole commission of inquiry is under way now and is part heard. Commissioner Cole made very clear his intentions in his statement last Friday. I think the best thing to do is to allow him to conduct his work, complete the inquiry and come back with his conclusions.

**National Security**

Mr WOOD (2.53 pm)—My question is addressed to the Attorney-General. Would the Attorney-General advise the House what the Australian government is doing to combat the impact of identity crime?

Mr RUDDOCK—I thank the honourable member for La Trobe for his question, because obviously there is no doubt that identity fraud is a growing problem confronting law enforcement agencies in all our jurisdictions. In the year 2001-02 the annual cost of
identity fraud in Australia was estimated at $1.1 billion, and false identities can underpin terrorist and criminal activity. It is essential in Australia’s interests, both economic and security, that the identity of persons accessing government services, benefits, official documents and positions of trust can be accurately identified.

Last year we funded the development of a prototype document verification service as part of a national identity security strategy. I am pleased to advise the House that that prototype went live today. It initially involved some 50,000 passport applications and some citizenship applications. When people present documents, officials will be able to check online the authenticity of that proof of identity document with the issuing agency. I am confident that this new system will become a powerful means of verifying the legitimacy of Australian passports, citizenship certificates, birth certificates and drivers licences issued by other jurisdictions. Privacy is particularly important in this process, and the pilot has been developed so that no personal information is stored in the system.

There can be no greater invasion of a person’s privacy than the theft of their identity. That is why we are constantly looking at ways to strengthen our national identity security regime. This new measure is a practical demonstration of that commitment, and it will help to protect Australians from the impact of identity crime.

Oil for Food Program

Mr Rudd (2.55 pm)—My question is to the Deputy Prime Minister and Minister for Trade. Deputy Prime Minister, following your government’s approval of the AWB’s new contract arrangements with Iraq on 2 November 2000, which gave the AWB the green light to continue funnelling money to Saddam Hussein—

Mr Vaile—Oh!

Mr Rudd—Well, that is what has happened; that is exactly what happened, and you know it.

The Speaker—Order! The member for Griffith will come back to his question, and he will also address his question through the chair.

Mr Rudd—I was talking about the letter that gave the AWB the green light to continue funnelling money to Saddam Hussein. In the ‘Dear Trevor’ letter back to Mr Flugge a few weeks later, did the Deputy Prime Minister formally confirm that he had directed his officials to ‘maintain their closed dialogue with the AWB’ in order to keep him apprised of developments in the trade with Iraq? Can the Deputy Prime Minister confirm that Trevor is dear and well known to him as the former National Party candidate for the federal seat of O’Connor?

Mr Vaile—Can I just make a couple of points—

Honourable members interjecting—

The Speaker—Order! The member for Griffith’s question was heard in silence. The minister now has the call.

Mr Vaile—Can I just make a couple of points in response to that question and the assertions that were made in it. Firstly, I make the point that, all through this entire process, the objective of our government has been to look after the interests of Australia’s wheat growers. They come first and foremost in this process in terms of getting into the markets of the world.

Mr Tanner—So you’re happy to fund suicide bombers to do it?
The SPEAKER—Order! The member for Melbourne will withdraw that.

Mr Tanner—What a lot of glass jaws! I withdraw, Mr Speaker.

Mr VAILE—I am trying to respond to the member’s question. I am sure he wants an answer. First and foremost has been exercising our responsibilities as a government to the wheat growers of Australia, to get their export product on the markets of the world. The other part of the question was with regard to the structure of contracts. The structure of contracts was purely a matter between AWB and the United Nations. The third point I want to make is that—and the member for Griffith, seeing as he has been an avid reader of a lot of the correspondence and the documentation that has come forward in this inquiry, would realise this—in every bit of correspondence there was a warning to AWB to be compliant with the conditions of the UN sanctions program.

South Asia Earthquake

Mr LINDSAY (2.59 pm)—My question is addressed to the Minister for Defence. Would the minister update the House on Australia’s efforts to help the people of Pakistan following last year’s earthquake?

Dr Nelson—I thank the member for Herbert for his question and outstanding representation of the 3,500 Defence personnel in Townsville. With the possible exception of the Prime Minister, they have no greater advocate. On 8 October last year an earthquake struck Pakistan with devastating human, economic and environmental consequences. On 9 November last year the Prime Minister announced the deployment of approximately 142 Australian Defence Force personnel to Pakistan. They are currently based at Dhanni, about 20 kilometres north-east of Muzaffarabad. I would also point out that they are working in very difficult terrain and in sub-zero temperatures as low as 20 degrees below zero Celsius. They have treated 8,200 Pakistani people with life-saving medical and surgical treatments. They have also rebuilt a school in the area where they are working. The four S-70A Black Hawk helicopters that have also been deployed are enabling the health care team to provide services in the region beyond Dhanni, where they are actually based. We are extremely proud of the fact also that about a third of those who have been deployed are reservists. I would pay particular tribute to the nursing and medical staff who are reservists who have left not only their families but their practices to provide a practical illustration of Australian Defence Force personnel working seamlessly with reservists and those who are in the permanent ADF.

The Australian government has contributed almost $17 million to these activities since the deployment on 9 November. Shortly we expect the task before them to have been completed. On behalf of the Australian people and the Australian government, I express my admiration to those who have been deployed. I know the families in Townsville, Randwick and also in Richmond will look forward to their loved ones—Defence personnel—returning to Australia.

Oil for Food Program

Mr Rudd (3.02 pm)—My question is to the Deputy Prime Minister and Minister for Trade. Deputy Prime Minister, given that the wheat price went up by more than $50 per metric tonne in the AWB’s contract with Saddam Hussein, why did your government continue to turn a blind eye to this fact, particularly as AWB employee, Mr Hogan, has stated that a $50 increase would have been detected because it would have rendered Australian wheat at an exceptionally high price
when measured against the international market price? Deputy Prime Minister, if we cannot turn to the leader of the National Party to tell us what the international wheat price is, who can we turn to?

Mr VAILE—In answer to the last part of the question, certainly not the Australian Labor Party. The first point that needs to be cleared up here is that the contracts were not with Saddam Hussein; the contracts were with the United Nations oil for food program.

Mr Kelvin Thomson interjecting—

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

Mr VAILE—They had the responsibility to scrutinise every aspect of those contracts. On this issue of prices, it was not DFAT’s responsibility to check the prices on the UN contracts; it was the UN’s responsibility. The United Nations engaged professional operators to assess and establish whether price and value were credible. They scrutinised every contract with professional advisers on price and value. That was done by the UN. That is the answer to the member’s question.

Tasmania: Rail Services

Mr MICHAEL FERGUSON (3.04 pm)—My question is addressed to the Minister for Transport and Regional Services. Would the minister advise the House of measures the government has taken to maintain freight rail services in Tasmania?

Mr TRUSS—I thank the honourable member for Bass for his question and acknowledge the role he and the member for Braddon have played in efforts to restore and maintain rail services in Tasmania. This is obviously a very important issue for Tasmania. Honourable members will be aware that late last year Pacific National announced that they intended to close most of the freight services in Tasmania because they were uneconomic. To have moved all of the volume on those freight services onto road would have had significant implications for the Tasmanian road transport system, and, of course, all Tasmanians wanted to maintain effective rail services because of the important role they play in the state’s infrastructure. Pacific National said that they needed major track upgrading and they needed a commitment from the Tasmanian government to maintain the track in the years ahead. In return they volunteered to provide $38 million to $40 million to upgrade engines and rolling stock.

On 12 December the Australian government announced that we were prepared to participate in a rescue package for Tasmanian rail, contributing up to $86.75 million towards capital upgrading of the Tasmanian system so long as the other parties to the arrangement were prepared to also participate. Four days later the Tasmanian government indicated their willingness to participate, and now we are awaiting advice from Pacific National and are involved in negotiations with them to endeavour to secure the necessary funding from them to enable this package to proceed. There has been a constructive working relationship with the Tasmanian government, and I appreciate the role of the Tasmanian members of parliament in pursuing this issue and ensuring that we reach a satisfactory conclusion.

Of course, the approach from members opposite was somewhat different. I thought it was quite extraordinary that the shadow minister for transport, the same Senator O’Brien that we were hearing about before, condemned the Australian government for offering this rescue package. He was acutely embarrassed when four days later the Tasmanian state Labor government accepted it and agreed to be part of the arrangements. We
will get on with doing this job constructively. I understand that the board of Pacific National will be meeting this month and I hope that that meeting may lead to a resolution of this issue and that Tasmanians can have the assurance they are looking for that their rail system will be sustainable in the years ahead.

Oil for Food Program

Mr BEAZLEY (3.07 pm)—My question is to the Deputy Prime Minister and Minister for Trade. Did the Deputy Prime Minister instruct Ambassador Thawley as to the content of his conversation with US Senator Coleman? If the Deputy Prime Minister did not provide Ambassador Thawley with his instructions, who did?

Mr VAILE—Firstly, I point out that the US senator that the Leader of the Opposition referred to has recanted to an extent from his position. I instance a news report that says: ‘US critic changes his tune’. The article went on to say:

A previously critical US politician has praised Australia for leading an aggressive probe into alleged kickbacks by Australia’s monopoly wheat exporter ... They have recognised the fact that our government has moved quickly to establish a commission of inquiry with wide-ranging powers to investigate this issue.

Tourism

Mrs MAY (3.08 pm)—My question is addressed to the Minister for Small Business and Tourism. Would the minister update the House on the performance of the tourism industry in 2005?

FRAN BAILEY—I thank the member for McPherson for her question and for her very strong support of the tourism industry. I am absolutely delighted to advise the House that the tourism figures that have been released today show that the number of international visitors coming to Australia is at an all-time high. Never before have so many international visitors come to Australia. In fact, 5½ million international visitors came to Australia in 2005. That is a 5.4 per cent increase on the previous year. I can further advise that key emerging markets such as China and India are performing very well indeed. These good results demonstrate that the very strong investment that this government is making into the tourism industry is really producing dividends. More than half a million Australians work directly in this industry, with more than 200,000 of them working in our regional areas. It is only this government that values and understands this important $73 billion industry.

Oil for Food Program

Mr BEAZLEY (3.10 pm)—My question is to the Prime Minister. Is the Prime Minister aware that the US Congressional Committee on International Relations has stated that Palestinian suicide bombers were paid $US25,000 each by Saddam Hussein from the Rafidain Bank in Jordan—the very same bank we now know was used to deposit Australian kickbacks to the Iraqi regime? Can the Prime Minister assure us that no Australian money went to the families of suicide bombers?

Mr HOWARD—I am glad the Leader of the Opposition has asked this question, for two reasons. Firstly, it enables me to point out to the parliament that, if the advice of the Leader of the Opposition had been followed, Saddam Hussein would still be financing suicide bombers. That is the first point I would make.

Mr Wilkie—You should apologise!

Mr HOWARD—I will not apologise for that, because it is right. I will apologise for
something that I say is wrong but not for something which is right. It was the policy of the Australian Labor Party not to support action to get rid of Saddam Hussein.

Mr Beazley—Mr Speaker, I rise on a point of order. My colleague called for an apology to the families of Israelis who were killed by suicide bombers, and the Prime Minister gets up and rants at us on that subject. It is outrageous that you would not be prepared to apologise for—

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

Mr Howard—I will apologise for errors for which I am responsible. At no stage did this government ever condone the sort of behaviour alleged by the Leader of the Opposition. He asked me whether I could give a guarantee in relation to Australian money. I point out to the Leader of the Opposition that the money allegedly going to the Iraqi officials was not Australian money; it was in fact the money of Iraq held in escrow by the United Nations. If the allegations are true, it was improperly obtained by the Iraqi government as a result of the—

Opposition members interjecting—

Mr Howard—While I am on my feet, I will take the opportunity to say something to the House by way of context not only to the questions that have been asked by the opposition but also to questions that will undoubtedly be asked over coming days. Let me just inform the Leader of the Opposition that all of the documents relevant to the matters now being inquired into by the Cole inquiry that are held by the Department of Foreign Affairs and Trade are in the possession of the Cole inquiry. Shortly after it was established, the Cole inquiry sent a group of people to the Department of Foreign Affairs and Trade. They were allowed to inspect all of the department’s documents, and they took away copies of the documents that they wanted.

Mr Rudd—Mr Speaker, I rise on a point of order. This is not a royal court; it is a parliament. He was asked a question, he has not answered it and he is using it to make a ministerial statement.

The SPEAKER—The member for Griffith will resume his seat. There is no point of order.

Mr Howard—I thought he would be interested in this, Mr Speaker. I want to inform the parliament that not only does the Cole inquiry have all of Department of Foreign Affairs and Trade’s documents; it has all of the relevant documents from my own department. It also crucially—

Mr Beazley—Mr Speaker, I rise on a point of order. The question was explicit: we want to know if the Prime Minister can guarantee us that no money that came through from the Australian end of the program ended up in the hands of the suicide bombers. He has not answered that question—

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

Mr Howard—I continue, Mr Speaker. Not only does Cole have all of the DFAT documents and all of the documents of the Department of the Prime Minister and Cabinet, but crucially Cole has something that the government did not have and apparently, on the evidence to date, the United Nations did not have—that is, all of AWB Ltd’s documents.

Mr Rudd—Mr Speaker, I rise on a point of order. I have read again the Leader of the Opposition’s question. It was simple and to the point. The Prime Minister failed to an—
answer it; he is abusing the forms of the House to make a ministerial statement.

The SPEAKER—The member for Griffith will resume his seat. Has the Prime Minister finished his answer?

Mr HOWARD—Yes.

The SPEAKER—I call the honourable member for Kingston.

Australian Technical Colleges

Mr RICHARDSON—My question is—

Mr Beazley—Mr Speaker, I seek leave to move—

The SPEAKER—I called the member for Kingston.

Mr RICHARDSON—My question is addressed to the Minister—

Opposition members interjecting—

The SPEAKER—The member for Kingston will resume his seat.

Mr Beazley—Mr Speaker, I seek leave to move that so much of standing and sessional orders be suspended as would prevent the Leader of the Opposition moving forthwith:

That this House censure the Prime Minister, the Deputy Prime Minister and the Minister for Foreign Affairs for:

(1) their failure to—

Mr Abbott—Mr Speaker, I raise a point of order. You did give the member for Kingston the call. The member for Kingston had commenced his question and the member for Kingston had the call. He was asking his question. The Leader of the Opposition is not entitled to move that in this way at this time.

The SPEAKER—The Leader of the House raises a valid point of order. The member for Kingston had the call. He had started his question. The only interruption that another member can make is to take a point of order, so I will allow the member for Kingston to complete his question.

Mr Beazley—I was on my feet here at the dispatch box when the Prime Minister answered you that he had finished his answer. Quite frankly, Mr Speaker, just whipping your eyes across there will not do. The government has a pretty thoroughgoing understanding that they have got to cop a resolution on this given their shabby behaviour.

The SPEAKER—I appreciate the Leader of the Opposition’s point, but the fact is that I saw the member for Kingston first and I have called the member for Kingston.

Mr Price—Mr Speaker, I rise on a point of order. It is your sole prerogative as to who you give the call to. It is true that you gave the call to the member for Kingston, but you withdrew it and called the Leader of the Opposition. I cannot see how—

The SPEAKER—I will rule on that point. The only way under the standing orders that the Leader of the Opposition could interrupt the question was to take a point of order. I gave him the call, thinking he was going to take a point of order. He wanted to move a motion. In that case the member for Kingston still has the right to ask his question, so I call the member for Kingston.

Mr RICHARDSON—Mr Speaker, my question is addressed to the Minister for Vocational and Technical Education. Would the minister update the House on the implementation of the government’s Australian technical college initiative all across Australia, and in particular South Australia?

Mr HARDGRAVE—I thank the member for Kingston, because he is one of the strong advocates in this place on the government side for Australian technical colleges. Of the 19 successful proposals announced so far in the 18 of the 24 regions the government
promised, one is in the South Adelaide area. We are sure to make further announcements on at least two other regions in coming days. The government is spending $343.6 million over five years on this. Five are starting this year. In fact, four have already opened their doors in places such as eastern Melbourne, Gladstone, the Gold Coast and Port Macquarie. Another college will open up in northern Tasmania, in Burnie and Launceston.

Opposition members interjecting—

Mr HARDGRAVE—Those opposite are calling out ‘four’—yes, that is four colleges; the Labor Party promised zero. At the end of it, this government’s commitment to vocational and technical education has seen funding increase by 88.3 per cent since 1996. In real terms, that is a record $2.5 billion this financial year compared to the measly $1.07 billion in 1995. The number of new apprentices in training has increased by 172 per cent, from 143,795 in 1995 to 391,200 as at the end of June last year. The member for Kingston will be interested to know that in his electorate 74 apprentices are eligible today for the Tools for your Trade initiative. The member for Brand would probably want to know—because he says he does not know of any—there are 218 in his electorate. In the member for Kingston’s electorate there has been a 367 per cent increase in the number of apprentices in training since 1996.

This is evidence that the Australian business community, who are the ones who create apprenticeships, are driving the economy further by taking that investment and are making certain that Australia’s future and the future strength of our economy is assured by this investment in training.

Government members—Yes!

Mr HARDGRAVE—The number of students altogether in vocational and technical education around this country today has risen to 1.6 million people, and that is an increase of 26 per cent over the last few years. At the end of the day, never before in the history of this nation has there been a government with this level of commitment to this important area of encouraging businesses to take on young people in particular, to give them the training opportunities to take on the nation building trades. This is a big contrast to the days when the member for Brand was the minister in charge of this particular area. In fact, I suppose the Minister for Defence will probably like the irony of this. When the member for Brand went from Defence to education and training, he said that there were no challenges left. He felt as though there was nothing to do, and in his time in that particular job there were 30,000 people trashed when it came to apprenticeships in this country, and Australia’s economy is still paying the price for the lack of interest that the member for Brand had when he had an opportunity to grow apprenticeships. Instead he retarded it, and it affected Australia’s economy. The recession we had to have is still being felt right around Australia today because of the member for Brand’s stewardship at that time.

Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper.
That this House censures the Prime Minister, the Deputy Prime Minister and the Minister for Foreign Affairs for:

(1) their failure to investigate repeated warnings of breaches by AWB Limited of the United Nations Oil for Food Program; and

(2) their gross negligence in allowing AWB to provide $300 million to the Saddam Regime through that program for the purchase of weapons and the funding of suicide bombers.

This is a scandal that goes to Australia’s international reputation, the safety of Australian troops serving in Iraq and our country’s national security. It is a sorry story of a government in a mode of reckless negligence, now fully exposed by evidence to the Cole inquiry and the shameful revelation that, presented with mounting evidence of kickbacks, the Prime Minister, the Minister for Trade and the Minister for Foreign Affairs all turned a blind eye.

Let us understand this completely. The case of reckless negligence is already proved. There can be no question about that. There were repeated warnings, which I will go into a little later. There were 41 contracts that had to be signed off by departmental officials and ministers. There was plenty of warning out there, massive amounts of it, that there were problems in the oil for food program—all of it out there inviting attention from a government official charged with the responsibility to ensure that this incredibly sensitive area of international politics and policy saw any Australian participation in it monitored to the nth degree by the ministers responsible. This clearly did not occur; therefore the case for reckless negligence is automatically proved.

Then there comes the question of turning the blind eye. There is a slightly different standard of proof applying to the question of turning a blind eye. There we must go to the details of the facts, not simply the process which occurred. Again, we on this side of the House accuse this government of turning a blind eye to the circumstances in which they were engaged. You cannot say that the way in which they handled complaints that came through from the Canadians, complaints that came through from the UN, the responsibilities that went to studying these contracts, which produced such huge gaps between the international market price and the price that was actually being received for the Australian wheat, was anything other than flashing warning signs that something was seriously wrong with this program. If nothing was done about it, then of course the case is proven for turning a blind eye to it.

We had a person appear before the Cole royal commission yesterday, Hogan, who pointed out in the course of his remarks that he just assumed that the gap was so great, and the government knew so much about it, that obviously the government must have known. And obviously that opinion was general throughout the Australian Wheat Board—throughout those servants associated with the AWB who had direct responsibility for this. They believed, obviously, that the government had turned a blind eye to this and that they were doing their masters’ will. Indeed, we believe that that is exactly what was happening.

This is so John Howard: arrogant, out of touch; spin, no substance. This government for 10 years has refused to burrow down into the entrails of their processes to ensure that—when they have made a statement out there and got all the wonderful gladhanding for keeping up the wheat sales to Iraq or whatever, and you can think of any other project in which they entertain themselves—when it comes to getting down to the nuts and bolts and making sure that this is done in an acceptable way, our reputation is protected and
nothing is happening which would render our troops unsafe if they were sent into this situation. Not a single jot of attention was paid and—we would say—with great deliberation on their part.

The consequences of it for the reputation of this nation are simply awful. We cannot assume from this that we are dealing here with one of those side issues which rise up every now and then in international politics but for which a Prime Minister or minister could be forgiven for not having paid any mind to the matters that were there before him. The simple fact of the matter is that this issue, the issue of the Saddam Hussein regime, the issue of the question of his weapons of mass destruction—or what were alleged to be his weapons of mass destruction—and the question of whether or not the sanctions regime imposed on him was effective, was front and centre at the heart of US foreign policy, the foreign policy of our principal ally, for about a decade before the war in Iraq.

It was an absolute moral, legal and political obligation on the government to ensure that in every element of Australian participation in international politics where those issues of concern to our allies were raised, where those issues of concern to Iraq’s neighbours were raised and where those issues of concern to the UN were raised, it was the responsibility of Australian ministers—not UN officials, not Australian public servants; not even, in the end, AWB CEOs and servants. In the process there is supposed to be a minister with a guiding hand and an absolute determination as the final point of reference for the Australian national interest, to make absolutely certain that the Australian national interest was being protected. And Howard, Downer, and Vaile failed their nation. They failed their parliament.

They were the three wise monkeys of this issue: they saw no evil, they spoke no evil, they heard no evil. But they knew all about the evil, every one of them. Yet they stand here, boasting of their ignorance and puffing themselves up for the press gallery and the gallery here. ‘I am so proud of the fact that I am a completely ignorant human being’, says the Prime Minister. ‘I am so proud of the fact that I and my ministers didn’t administer one jot or tittle of this particular program. It was all the UN’s fault. It was all the AWB’s fault.’

Three hundred million dollars went to Saddam Hussein—the biggest element of the whole program: 15 per cent of it.

And what did this program do? It did three things: three things into which Australian money went. And the Prime Minister sneakily said, ‘No, it wasn’t my responsibility to look at that; it was the UN’s responsibility to look at it.’ That $300 million went to pay for Saddam Hussein’s research effort into weapons of mass destruction—that is absolutely clear. That $300 million went to arm Iraqi troops—actually, not so much Iraqi troops but the insurgent element: the Fedayeen. That same Fedayeen subsequently became the basis of one part of the insurgency which is now killing and maiming thousands of Americans and thousands of Iraqis. That is what Australian money went to. And it went to arming troops who may—and thank God it has not occurred yet—mount attacks on Australian soldiers now serving in Iraq.

Poor old Bob Menzies got labelled Pig Iron Bob for sending pig-iron to the Japanese before 1939. What are we to describe this Prime Minister as: Wheat Bag Johnny? From his performance here, he is every bit as deserving of the sort of epithet that was attached to Menzies. This is incredibly serious.

You see them out there again today—the spin merchants—as they try to work their
way through the press gallery and out into the public to get their explanation out; to get their straw men erected and invite the media and the public to pay attention to their straw men. They are out there singing and dancing with them, as they go and split hairs over the levels of approval and responsibility that each has. They have one responsibility only, as ministers, and that is to make sure that everything, particularly in major areas of their departments, is done according to the laws that are established for them and the policies which surround those laws—and in this instance they have failed massively.

They are out there saying too that the demand in the United States that we examine this is a product of nefarious behaviour by wheat lobbyists in the United States, and that that is all that Coleman, Daschle and all the journalists in the United States are concerned and worried about. They are just worried about their wheat contracts in competition with us. No doubt they have an interest in those particular wheat contracts, but I will tell you about another interest the Americans have—and if this government does not do this inquiry properly, it will come home to haunt it. I note that the Prime Minister is not in the chamber—more of his arrogance. The United States complaint about this is driven primarily not by their wheat interests but by the fact that 15,000 young Americans have been killed and maimed in the Iraqi exercise, and so have countless thousands of Iraqis.

There are many Americans now who would have much preferred that the United States government had not proceeded in the way in which it did. But the fact of the matter is that it has happened, and many in the United States believe that, it having happened, it has to be brought to a conclusion that they would consider satisfactory. But think of the bitterness, the sorrow, in thousands of American households who have had their young men and young women returned to them either in a body bag or with limbs missing. The injuries that come from the bomb blasts alongside the roads these days are not a little pinprick in your left shoulder or the loss of a thumb. The people who survive the terrible bomb blasts are horribly maimed, and every town in the Midwest of the United States has such young men and women. So when they find that the Australian government has been responsible for 15 per cent of this and that funds from the biggest program that has gone to Saddam’s regime are now supporting the insurgency, they want the questions answered. They will not accept that Australian ministers and the government are irresponsible here; they will want performance.

There is a lot of goodwill in the United States towards this country. But this government has never cottoned on to this fact: Australia does not simply have an alliance with whatever administration is in place at any point in time—the Bush administration or whatever—Australia’s alliance is with the United States, and it is meant to be timeless. There are many more people who have a hand, a stake, a vote—as the American administration folk are wont to say—in what happens to that particular relationship. Whatever the attitudes of the people who support the Bush administration might be to this government, we need not only them—we need the members of Congress and ordinary decent Americans. They have had to carry so much over the last 50 years of world politics: in keeping the international community safe and secure, in taking upon themselves the serious possibility that they might be obliterated by nuclear weapons in order to preserve the central balance. And what does this lot opposite do? They sneakily go through the
process of providing $300 million by their negligence to an enemy who at one point they believed was planning, with weapons of mass destruction, a similar fate for them as the Soviet Union once contemplated.

Do not think this is not serious. Do not let anybody out there think that this matter ends with whatever the debate is in this chamber, or with the question times of this chamber, or with the Cole commission. But I tell you this, and I put the government on notice here: if the United States found out that they had been lied to again, that the inquiry that was proceeding could not be an inquiry into the behaviours and responsibilities of ministers and officials, they would be completely unforgiving. If the United States believed that, however independent this inquiry, it had been circumscribed by the terms of reference that had been put onto it, do not think for one minute that they would take the view that this had been an adequate inquiry.

Let us get to why they should have known. The simple fact of the matter is that they had passed to them by the Canadians, through the United Nations, a statement that the Canadian wheat board equivalent had found that, when they had approached the Iraqis, they were invited to pay the same price—which was a bribe price—that the Australians had paid. They were directly told this. This was not a freebooter. This was not an international pirate. This was not a bunch of people who we would regard as ne’er-do-wells. This happened to be a respectable government, the government of Canada, which had every bit as much of an interest in the wheat market as the Australian government and Australian farmers. They put that through to the United Nations.

The government had that raised with them by the United Nations. They rang the Wheat Board. They asked, ‘Are you committing murder most foul, old son?’ ‘Oh, no, we’re not’ was the answer. ‘An investigation has been made, then. We can sign it off to the United Nations that there is no problem here. We have had it investigated, and they denied it absolutely.’ Remember that these are complaints that ended up in ministers’ offices; we know this. The ministers cannot claim they were not aware that all this was going on. The complaints ended up in ministers’ offices from officials who had close connections in the past with ministers and were no doubt following very closely what the Wheat Board had to say. That was it. The assurances were given and the UN ticked off on the Australian assurances. The UN may have had some degree of responsibility for this program, but it required the advice of Australians to know whether or not their rules and regulations were being offended.

Contemplate what that chap said yesterday at the royal commission about a $50 gap in the price of wheat—a huge gap, which had to be explained by something. There were other events—which our shadow spokesman on foreign affairs will talk in more detail about—such as the fact that all of a sudden the wheat contracts that the government ticks off on have the transport component removed from them and they just get the overall global amount. But, as Mr Hogan said, you would have thought that from the global amount they would have been able to draw their conclusions. You would have thought that the exclusion of the transport costs would be enough for them to draw their conclusions that something untoward was happening, but nothing happened with the administration of this program when those warning bells were flashing out before them.

The sheer, unmitigated hypocrisy of this government; the sheer reckless negligence of this government; the sheer arrogance, in turn-
ing a blind eye, of this government; the sheer worthlessness of this government, in the way it tries to point its finger now at everybody else. It was even blaming us! ‘You as an opposition did not do enough,’ it said, ‘to monitor us and make sure we were behaving ourselves. You are to blame for all this.’ Just in case it thinks we are to blame, I will go to a statement made by Senator Kerry O’Brien and Craig Emerson entitled ‘Iraq kickback claims must be investigated’, which they put out on 6 June 2003:

US Wheat Associates has told the US Secretary of State, Colin Powell, that Australian wheat contracts under the UN Oil for Food program were inflated by millions of dollars per shipload and “the excess may have gone into accounts of Saddam Hussein’s family.”

While the claims appear bizarre, it is important they are properly investigated and disposed of as quickly as possible.

That was the extent that the opposition supported you, Mr Prime Minister. We thought you actually ought to do your job—which you absolutely, manifestly failed to do. Then you sent a good man, your Ambassador to the United States, to make sure that, during the election campaign—this was now way after the event—nothing embarrassing arose to haunt you. So you made a decent man say to another decent man, who happened to head up the US Senate’s investigation of all of this, that all those claims against the Wheat Board were bogus, they did not happen.

The minister tried to get up today and say somehow or other there had been a change of tune from the said senator. There was no change of tune; it is only that the poor old senator thinks that this is a thoroughgoing investigation. No doubt he will discover differently. When he discovers differently, do not think he is going to be very happy at all—but we will leave that to one side.

The simple fact of the matter is that these craven people thought this might be mildly embarrassing for them during the 2004 election, so what did they do? Even though, by now, ministers know they have a serious problem on their hands with the Volcker commission already under way, they say there was nothing wrong. You say to the Americans that there was nothing wrong with the Wheat Board. This government has lied, deceived, turned a blind eye, been recklessly indifferent—

Mr Snowdon—Dishonest!

Mr BEAZLEY—Utterly dishonest! And utterly incompetent. On this matter alone this government should fall. We are going to hold it accountable for the remainder of this parliament for this blot on our national reputation.

The SPEAKER—Is the motion seconded?

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

Mr DOWNER (Mayo—Minister for Foreign Affairs) (3.43 pm)—First, let me respond on behalf of the government to this motion—which the Leader of the Opposition, having moved, is now not going to participate in any longer. Let me make this point first of all: a number of the allegations that are being made against this government should fall. We are going to hold it accountable for the remainder of this parliament for this blot on our national reputation. (Time expired)

The SPEAKER—Is the motion seconded?

Mr Rudd—I second the motion and re-serve my right to speak.

Mr DOWNER (Mayo—Minister for Foreign Affairs) (3.43 pm)—First, let me respond on behalf of the government to this motion—which the Leader of the Opposition, having moved, is now not going to participate in any longer. Let me make this point first of all: a number of the allegations that are being made by the Leader of the Opposition are quite untrue. They are utterly false. Secondly, the Leader of the Opposition has moved his position very substantially as time has gone on. Ever since the Cole commission began its hearings, we have heard from the opposition hysteria, the likes of which I do not think I have heard before in this parliament—some of the most disgracefully dishonest allegations made against this government that I have heard in 10 years.
Last week, and the week before, the opposition was saying that ministers in this government and the Prime Minister were corrupt. That is a very serious allegation. The Leader of the Opposition stood up at the Press Club and on other occasions—on 2UE, I think it was. Even Mike Carlton, who is a Labor cheerleader on the radio, questioned this allegation by the Leader of the Opposition that ministers and the Prime Minister were corrupt—in other words, that somehow we were receiving money or deliberately supporting a breach of sanctions by an Australian company in order to assist Saddam Hussein.

The trouble with using that kind of completely dishonest hyperbole—in fact, it is utterly defamatory to suggest that ministers and the Prime Minister are corrupt—is that it simply undermines the credibility of the Leader of the Opposition’s case. That is why the general community in Australia does not believe the Leader of the Opposition’s case. The proposition that the opposition is trying to convince the public to believe is that somehow we were supporters of Saddam Hussein and wanted to get rid of him at the same time. It is perfectly obvious that that is nonsense. With the greatest of respect, I think the opposition has a bit of a cheek in the position it is taking on this issue, because the opposition passionately opposed the overthrow of Saddam Hussein: it was an outrage that the Australian government supported the British and American governments to join the coalition of the willing and get rid of Saddam Hussein.

MRS IRWIN—Coalition of the killing!

MR DOWNER—How graceful the member for Fowler is. She calls it the ‘coalition of the killing’—in other words, part of the opposition’s general approach that it was a simple outrage to get rid of Saddam Hussein. The opposition argues that the sanctions regime should have remained in place, that the oil for food program should still be in place today and that if there were rorts in the oil for food program that was just too bad. But of course the opposition knows that if it had not been for the overthrow of Saddam Hussein then no-one would have found out about the rorts of the oil for food program; they would not have found out about the nature of the corruption. It is because Volcker was able to get to the documents of the Iraqi regime that it was possible to find out about the background to this systemic corruption in Iraq. If Saddam Hussein were still there—which is the opposition’s policy—the rorting would continue, and that apparently would not be of any concern to the opposition.

During the life of the sanctions regime, this government—as was true of the previous government—always had a policy of supporting the sanctions regime. When the oil for food resolution was passed, the Australian government supported it in the context of sanctions on Iraq. Throughout the life of the sanctions regime on Iraq, there was never an instruction from any minister or from any Prime Minister of this country to waive that regime in relation to Australian companies nor any instruction to Australian public servants to go slow or soft on enforcing the rules—and there has not been a skerrick of evidence to suggest that. Indeed, there has not been a skerrick of evidence that anybody in this government, be it the Prime Minister, ministers or public servants, was in some way corrupt, as the Leader of the Opposition claims, in addressing this issue. So the allegations made by the opposition are extremely dishonest. At the end of the day, hysterical claims of corruption, like the one from the Leader of the Opposition’s speech a moment ago, undermine the credibility of the opposition. You do not win an argument through
hysteria, and maximising hysteria is not going to get you anywhere.

In his speech, the Leader of the Opposition suggested that the Australian government was responsible for the death and injury of American soldiers in Iraq. I think that allegation stands on its own. It is a disgraceful and disgusting slur. Let me put it this way: if we made an allegation like that against the Labor Party there would be uproar and outrage. But the Labor Party, having supported the retention of Saddam Hussein’s regime, now suggests that the Australian government was quite happy to fund the death and maiming of American soldiers and of course support Palestinian suicide bombers.

No country, no government, has been more supportive than the Australian government of what the Americans have been doing in Iraq. The American government is probably the only government that has been as supportive of Israel as this government has been. We have been enormously supportive of Israel. The ‘reasonable person in the street test’ here is quite a simple one, and that is of course that they know the Australian government does not support the killing of American soldiers or support suicide bombers. Saddam Hussein is not financing suicide bombers anymore and has not been able to since March 2003. But if we had not got rid of Saddam Hussein, he still could. He cannot do it from a prison in Baghdad, but he could do it from one of his presidential palaces when he was President of Iraq. We got rid of him. Whatever vile allegations are made against the government—and the allegations made by the Leader of the Opposition and the member for Griffith—

Mr Rudd interjecting—

The SPEAKER—Order! The member for Griffith will have his turn.
documentation of the AWB. That is something that the Cole commission has. That is something that we certainly did not have. That is something that Volcker, we hope, had, but we are not so sure, on the basis of some of the evidence that is coming forward in the commission.

I would have thought that this was a pretty simple case of the government repeatedly doing the right thing—a government that opposed Saddam Hussein and wanted him out of office, and that helped to get him out; a government that contributed to freeing the people of Iraq, who have turned out to vote in their millions; a government that has always opposed corruption in all of its manifestations; and a government which, on this issue, has acted not only with probity but with complete integrity.

Measure that against an opposition that accuses the government of corruption, which is a criminal offence. That is what the Leader of the Opposition has accused the government of—accusing the government of supporting the funding for the killing of American soldiers and the killing of Israelis through Palestinian suicide bombers. The opposition might wonder why it is not going very well. You have your cheer squad out there, but the reason the opposition is not going very well is that your arguments are not credible. This is a government which has full integrity on the issue of Iraq.

Let me conclude with one point. This was very interesting. Last night, the Leader of the Opposition went on the Lateline program. The House might recall that one of the previous arguments used against this government is that it lied about weapons of mass destruction in Iraq. Go on. Up you go. All roar. Yes, yes. That is what you said. There were questions here. We had resolutions. The Leader of the Opposition was thumping the table—'the most disgraceful thing in the whole of the history of the world', 'this government has brought shame upon Australia'. This was because we got rid of Saddam Hussein.

But then, of course, the arguments changed. I noticed that last night on the Lateline program the opposition, having argued that Saddam Hussein did not have weapons of mass destruction, said that actually Australian money—it was not Australian money, of course; as the Prime Minister explained; it was Iraqi money—

Mr Rudd interjecting—

Mr DOWNER—The truth is important actually. You are always preaching about the truth. You are one of the most dishonest politicians who has ever been elected to this parliament, if not the most dishonest. But let me make this point: last night—

The SPEAKER—Order! The minister will withdraw that.

Mr DOWNER—I withdraw. The Leader of the Opposition said that this money may have been used for the procurement of research on weapons of mass destruction by Saddam Hussein. When it suited, we were lying about weapons of mass destruction; last night on Lateline we were funding research into weapons of mass destruction! But still we should have kept Saddam Hussein in power! While we were funding his research into weapons of mass destruction, he was killing people in Israel by funding suicide bombers! All these terrible things were happening, but we should have kept him in power!

With the greatest of respect to the House, Mr Speaker, I do not think the opposition has a scintilla of credibility on this issue. We very much look forward to Mr Justice Cole completing his report. He will produce his report and we can all sit down and have a look at it.
Mr Justice Cole is not a political player. He is not trying to make some childlike party political point to boost his support in the caucus room of the Labor Party or, as in the case of the member for Griffith, trying to undermine the Leader of the Opposition and become the Leader of the Opposition himself, which is obviously what part of the game is here. No, Mr Justice Cole is not playing that game. He is cautiously and thoughtfully looking through the documents. He is going to interview people from my department. I am very happy for them to go forward and talk to him, to give the details in a dispassionate way.

This campaign by the opposition is out there. It is pretty much the most dishonest and disgraceful I have seen in 21 years in parliament. The opposition should hang its head in shame.

Mr RUDD (Griffith) (3.58 pm)—This government is led by a gutless Prime Minister who does not come into the chamber to defend himself against this most serious censure motion, against the credibility of his entire government. Instead, he despatches the minister for hyperventilation, the foreign minister. Today we have been exposed to the hyperventilating foreign minister at his hyperventilating best. He has advanced to us today the great Alex in Wonderland thesis, which is this. The central point of this entire wheat for weapons scandal is this: it validates the Howard government’s decision to invade Iraq. The thesis runs like this, and I quote the foreign minister: the Howard government wanted to invade Iraq. Why? So that the Howard government could find out that it was violating sanctions against Iraq. Had we not removed Saddam, we would not have found out that we have been bankrolling Saddam. Beauty, Alex; that actually takes the cake. Rhodes scholarship material! I have to say he leaves me speechless every time he gets to the despatch box.

What is our core charge against these ministers that forms the basis of this censure motion? It is this—that these three ministers had a national security responsibility under United Nations Security Council resolution 661 to prevent any Australian company from breaching financial sanctions against Saddam Hussein. They are not my words, but a Security Council resolution embraced by the government of Australia. Second, these three ministers failed spectacularly to discharge this most basic national security responsibility and allowed $300 million to be funnelled through to the enemy. These three ministers dismissed, at a minimum, seven sets of warnings that the AWB was up to no good in Iraq. The purpose of our debate in this parliament today—the proper place to have it—is to give these ministers the opportunity to explain to us why they chose not to act each time they were warned.

There were seven warnings, over a long period of time. We asked time and time again in question time: what was the reason that you did not act? The reason we have moved to a censure of these three ministers is simple. They did not have an answer. They turned a blind eye. As a result, this parliament can only conclude that they are guilty of gross incompetence on national security, of gross negligence on national security and of turning a blind eye to deep warnings, which threatened national security. These cases they have yet to answer.

The first point is that the government had a responsibility. It had powers. The trade minister was disputing this today. This is part of the core of the debate. We contend, and we are well fortified in this, that the government’s obligations are entrenched in its requirements under UN Security Council reso-
olution 661. That is plain and transparent in terms of what is required on the part of the government. It is for those reasons that the government set up the elaborate approval processes within DFAT which went through each of the 41 contracts. The government has disputed this. Its dispute of this falls apart fundamentally.

The government say they were just a post-box. They say their job was to make sure that each contract form had the boxes filled in—that they put it in the post, put a stamp on it, off it went to New York and then the money came back. They say that any problems were all at the UN. The government are fundamentally hoisted with their own petard, because in October-November 2000 you have a critical exchange of letters. This is a very important point. The AWB writes off to the Department of Foreign Affairs and Trade and says, ‘We’re about to engage a Jordanian trucking company. Any problems?’ DFAT writes back three days later and says, ‘What you are contemplating in terms of your contract arrangements with Iraq does not violate international law. It does not violate UN sanctions.’

Who provided that advice back to the AWB? Answer—the Australian government. The trade minister’s case today is based on the argument that DFAT and the Australian government were incompetent to answer any such substantive question, that that power lay exclusively in the United Nations in New York; that, if they got a letter from the AWB saying, ‘We are proposing a new structure for our contract arrangements with Iraq,’ how would they, the Australian government, approve that because, according to their logic, that executive power exclusively lay with the United Nations in New York. What did the government do? They did exactly the reverse. They did not consult the United Nations. They did not even take legal advice properly within their own department. They simply sent back a letter unilaterally saying, ‘Your proposed new contract arrangements conform with international law.’

The government’s argument is self-defeating. You cannot have it both ways. Either you have the power to approve contract arrangements or you do not. Their thesis in question time today is based on the proposition that they had none; that therefore all problems lay with the UN. But they got a letter from the AWB which proposed a radical new addition to the contract structure and what did they do? They answered it themselves and did not consult the UN. That fundamentally destroys their entire argument, not to mention the overarching legal responsibilities which lie with the UN Security Council resolution 661, which sets up the arrangements.

Establishing the fact that they had the power, the responsibility and the legal responsibility to act is one basis for the censure motion we move. The second basis of the censure motion we move is this. Systematically over the many years that these 41 contracts, which paid out this $300 million to Saddam Hussein, ran they dismissed one set of warnings after the other. They dismissed the United Nations warnings in January 2000. They dismissed the United Nations warnings when the UN warned again, in March 2000. In the exchange of letters which I have just referred to, in October and November of 2000 once again the department failed to take any comprehensive advice, dismissed the fact that they had already been given warnings by the United Nations only nine months before and sailed ahead and provided the green light to AWB, turning Alia into a funnel for money for Saddam Hussein. They dismissed the warnings which
were inherent in the massive price escalation in the wheat contracts which ran through this period.

If you were a responsible officer in the Department of Foreign Affairs and Trade and noted this happening to the price of wheat over the contract periods we are talking about, you would think that anyone worth their salt, anyone being paid money to make sure the AWB was not violating sanctions against Saddam, would raise a question. I am not saying you would bring the house down; just raise a question. But this mob opposite, in their negligence and incompetence and in their culture of turning a blind eye, ignored it in its entirety. They then did not stop turning a blind eye.

If you roll over to the period after the Iraq war, the situation gets much worse. In June 2003 in comes a memorandum from the coalition provisional authority saying, ‘What? There are 10 per cent kickbacks attached to contracts under the oil for food program.’ This mob dismissed that as well. They did not act. They took no action. They simply regarded that as a piece of fairy floss out there, once again dismissing the warnings that came.

Roll the clock ahead further, later into the year 2003, and you have in fact seven US senators warning publicly in the United States of their concerns about the AWB’s irregular payments to Iraq. And still the scandal rolls on. Still the warnings are dismissed, culminating in the most scandalous of them all.

In the middle of the last federal election campaign, when we were out there on the hustings fighting for our respective political survivals, this mob were dispatching secretly our ambassador in Washington to head up to Capitol Hill to shut down a US Senate inquiry on this matter. Why? One reason: their political interests, not the national interest. They did not want a squeak of this out in the public domain while we had an election under way. There is no national interest argument which underpins what Ambassador Thawley was sent to do. By that stage they had seven sets of warnings in their possession—pre war and post war—that the AWB was up to no good. They failed Australia. They had powers and responsibilities, under international law, to act. Their own actions in the handling of the exchange of letters in October 2000 demonstrate that they knew that. We now know from the record that they dismissed arrogantly and turned a blind eye to the seven sets of warnings spread over several years while this scandal ran, and they failed their country. They failed their fellow countrymen.

We have asserted in the past that the money went to Saddam Hussein, that it went through Alia. The truth is—and we now know it from evidence presented—that this whole scheme was dictated from the central command council within Saddam’s regime down. The economic council of ministers under the central command council dictated the precise architecture of this kickback scheme. The 10 per cent impost, the $12 per metric tonne in the initial rort, the jack-up to $25 and the further jack-up to $50 per metric tonne were all dictated centrally. Why? This was central, not marginal, to the financial requirements of a cash-strapped regime getting ready for war.

But it does not stop there. What we have had revealed today, I am told, is that the AWB’s company of choice, Alia—that Jordanian trucking company approved by the Howard government in that exchange of letters in October-November 2000, despite the fact they did not have a truck to bless them-
selves with—were very well connected in Baghdad. What we have had revealed today, just now, in the commission of inquiry is a letter from within the AWB which refers to the head of Alia, AWB’s company of choice, meeting with—guess who?—President Saddam Hussein. It says:

Met President Saddam Hussein on Thursday in Baghdad. Mr Othman—

he is the guy from Alia—

raised the issue about the delayed discharge at Umm Qasr and the lengthy delay on the vessels. President ordered all outstanding vessels to be discharged. Situation to be fixed. The instruction was issued on Thursday for immediate action.

I bet he ordered immediate action. The AWB were Alia’s biggest clients worldwide. The biggest source of foreign funding going to Saddam personally was coming out of the good old AWB from Australia. So AWB’s representatives in the region, Alia, went and saw good old Uncle Saddam and said, ‘Mate, we’ve got a problem down there at the ports.’ And Saddam said, ‘I know which side my bread is buttered on. It’s with good old Aussie butter. What I’m going to do is make sure the problem down the port is fixed.’ Put yourself in the position of Saddam Hussein for a minute. There he is scratching his head saying, ‘These blokes want to come and invade me, but they’re bankrolling me at the same time.’ I mean this is a pretty puzzling set of circumstances. There you have an extraordinary situation whereby Alia, the AWB’s company in the region, the Jordanian trucking company without trucks, approved by this mob, are in there seeing Uncle Saddam Hussein and saying, ‘The clients have got a problem down there at the ports. Can you fix it?’ He says, ‘Bob’s your uncle. We’ll fix it quick smart.’ And guess what? They did.

The scandal in terms of where the money went does not stop there. There is the question of suicide bombers—and we had some hyperventilation from the foreign minister on this today. Can I just say that he should sit down quietly and look at some facts. Here is how the money trail went. The AWB paid their money to Alia. Alia, smart bunch of operators, kept a commission. They then forwarded the bulk of the funds—guess where?—to a little bank called the Rafidain Bank in Amman in Jordan. That is the bank account used by the government of Iraq. We know from US congressional testimony that that same bank is the bank which makes payments of $25,000 a hit to Palestinian suicide bombers. And he says we are making outrageous allegations! Say that to Congressman Hyde in the United States. He is the one who has drawn the dots on that one, brother, not me.

The money trail is quite clear. This government, up until now, has refused to provide any Australian with an assurance that no money went through that account to pay for suicide bombers who blew up Israelis day by day—and not only that. There was the purchase of weapons. We know that from the Iraq Survey Group. This government stands censured and condemned for its negligence on national security, its incompetence on national security and the fact that it has trashed this nation’s good name.

(Time expired)

Mr BAIRD (Cook) (4.13 pm)—I have listened to the censure motion today and I have listened to the huff and puff that has been outlined by the Leader of the Opposition and the member for Griffith. Despite all their best efforts, despite all their best rhetoric, they still have not provided the silver bullet that they so lust after for what they require in this House. What we have is an inquiry regarding corruption within a government organisation.
It will not be the first time. I suspect it will not be the last. What they are trying to do in today’s confected rage and the outline of their speeches is provide the connection between the ministers—the Prime Minister, the Deputy Prime Minister and the foreign affairs minister—and these deals. The fact is that they have not been able to find it, despite the time allocated today at length for them to put everything they know on the table to provide that linkage, to provide the smoking gun and the silver bullet. They failed to do so.

What has been and is today progressing is an inquiry. It has been hearing from witnesses. The government has been providing it with extensive support and documents and making officials available to it. Yet what those opposite are after, of course, is the provision of a linkage. They say that we all knew about this and we allowed it to go on. However, in their process, they tend to go over the top. They move that bridge too far and start talking about linkages with suicide bombings.

In terms of the linkages they are trying to find, I will quote from the editorial of the Weekend Australian of 4 February. It states:

Certainly there is no evidence yet that any minister knew the Australian Wheat Board was paying off people in Iraq. To date, all the admissions by the AWB officers before Commissioner Cole’s inquiry indicate that this was something they kept from politicians and their most senior staff.

This is the editorial from the Weekend Australian. Those at the Weekend Australian have heard the rhetoric from the Leader of the Opposition and the member for Griffith and are saying that the evidence is not there—‘The smoking gun is not there; you haven’t found it.’ Although those opposite may wish it were there, the reality is quite different.

Mr Swan—Ignorance is bliss.

Mr BAIRD—You might talk about ignorance being bliss but, if you are able to prove it, put it on the table. If you can provide a clear linkage, do so. Of course, we have had all this huff and puff about what should have happened.

I think Senators Faulkner and Ray were the ones who commented, ‘Let’s investigate this oil for food program and see what it involves,’ although I notice they did not actually talk about the AWB. Look through all the evidence that has been provided to date—the Hansard of all the committee inquiries and Senate estimates. If this were so important, you would expect members of the Labor Party to have gone through it forensically. You would have expected them to ask questions: ‘Did you review our contract with the UN to provide wheat to Iraq? Did you find any aberrations or abnormalities in this?’ You would have expected Senators Faulkner and Ray, in Senate estimates, to have quizzed the Wheat Board and the minister responsible on how the program was developed and whether there were any aberrations, but at no stage was that done.

It is very easy to be wise after the event, but those opposite cannot prove that at any time they actually pointed the finger and said, ‘What’s going on here?’ They never did that at all. They are exhibiting after-the-event, concocted rage about what they would have done and what they expected us to do. It comes back to the point that, if this government had not acted as part of the coalition of the willing, Saddam Hussein would still be in place. When those opposite go that bridge too far and say, ‘This actually provided money to pay off suicide bombers,’ that is an outrage, because it was the opposition who continued to oppose the attack on Saddam Hussein in Iraq and who would have allowed them to continue to fire their missiles into Israel—if I
may make the point rather pointedly to the member who made that comment. Under Saddam Hussein’s leadership, as that member and I both know, 300,000 people lost their lives. Those opposite were prepared to allow him to continue in power. In addition, one million people lost their lives in the war between Iraq and Iran.

Those opposite are prepared to turn their backs on all of that and would have allowed Saddam Hussein to go on in his way.

Opposition members interjecting—

Mr BAIRD—You may comment all you want to, but that is the harsh reality. That is Saddam Hussein’s track record—one million people killed in the war with Iran, the constant threat of missiles going into Israel and at least 300,000 people losing their lives in Iraq alone as a result of that dictatorship. I have been to Iraq recently and seen the very large Ba’ath headquarters and how that place was administered, with Saddam Hussein and his very large palaces, while the rest of the population in many cases lived in semi-poverty. You would have allowed this to continue.

Now you come in and talk about this program. Those on this side of the chamber did not know about it. Clearly, in terms of the Cole inquiry, evidence of concern is coming through. However, it is self-evident that this government established the inquiry to come to the truth in this matter, to discover the facts, to look at the evidence provided and to find out what went wrong—who was responsible; how far did it go; were people in government involved as well; which officers within AWB were involved; and why weren’t there checks carried out?

But the opposition are not concerned about those things. They do not want to wait for the outcome of the inquiry with its recommendations of how things should be changed and its findings of who was responsible and whether charges should be laid. All we have in this House is an attempt to find a linkage with the government—and clearly that has not been demonstrated. They have had all the time of a censure motion to establish such a linkage and have failed to produce what they consider to be the key aspect.

The cooperation that has been provided to the inquiry to allow it to come to its own conclusion has been first rate. The Prime Minister, as recently as this morning, said:

Now, as to the conduct of the AWB people, findings in relation to the AWB, that is a matter for the commission of inquiry. AWB is entitled to its full day in court and we should not try and preempt what the commission will find.

So far as the government is concerned, it remains the case that we will continue to cooperate fully with the inquiry. Information sought will be provided. If I were asked to attend or any my ministerial colleagues, we would do so. Any officials of the government who are asked to attend will do so and my only request of everybody is that they tell the truth.

This was from the Prime Minister this morning. Clearly he was saying that, no matter the request and no matter who in government the request is made of, we are prepared to submit to the questioning. We are happy to provide whatever letters have been involved, any requests through DFAT for information they might have or any other government department and any letters in the offices of the Deputy Prime Minister and the Prime Minister. He was saying clearly that these things are available to everybody.

The government have set up a full-ranging inquiry by an independent commissioner. We supported the Volcker inquiry, and now we are supporting the Cole inquiry. The opposition want to pre-empt this inquiry and simply
come out with their quite spurious allegations of how the money was used and what it was used for. It is unfortunate that this led to the current situation. It is a serious matter, and the government take it seriously; that is why the inquiry was held. It was not as though we attempted simply to sweep matters under the carpet and deny that any inappropriate behaviour happened. You do that if you do not call an inquiry. This government called the inquiry and allowed officers to fully participate in the program. The government have indicated that all members of the government and members of the Department of Foreign Affairs and Trade are able to be called to that inquiry. We have also indicated our willingness to widen the inquiry, wherever it may lead.

We seem to overlook the fact that the responsibility for the oil for food program comes under section 661 of the UN sanctions committee. It was their responsibility to look at the way the oil for food program was administered and to look for inadequacies, loopholes and corruption. That is undoubtedly one of the reasons the committee was set up—and we have the whole track record. For a long period of time it has been this government that has denounced the corruption that exists in Iraq. It was one of the reasons that this side of the House supported the coalition of the willing, whereas the other side of the House did not feel the need to remove Saddam Hussein and his corruption.

As I have said, one of the reasons this UN inquiry committee was set up was to administer the program and to look at possible areas of corruption and decide whether countries should be contacted to find out whether there were irregularities in the way the program was being administered. What happened? The UN raised one issue but never seemed to pursue it further and never seemed to raise it officially with the government, and it simply slid by. So the body responsible for allowing this program to continue as it did was simply the UN. The opposition say that it is all our responsibility, that they would have done it differently and that we should have known what was happening—but how? When did you ask the questions? Tell us where those questions were asked. Which committee were they raised in—which Senate inquiry? Where were the questions to the ministers? Where were the questions to the Minister for Trade, who is responsible for the AWB? You were involved in contact with the UN—every year, people from your side of the House have discussions with the UN or are assigned to the Australian embassy there. Why wasn’t this raised if it was so obvious to you that this should have been administered in a different way? The answer, of course, is that you had no idea it was going on.

Mr BAIRD—Thank you, Mr Speaker. I simply say to the members opposite that, if they have clear evidence of where all these issues were raised, I would like to see the evidence. I certainly have not seen any. But what is clearly evident is what happened when the vote came in after our involvement in Iraq to remove the corrupt regime of Saddam Hussein. It was clear that this side of the House wanted to see Saddam Hussein gone—and his corrupt practices, his human rights abuse and his torture of individuals. We wanted that to be over. Despite the problems that exist in Iraq at the moment, it is clear that the days of corruption that we had with Saddam Hussein have gone, and the days of cruelty administered by him in human rights abuses have also gone.
In conclusion, I would like to say that the opposition have produced no basis on which the government should be censured. They have not provided any evidence at all of any linkage to any government minister who knew about this program and failed to do anything. What they have simply done is to provide a whole number of slurs on individuals, on ministers and on DFAT officials which, at this stage, have proven to be totally without foundation. The opportunity has been given to them to provide this information and to provide some basis and substance to the allegations, but they have not done so. Of course, we know why: it is because they have no evidence. All they have is the rhetoric after the event. This censure motion is totally nonsensical. (Time expired)

Question put:
That the motion (Mr Beazley's) be agreed to.
The House divided. [4.32 pm]
(The Speaker—Hon. David Hawker)

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Mr MURPHY (4.37 pm)—Mr Speaker, I seek your assistance under standing order 105(b) in relation to some questions that have been outstanding on the Notice Paper from as far back as 17 November 2004. I will go through them quickly for you: question Nos 8, 583, 609, 726, 1385, 1386, 1416, 1761, 2468, 2489 to 2491, 2569, 2597, 2598, 2610, 2611, 2745, 2786, 2787, 2788 and 2789.

The SPEAKER—I thank the member for Lowe and I will follow up his request with the relevant ministers.

AUDITOR-GENERAL’S REPORTS

Report Nos 21 to 28 of 2005-06


Mr HOCKEY (North Sydney—Minister for Human Services) (4.41 pm)—I move:

That the reports be made parliamentary papers.

Mr KELVIN THOMSON (Wills) (4.41 pm)—I rise to support the motion that audit reports 27 and 28 respectively, which deal with the reporting of expenditure on consultants and the management of net appropriation agreements, be made parliamentary papers. Both of these reports highlight serious accountability failures of this government. Report No. 27 highlights an out-of-control consultants’ picnic, with a massive $361 million spent on consultancies in the 2003-04 financial year. The Auditor-General’s findings cover all 73 federal government agencies covered by the Financial Management and Accountability Act and reveal that none of the 73 financial management act agencies had correctly reported in all three regimes, as required by the legislation, the Senate and the Commonwealth Procurement Guidelines.

The most fundamental requirements for public disclosure of consultancies are simply not being met. The Auditor-General analysed 31 of the 73 agencies in depth and his findings were disturbing: 30 were found to have serious reporting flaws in their annual report disclosures and one-quarter of all consultancies over $100,000 were not reported to the Senate, in flagrant breach of a Senate order requiring their disclosure. Report No. 28 found that government agencies have spent almost $6 billion of taxpayers’ money during the last eight financial periods without proper parliamentary authorisation. This is nothing short of scandalous. I fully support the Auditor-General’s call for agencies to improve the appalling lack of administrative controls on net appropriation arrangements. Accordingly,
I support the motion that these reports be printed.

Question agreed to.

**SPEAKER’S PANEL**

The SPEAKER—Pursuant to standing order 17, I lay on the table my warrant revoking the nomination of the honourable member for Paterson and nominating the honourable member for Deakin to be a member of the Speaker’s Panel to assist the chair when requested to do so by the Speaker or Deputy Speaker.

**DOCUMENTS**

Mr HOCKEY (North Sydney—Minister for Human Services) (4.44 pm)—Documents are presented as listed in the schedule circulated to honourable members earlier today. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:

- Employment, Workplace Relations and Education References—Senate Standing Committee—Report—Beyond Cole: The future of the construction industry: Confrontation or co-operation?—Government response.
- Finance—Mid-year economic and fiscal outlook for 2005-06.
- National Health and Medical Research Council—NHMRC Licensing Committee—Report to the Parliament of Australia for the period 1 April to 30 September 2005.

**Mr Price**—Mr Speaker, could I inquire of the minister, through you, whether honourable members of this House will have an opportunity in the Main Committee to debate these reports?

**Mr Hocky**—I am sure the appropriate procedures will be followed.

Debate (on motion by Ms Gillard) adjourned.

**BUSINESS**

Rearrangement

Mr HOCKEY (North Sydney—Minister for Human Services) (4.45 pm)—by leave—I move:

That, for the sitting on Wednesday, 8 February 2006, so much of the standing orders be suspended as would prevent questions without notice being called on at 2.30 p.m.

Question agreed to.

**MATTERS OF PUBLIC IMPORTANCE**

Oil for Food Program

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

The failure of the Government to properly administer the United Nations Oil for Food Program resulting in the payment of $300 million by AWB Limited to the Saddam regime.

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 Rudd** (Griffith) (4.45 pm)—Thank you—

**Mr Hockey** (North Sydney—Minister for Human Services) (4.46 pm)—I move:

That the business of the day be called on.

Question put.
The House divided. [4.50 pm]
(The Speaker—Hon. David Hawker)

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- King, C.F.
- Livermore, K.F.
- McClelland, R.B.
- Melham, D.
- O’Connor, B.P.
- Owens, J.
- Quick, H.V.
- Rudd, K.M.
- Smith, S.F.
- Swan, W.M.
- Thomson, K.J.
- Wilkie, K.

* denotes teller

Question agreed to.

**MIGRATION ANDombudsman**

**LEGISLATION AMENDMENT BILL 2005**

**DEFENCE LEGISLATION AMENDMENT BILL (No. 2) 2005**

**ANTI-TERRORISM BILL (No. 2) 2005**

**COMMONWEALTH RADIOACTIVE WASTE MANAGEMENT BILL 2005**

**COMMONWEALTH RADIOACTIVE WASTE MANAGEMENT (RELATED AMENDMENTS) BILL 2005**

**TAX LAWS AMENDMENT (LOSS RECOUPEMENT RULES AND OTHER MEASURES) BILL 2005**
TAX LAWS AMENDMENT (SUPERANNUATION CONTRIBUTIONS SPLITTING) BILL 2005
HIGHER EDUCATION LEGISLATION AMENDMENT (2005 MEASURES No. 3) BILL 2005
INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT BILL 2005
FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (WELFARE TO WORK) BILL 2005
NATIONAL HEALTH AMENDMENT (BUDGET MEASURES—PHARMACEUTICAL BENEFITS SAFETY NET) BILL 2005
TELECOMMUNICATIONS (INTERCEPTION) AMENDMENT (STORED COMMUNICATIONS AND OTHER MEASURES) BILL 2005
WORKPLACE RELATIONS AMENDMENT (WORK CHOICES) BILL 2005
EMPLOYMENT AND WORKPLACE RELATIONS LEGISLATION AMENDMENT (WELFARE TO WORK AND OTHER MEASURES) BILL 2005
HEALTH LEGISLATION AMENDMENT BILL 2005
HIGHER EDUCATION LEGISLATION AMENDMENT (2005 BUDGET MEASURES) BILL 2005
EDUCATION SERVICES FOR OVERSEAS STUDENTS AMENDMENT BILL 2005
HIGHER EDUCATION LEGISLATION AMENDMENT (2005 MEASURES No. 4) BILL 2005
HIGHER EDUCATION SUPPORT AMENDMENT (ABOLITION OF COMPULSORY UP-FRONT STUDENT UNION FEES) BILL 2005
TAX LAWS AMENDMENT (2005 MEASURES No. 4) BILL 2005
TAX LAWS AMENDMENT (IMPROVEMENTS TO SELF ASSESSMENT) BILL (No. 2) 2005
TAX LAWS AMENDMENT (2005 MEASURES No. 5) BILL 2005
HEALTH INSURANCE AMENDMENT (MEDICARE SAFETY-NETS) BILL 2005
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AMENDMENT BILL 2005

Assent

Messages from the Governor-General and the Administrator reported informing the House of assent to the bills.

HEALTH INSURANCE AMENDMENT (MEDICARE SAFETY-NETS) BILL 2005
NATIONAL HEALTH AMENDMENT (BUDGET MEASURES—PHARMACEUTICAL BENEFITS SAFETY NET) BILL 2005
TAX LAWS AMENDMENT (2005 MEASURES No. 4) BILL 2005
TAX LAWS AMENDMENT (SUPERANNUATION CONTRIBUTIONS SPLITTING) BILL 2005
TAX LAWS AMENDMENT (IMPROVEMENTS TO SELF ASSESSMENT) BILL (No. 2) 2005
TAX LAWS AMENDMENT (2005 MEASURES No. 5) BILL 2005
HIGHER EDUCATION LEGISLATION AMENDMENT (2005 MEASURES No. 4) BILL 2005

EDUCATION SERVICES FOR OVERSEAS STUDENTS AMENDMENT BILL 2005

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT AMENDMENT BILL 2005

HIGHER EDUCATION SUPPORT AMENDMENT (ABOLITION OF COMPULSORY UP-FRONT STUDENT UNION FEES) BILL 2005

HEALTH LEGISLATION AMENDMENT BILL 2005

TELECOMMUNICATIONS (INTERCEPTION) AMENDMENT (STORED COMMUNICATIONS AND OTHER MEASURES) BILL 2005

Returned from the Senate

Message received from the Senate returning the bills without amendment or request.

HIGHER EDUCATION LEGISLATION AMENDMENT (2005 BUDGET MEASURES) BILL 2005

Returned from the Senate

Message received from the Senate returning the bill and informing the House that the Senate has agreed to the amendments made by the House.

COMMITTEES

Intelligence and Security Committee

Foreign Affairs, Defence and Trade Committee

Parliamentary Library Committee

Membership

The SPEAKER—I have received a message received from the Senate informing the House of the appointment of Senator Faulkner to the Parliamentary Joint Committee on Intelligence and Security: the appointment of Senator Bartlett to the Joint Standing Committee on Foreign Affairs, Defence and Trade: and the appointment of Senator Allison to the Joint Standing Committee on the Parliamentary Library.

Public Accounts and Audit Committee

Electoral Matters Committee

Membership

The SPEAKER—I have received advice from the Chief Government Whip nominating members to be members of certain committees.

Mr JOHN COBB (Parkes—Minister for Community Services) (4.59 pm)—by leave—I move:

That Mr Baldwin be discharged from the Joint Committee of Public Accounts and Audit and that, in his place, Mr A. D. H. Smith be appointed a member of the committee; and Mr A. D. H. Smith be discharged from the Joint Standing Committee on Electoral Matters and that, in his place, Mr Lindsay be appointed a member of the committee.

Question agreed to.

AUSTRALIAN SPORTS ANTI-DOPING AUTHORITY BILL 2005

AUSTRALIAN SPORTS ANTI-DOPING AUTHORITY (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2005

Referred to Main Committee

Mr BARTLETT (Macquarie) (4.59 pm)—by leave—I move:

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

Question agreed to.
FUTURE FUND BILL 2005
Second Reading

Debate resumed from 7 December 2005, on motion by Mr Costello:
That this bill be now read a second time.

Mr Tanner (Melbourne) (5.00 pm)—
The Future Fund Bill 2005 before the parliament today gives effect to the government’s commitment to create a fund to provide for the public sector superannuation liabilities that are continuing to accrue and will gradually mount over the next 20 or 30 years and that are currently paid for from the budget on a pay-as-you-go basis. Labor is not opposed to the bill per se, and we will vote for the ultimate bill, but I will move a second reading amendment which outlines a number of reservations that we have with the strategy that the government is pursuing. That amendment should have been circulated and stands in my name. I will outline the content of the amendment in due course.

I wish to deal with a number of aspects of the Future Fund Bill and in particular focus on what Labor regard as the serious weaknesses in the approach being taken by the government, even though we do acknowledge and support the broad concept. The rationale for the legislation is highly questionable. The public sector superannuation liabilities that the government is seeking to offset are finite because the relevant schemes have been closed. The defined benefit schemes which have been funded on a pay-as-you-go basis for some considerable time have all been closed to new entrants. So, although there is a considerable tale of liabilities associated with public sector superannuation in the vicinity of 50 years or so, it is a finite amount and will peak at a certain time in the next few decades and then gradually decline thereafter.

Secondly, at the moment the percentage of the annual budget of the government which is occupied by public sector superannuation liabilities is only in the vicinity of $4 billion, a couple of percentage points of total budget outlays, and although it is expected to increase to something like $7 billion—maybe three or 3½ per cent of total budget outlays—it is still a relatively small proportion of the total budget. It is questionable whether it is appropriate or necessary to establish a very large, stand-alone, supposedly independent investment fund in order to provide for the payment of these liabilities at some point in the future.

In many respects it is equivalent to an individual establishing a separate bank account with a very large capital sum in order to use the interest earned on that bank account every year to pay their council rates. Council rates for an individual or family are a fairly significant impost; they can often cause some difficulty with the weekly or monthly budget when they arrive. Sometimes people pay them quarterly; sometimes they create difficulties. Ultimately, it is really not very sensible for people to be setting up separate bank accounts to earn interest in order to cover their next 30 years of council rates, but that is effectively what the government is seeking to do in this instance. It is setting up a separate fund with vast sums of taxpayers’ money off the back of asset sales and recent large surpluses in order to earn revenue that can be used to offset a future liability that in the overall scheme of things is not particularly threatening or substantial.

It is also questionable why the government has chosen to set up an entirely separate fund for this purpose when it already has an established working and entirely adequate structure with respect to Commonwealth superannuation that manages investments on behalf
of members of the various funds that are covered which could perform the same task with the sums that are involved to cover the employer contribution to the ultimate liabilities to the retired employees. The additional cost of having a separate fund, and all the arrangements associated with that, is approximately $30 million over four years and it is questionable whether there is any need to do this.

The Minister for Finance and Administration, Senator Minchin, indicated that, in his view, there was potentially a conflict of interest between investing on behalf of the individual fund members with their money versus investing on behalf of the government with funds that would be ultimately appropriated to the individuals. I think that is a highly technical way of looking at things and in practice I do not think that is very meaningful. I think the government is really spending money here which it does not need to.

There is also a question about the approach of not using the money that the government does have at its disposal—particularly asset sales, proceeds and surpluses of recent years—to further pay down government debt and to maintain the bond market. In effect, the government has made a decision to artificially maintain the government bond market at a given level in order to ensure a minimum level of liquidity. As a result of doing that, when it has the capacity to repay most or all of the remaining government debt, it therefore has to find something to do with that money. The end result of what it is doing is effectively borrowing to play the stock market. Whichever way you dress it up, the net outcome of what the federal government is doing is, by maintaining a substantial debt of $50 billion or $60 billion, to continue to borrow and, by implication, using the borrowings to play the stock market.

That means that it is going to be necessary for the Future Fund to always beat the bond market and the bond rate. It is going to be important that the Future Fund returns are better than the bond rate. You would expect they would be, but there is not necessarily a guarantee of that. Of course, if they are not, then the government is subsidising the bond market. It is maintaining borrowings for the purpose of ensuring that the bond market remains in existence—there are some arguments and a complex debate about that topic—and therefore losing money by not getting the same return when it invests that money itself. Time will tell whether the Future Fund and its managers manage to always get a better return than the bond rate. One would hope that generally they will. Historically, over time I suspect they probably will, but there are no guarantees when you are investing, and it clearly is a question that the government has failed to deal adequately with.

It is also important to note in this context that the government’s claims about the reduction of federal government debt and how this has come about are highly specious and should not be taken seriously. The bulk of the reduction in government debt that has occurred under the Howard government has been financed by asset sales. Particularly until the last couple of years when we have had very large surpluses driven by commodity price increases, mostly from demand in China, the bulk of the reduction in Commonwealth debt has effectively been financed by asset sales.

Irrespective of your view as to whether that is a good thing or a bad thing, the one thing that we should note is that it is not very difficult to sell an asset and repay debt. That
is a very simple thing to do—any government can do that. It is a very simple thing to go out and sell a bit of Defence land or buildings or undertake any of the various asset sales they have undertaken—to sell parts of Telstra, take the returns and repay debt. To claim some sort of great economic triumph is simply ridiculous: it is not a sign of good fiscal policy or a sign of anything in particular. It is very simple to repay debt if you are selling assets. It is pretty easy to get rid of your mortgage by selling your house.

The second theme that I wish to address is the broader policy context in which this is occurring regarding the impact of the ageing of the Australian population on the budget. The government seeks to walk both sides of the street on this issue. On the one hand, it regularly regales us with tales of woe about the likely impact of the ageing of the population on the federal budget over the next 20, 30 or 40 years, particularly with respect to health expenditure, aged care expenditure and various other items in the budget. The 2002 Intergenerational report provided some pretty frightening projections of the likely impact of the ageing of the population on fiscal balances. So, when the government is seeking to do things like cut the access of ordinary people to pharmaceutical benefits or reduce the number of people on the disability support pension or do a whole range of different things that happen to support its broader political agenda, it suits it to talk about the ageing of the population and the longer term impact that that will have on the nation’s fiscal circumstances.

But at the same time, for narrow political purposes, it has also been rolling out a variety of new entitlements to particular groups in the population which will inevitably explode in their burden on the federal budget over time—things like the mature age tax offset, the utilities allowance, the capital gains tax exemption for people retiring from small business and the superannuation co-payment. There is a very substantial and growing list of entitlements that the Howard government is producing for purely political support—electoral reasons—that are putting very substantial longer term burdens on the budget. They are relatively modest in cost at the moment, but when the people of my generation retire in large numbers—people who are currently in their late 40s or into their 50s, the baby boomers—the impact on the federal budget is going to be enormous. So, while the government seeks to portray itself as being fiscally responsible and looking after the longer term future, in many respects it is simultaneously doing the opposite in order to curry political favour with selected constituencies.

It is worth noting some interesting data regarding government spending. When you look at the figures for the percentage of government spending as a percentage of GDP over the past 15 or 20 years, you will see that over the past five or six years there has been a significant drop. That is a false comparison, because since the GST package there has been a major structural change in the accounting arrangements. Certain things that were previously counted as expenditure by the Commonwealth no longer are, even though in practice they are still happening, and so it looks much rosier for the Howard government than it actually is. In particular, the abolition of financial assistance grants to the states as part of the GST package—they were effectively replaced by the GST—means that a particular category of expenditure by the Commonwealth that is recorded in the figures for Commonwealth expenditure prior to 2000 is no longer in the figures. In 2000 it was something like $18 billion—a
very large sum of money. Fortunately, in the budget papers there is actually a notional figure for what the FAGs amount would be had that system continued. So you can get that figure for each of the subsequent financial years.

When you factor that into the equation you then get a very different perspective on the level of federal government spending as a proportion of GDP. I refer back to the late 1980s, which is the previous time when Australia was in a period of fairly prolonged economic growth with a high current account deficit and things of that nature. Under the Hawke government, in 1988-89 federal government spending as a proportion of GDP was 22.7 per cent and in 1989-90 it was 22.4 per cent. Thereafter, it escalate fairly significantly because of the impact of the recession, which reduces GDP and effectively increases the burden on the budget and so increases expenditure. But that is where federal government expenditure was the last time we were in similar circumstances in this country.

When you factor in the FAGs payments, then for the past five years of the Howard government you get 25.1 per cent, 24.8 per cent, 24 per cent, 23.7 per cent and 23.7 per cent. So, even though we have had federal government revenue soaring and GDP has been generally growing strongly over that period, government expenditure has also been growing very strongly and is still, as a percentage of GDP, significantly higher than it was in the latter part of the Hawke government. In fact, if government expenditure now was the same proportionally as it was in 1989-90, the Howard government would be spending $11.6 billion less this financial year than it currently is.

All of this points to a core reality about the Howard government, that for all of its rhetoric about small government and freedom of the individual it is in fact, like the Bush government, a practitioner of big government, but it is big government in favour of its mates—big government in favour of favoured constituencies who it either expects or actually gets support from. The most outstanding and outrageous examples of this have of course been the regional rorts that have proliferated for many years through a whole variety of programs, Regional Partnerships being one example and Networking the Nation another—an endless stream of very substantial amounts of money being doled out very selectively and very carefully to marginal seats in order to entrench the positions of mostly National Party MPs.

The spread of new entitlements, the growth of middle-class welfare and the extension of family tax benefits to higher income earners: all of these things have put upward pressure on spending. So while the government is talking tough about the longer term fiscal situation with respect to public service superannuation, the Intergenerational report and the impact of the ageing population on longer term budgetary circumstances, it is busily adding to that future fiscal burden as fast as it can in order to protect its own political future.

The current surpluses that we are experiencing will not last. They mostly flow from the huge increases in commodity prices driven by demand in China and elsewhere and, inevitably, commodity price booms do not last. Access Economics is anticipating that the extreme nature of the surplus that we are currently experiencing is probably only going to last for another year or two. We will inevitably see the gradual deflating of that commodity price boom and the gradual reduction of the temporary surge in receipts that it produces for the government through a variety of taxation arrangements—through
company tax, indirectly through income tax and so forth.

At the same time as we are coming off that wave, we will just be starting the initial wave of the giant demographic change that is going to be enormously adverse to the federal budget. At the moment Australia is in the optimal position where the percentage of the total population of workforce age is at its absolute peak. We will be in that position for another few years but, shortly thereafter, there will be a dramatic decline and the ratio of workers or potential workers to dependants, who ultimately have to be paid for either through families or through government, is going to alter very substantially in a way that is very adverse to the federal finances. The Future Fund does not address this problem, which is a much more serious and substantial problem; it is focused on one particular relatively lesser priority: federal government superannuation.

The next point that I want to address is the governance arrangements of the Future Fund, which are grossly inadequate and which are wide open to abuse. These are exactly the kinds of problems that both Labor and a number of commentators alluded to when the idea was first floated. We were told this was going to be a locked box. We were told that this would be impervious, that it would not be able to be accessed by nasty politicians wanting to curry favour in particular electorates—that is, the National Party’s grubby hands would not be let anywhere near it. In practice what has happened is quite the opposite. The responsible ministers, the Treasurer and the finance minister, will be given the power to issue an investment mandate to the managers and board of the Future Fund—in other words, to give them instructions about their investment direction.

In the explanatory memorandum there is a very telling phrase. In explaining the nature of this investment mandate and the powers of the two ministers concerned, it says that in issuing instructions the two ministers can ‘consider broader policy and national interest considerations’. We in the Labor Party have become a bit accustomed over the years to special meanings for terms like ‘national interest’ and ‘national importance’. They are code for National Party pork-barrelling. The most outrageous example of this in recent times is the infamous Roads of National Importance program, which many years ago, as shadow minister for transport, I dubbed ‘roads of National Party importance’. We had such outrages as the federal government, while not prepared to fund really major arterial roads, roads of huge economic importance to the nation, proposing to put federal government money into something like Main Road 92 between Nowra and Nerriga, a road that is in part a dirt road and not even a priority road at the state level. Why? Because it happened to suit the political agenda of the government at the time. So we know very well what coded terms like ‘national interest’ in this context mean.

It is significant to compare the governance arrangements with those in the New Zealand fund, which resembles the Future Fund in many respects. The minister there does have a power of direction with respect to the investment mandate of the fund but it is heavily constrained by a requirement that the directions must comply with prudential and commercial criteria. In other words, the minister there does not have the power to issue directions to invest other than in an entirely commercial way. The legislation we have before us today is effectively silent on that issue. It is wide open to abuse; it is wide open to a government in the future directing the board
to invest in particular ways in order to obtain political benefit for the government. The government also retains a very broad power to dismiss board members. They can be dismissed on grounds of unsatisfactory performance—in other words, virtually at will. Most statutory boards have much tighter criteria for dismissing board members.

It is also worth noting that, although there is a ban on the Future Fund investing in non-financial assets—it cannot, for example, buy a coalmine, a bridge or something like that—that can be very easily circumvented through modern financial instruments, derivatives and various other devices. So, although that may be seen at first glance to provide some protection against National Party pork-barrelling, it is not that difficult to get around those kinds of restraints. ‘National interest’ in this context is code for National Party interest. It means that in practice the Future Fund is not going to be a locked box; it will be a slush fund. It may not be this year, it may not be next year and it may not even be the year after but, at some point, if the Howard government remains in office and the kind of philosophy that has driven its attitude to government spending remains, the Future Fund will be raided and it will be raided for political purposes. Labor believe that the governance arrangements in this legislation should be much stricter and that is one of the issues that is dealt with in our second reading amendment.

The legislation is also significant in that it deals with the prospect of the government moving some or all of its current Telstra share ownership into the Future Fund. The government, of course, has obtained parliamentary approval to sell the balance of its Telstra shares, the 51.9 per cent remaining public ownership in Telstra. The legislation is designed to enable the government to move the entirety of this shareholding or any part of it into the Future Fund. If that were to occur, it would produce an entirely bizarre outcome where we would have public ownership of Telstra without public accountability. So the government, in making the Future Fund the owner, would effectively retain government ownership and certainly retain the kinds of alleged efficiencies that it claims are associated with government ownership of Telstra but at the same time deprive itself of any capacity to exercise the benefits of public ownership, particularly its control over board appointments.

While the government would retain the power of the minister to direct Telstra until such time as the overall public ownership of Telstra fell below 15 per cent, that power has never been exercised. In reality, the main source of government power and influence over Telstra flowing from public ownership is board appointment. In effect, what the government is proposing here is a situation where it may ultimately retain government ownership but divest itself of the power to get any value for the community out of that government ownership. That strikes me as a complete absurdity. It also raises a significant question with respect to the structure of the fund because, even if half of the remaining government shares in Telstra were sold, it would still mean that the Future Fund will be heavily overweight in Telstra shares and that its weighting of Telstra shares as an investment versus other possible investments will be skewed. For obvious reasons, that is not particularly good investment practice—notwithstanding the question of what value Telstra shares have from time to time.

So there are some fairly complicated and difficult questions that the government has failed to address here. It is caught between conflicting imperatives: a desire to establish
the Future Fund as a stand-alone, allegedly independent investment vehicle and, at the same time, a need to get itself off the hook from the mess that it, with a bit of assistance from Sol Trujillo, has got itself into regarding the future of Telstra. That is not good for the taxpayer or for future budgetary circumstances, and the risk of some kind of mess eventuating as a result of all that is all too high.

I would like to remind the parliament of Labor’s view of how the Future Fund should be dealt with. In our reply to the budget last year, we outlined our Building Australia strategy and indicated that it is our intention to use some or all of the returns on the fund for the purposes of financing infrastructure development in Australia—not the capital but the earnings from the fund which under the government are simply going to be locked away within the fund. In our view, there is a much more urgent priority for this nation than putting aside money to fund future public service superannuation liabilities, which ultimately will always be a pretty minor part of the overall budget. We believe that the dilapidated state of infrastructure throughout Australia and the major problems in many parts of our infrastructure networks require much more urgent attention and that it makes much sense to be investing some of the returns from the Future Fund investment in infrastructure.

Whether it is fixing the Pacific Highway or the Hume Highway, fixing our appallingly dilapidated interstate rail network, ensuring that Australia gets world-class broadband so we can be at the forefront on broadband internationally rather than languishing way behind as we currently are, dealing with the widespread problem of outer urban roads in major cities such as Melbourne, Sydney and Brisbane which were designed for small country communities and are now groaning under the huge traffic flows generated by new growth areas or dealing with problems at major ports with road, rail and sea interchanges, there are huge infrastructure tasks facing our nation. The Howard government’s only approach to these problems is to try to avoid responsibility by blaming the states and to use funds, where it is actually spending some money, in a way that is designed to maximise political bang for the buck rather than actually doing something strong and positive for the nation.

Our overall economic picture in Australia is one of relatively strong, albeit occasionally waning, growth along with low levels of unemployment. Our economic good fortune is being driven by a spectacular boost in commodity prices driven by demand in China and the fact that, for the first time in a very long time, all the major economies in the world are growing. This is the first time in a very long period—decades, in fact—that we see reasonable economic circumstances pretty much right around the developed world. From a more structural perspective, the reforms put in place by the Hawke and Keating governments and the very astute management of the Reserve Bank have been very important factors in setting the scene for the economic growth we are now enjoying.

There are some less benign factors involved, particularly a dramatic increase in Australia’s indebtedness at both household and national levels, which is a cause for great concern. For two years we had domestic demand increasing at the rate of six per cent. That is unsustainable—it proved to be unsustainable—and it is only our good fortune that, just as that fell away, the commodities price boom really took hold and has, in a sense, taken over as the engine of the economy. But both are transitory, and our government is
allowing a range of fundamental weaknesses to build up in our economy which ultimately will come to a head—most importantly, our current account deficit and trade deficit, which are very serious and eventually will cause major shocks to the Australian economy, and our underinvestment in research and development.

In spite of a long period of economic growth, it is only just recently that Australia has returned to the level as a percentage of GDP of investment in research and development that we reached under the Hawke and Keating governments. We are the only nation in the developed world where public expenditure on education generally has been declining—and, of course, we have major skills shortages, which is in part a symptom of that. For the past 18 months productivity has been going backwards. After a prolonged period of improvement until the late nineties, our relative productivity compared with the United States has been declining so that we are heading back towards the magnitude of gap between Australia and the United States that we had 20-odd years ago. That is a very major cause for worry.

I believe that the Future Fund is, in some respects, the indulgence of an extremely complacent and arrogant government that is feeling very good about itself because it has the kind of short-term economic statistics that enable it to crow about particular levels of unemployment, economic growth and these kinds of things, which while important should not mask the fact that, underneath, the fundamentals are rotting. Eventually—sooner, maybe later (we do not know) but eventually—those fundamentals are going to bring us undone unless we take action. In particular, we need to focus on infrastructure and invest in learning through education and skills. We must start to get serious about exports beyond our agricultural and mineral sectors and start to tackle some of the structural problems that are associated with the very ordinary performance over the past five or six years of much of our export sector.

They are the challenges that we face in economic policy in Australia. I regard the Future Fund, albeit positive in its own narrow terms, as essentially an indulgence that is not particularly necessary. I think in years to come—in 10 years or 15 years—it will be looked back on as something of an oddity by a government that really had its priorities wrong. That is assuming that the Future Fund lasts that long and that the National Party has not got its grubby hands on it already.

I indicate again that Labor will be voting for the legislation, but I move the second reading 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 is of the view that:

(1) the Future Fund should only invest on a prudent commercial basis and manage funds in a manner consistent with:

(a) best-practice portfolio management;
(b) achieving desired returns without undue risk to the Fund as a whole;
(c) enhancing Australia’s reputation as a responsible and ethical investor; and
(d) building productive capacity in the Australian community; and that

(2) the income stream from the Fund should be used for productive national economic purposes rather than being set aside solely to offset the cost of public sector superannuation as the Government intends”.

The DEPUTY SPEAKER (Hon. IR Causley)—Is the amendment seconded?

Mr Fitzgibbon—I second the amendment and reserve my right to speak.
Mr Baird (Cook) (5.30 pm)—It is particularly interesting to follow the contribution by the member for Melbourne on the Future Fund Bill 2005 and to have a tour of his various hobbyhorses that he read through. I am sure part of it will appear in his book. Interesting though his points may be, in many cases they were without a whole lot of merit. I liked his comment that this legislation was an indulgence by the government. When is protecting yourself against future liability an indulgence? I would have thought that part of the problem with the previous Labor government was that they indulged themselves too much. They indulged themselves to the tune of $96 billion as they racked up debt. Indulgence in government is when you do not look at your fiscal responsibility in the way that you manage the budget and that you rack up debt to an extraordinary level.

The member for Melbourne also railed against middle-class welfare and highlighted some of the schemes that he personally took objection to. Is it Labor Party policy for him to be against, for example, mature age allowances and capital gains exemption for some of the older members in our community? I am sure that that would go down well with the more mature citizens in the seat of Melbourne if that were the case! He commented that this bill was a lesser priority issue. It is extraordinary when you think of what that money could have gone into. I heard the member for Melbourne talking about various projects—education et cetera—that were important to him. I know $6 billion would go very nicely in assisting the education budget. It would go very nicely in assisting the various challenges that the generational shift he talked about coming down the pike and challenging us.

In talking about reducing government debt, he said that it was somehow morally wrong to sell off assets and then claim that you had reduced your debt. The problem is that the previous government sold off the Commonwealth Bank, sold off Qantas and sold off Australian Airlines. It just went to the bottom line in order to assist its continuing pork-barrelling rather than look at the structural problems of the economy created by having such a huge amount of unserviced debt. This side of the House thinks it is entirely appropriate to use asset sales to repay debt and to reduce government liability so that those funds can be put into more worthwhile activities. Of course, much of the repayment of the debt has also come from government surpluses, which we are very proud of on this side of the House. Look at the
many years of very large government deficits and the $10 billion plus left by the Labor government. And they claimed in their last budget that they were in surplus.

The member for Melbourne made a very strange point about Telstra shares being put into the Future Fund. He thought that it was inappropriate that we should take Telstra shares and put them in a government fund, because we would have part ownership of Telstra without having the benefit of deciding whom we put on the board et cetera—like the former Labor government did when they put their old mates on the board of Telstra. Why would you do that?

Mr Swan—Tell us about the Reserve Bank!

Mr BAIRD—As somebody who chairs the Standing Committee on Economics, Finance and Public Administration, I know, as does the member for Hunter—whom I see is sitting beside the member for Swan—very well of the talent of the people on the Reserve Bank board. There is no-one sitting on the Reserve Bank board who does not have enormous talent, and I would challenge the member for Swan to name one who does not have enormous economic talent. But that is not the issue.

The issue is more about why, if you set the organisation free to compete in the private sector, you would want to take it back. If you take part of the Telstra shares and hold onto them and the price of the shares escalates, that will assist you more favourably. Part of the problem is that you have $30 billion worth of shares going onto the market, which will be the largest float in Australia’s history, and you may decide to phase it out. That would be the reason you would do it. The member for Melbourne seems to have missed the whole point of the issue.

Having talked about some of the hobby-horse issues and the member for Melbourne, I will turn to what the fund is trying to do. It is trying to address in a meaningful way what has happened in other countries. A whole raft of countries have indicated that they want to follow a similar approach. I think New Zealand and Canada are in that group. Ireland and France have established future funds. Why have they established future funds? Because they have looked at the United States—the world’s largest economy—and they have seen that they have not provided for the future.

I visited the United States in April. One of the issues that the various think tanks are challenged by and constantly point out is that the government take in terms of taxation is about 15 per cent. If you go forward to 2030, in terms of the Medicaid requirements—that is, their medical funds, social security payments and so on—the actual take will amount to 22 per cent of GDP. The question they keep asking is: how will that work? You either have to increase taxation substantially or you have to slash in a major way medical benefits, particularly for medicines et cetera—like our PBS—otherwise it will simply not work. The United States have not addressed the challenge of their demographic shifts. They have not addressed the question of future liabilities.

The Future Fund addresses in a significant way the future liabilities that we are facing. We will have proportionately fewer people in the workforce—and even the member for Melbourne said that. The forecast is that, by 2040, we will have the same number of people in the workforce, but we will have more than twice the number of retired people. In my electorate 18½ per cent of people are over the age of 65. That trend will follow across Australia.
To meet this challenge we need to prepare for the future, otherwise we will be in the same position that the United States are in. Having inadequate preparation means they will have to either substantially lift their taxation levels or slash benefits. We do not want to see that happen and this proposal is preparing for the future in a very responsible way. It is not, as the member for Melbourne would say, simply an indulgence. We have seen the retirement of government debt. We are putting surpluses that we see in the future into this Future Fund, which will provide in a realistic way for the challenges of the demographic shift and also our retirement liabilities.

As a result of the repayment of the government’s debt, $6 billion a year will be released into the real activities of health, education and national security. Unfunded public sector superannuation is the largest liability on the Commonwealth’s balance sheet. As at 30 June 2005, unfunded public sector superannuation liabilities were around $90 billion. That is predicted to climb to an estimated $140 billion by 2020. The member for Melbourne says that is an indulgence, that we are overreacting and that this is a lesser priority. How can you say that when you will have, on current estimates, liabilities of a superannuation scheme alone of $140 billion? That is the challenge that exists. His suggestion is that maybe we just shore up the existing government super scheme and all will be well. Unless we plan to raise taxes or to slash our benefits, driving the budget into deficit, we will not meet the equation that faces us. The best way is through the Future Fund, which other countries have successfully shown as the way forward.

The Future Fund will be invested, accumulating financial assets sufficient to offset the government’s unfunded superannuation liabilities by 2020. The bill provides for initial capital of $18 billion to be transferred to the fund in 2005-06. The government will also contribute any future surpluses and proceeds from government asset sales to the fund. Also, as the fund grows over time, the earnings of the fund will be reinvested and the assets held by the Future Fund will be protected from the rest of the budget to keep it secure. As I mentioned before, that is what other countries have done. The fund will only be drawn upon at the earliest in 2020 or at a time when an independent assessor determines that the future of the fund’s assets are adequate to offset the unfunded part of the government’s accrued superannuation liabilities.

Isn’t that what we are about? Isn’t that about responsibility in addressing our future liability? Taxpayers will face a much lighter tax burden than they otherwise would face, so it is our children who will experience the benefits of this. The fund represents a sensible financial policy now for the benefit of future generations. Queensland already has a fully funded superannuation scheme, and it has a Labor government. I am not quite sure why there is concern about this approach. The chairman of the board will be David Murray. There is all this talk about the way they might be doing it, the way they will invest their funds and ‘this will be reported and used for the benefit of the National Party’ et cetera. What a nonsense. It is protected by legislation.

We have one of the finest chief executives in the country to head it up: David Murray. His track record in running the Commonwealth Bank is outstanding. The share price doubled, then doubled again, under his leadership, showing the great confidence the public has in the leadership of that organisation. He knows how the share market works; he
knows how to invest to insure for the future. I certainly think he is a very fine person to have in that role.

The Board of Guardians will be assisted by a new government statutory agency—namely, the Future Fund Management Agency. It will undertake the associated operational activities; however, all investment activities will primarily be outsourced to private sector fund managers, which is appropriate. Of course, their performance will be measured against each other, so if one private sector fund manager does not perform against the criteria set up by the Board of Guardians and the chairman, they will be replaced and others will be brought in. It is a very competitive environment; it is not some sleeping, snoozing group of former bureaucrats who have just got their pensions and are looking forward to seeing their union mates down at the pub. This is a professional organisation with professional people who will be looking to the future of our government superannuées, which I would have thought most people would be concerned about.

As for restrictions, the bill provides a framework for these decisions by outlining an investment mandate to guide the board, as well by setting the broad parameters within which the fund is allowed to operate. The Future Fund is a financial asset fund. The board will be able to invest in a wide range of financial assets, including shares and bonds, but it cannot invest in non-financial assets such as direct holdings of property and infrastructure. It will have to report, and that report will be tabled in parliament. The fund will also appear before Senate estimates and be subject to other forms of parliamentary accountability. Members opposite will be able to quiz the chief executive on performance. They will be able to look at the performances of each of the fund managers to see how they are going and raise appropriate questions. They will be able to ask questions in terms of where the money is being invested, not only in terms of the outsourced fund management. They will also be able to ask questions as to whether any of the funds have been diluted to various electorates—and I would think not.

The legislation is basically to ensure that the fund will be protected from a future Labor government—heaven help us all if that does come about—robbing the piggy bank and looking after their mates if they get into government. The approach in the legislation is broadly consistent with the approach taken by other national funds operated by other countries, which works very well. It is about preparing for the future and ensuring that the government’s liabilities are prepared for and are going to be met. It ensures that we do not allow ourselves to be in a vulnerable position where future generations will have to meet the requirements and be subject to increased taxation or a reduction in benefits across the board. This is sensible, appropriate, pragmatic and responsible financial management. I commend the bill to the House.

Mr SWAN (Lilley) (5.48 pm)—The government’s Future Fund and, hence, the Future Fund Bill 2005 are flawed on two levels. First, the Future Fund is a misguided response to the challenges we face as a nation. Second, it is a missed opportunity on a massive scale. Locking up the assets for the sole purpose of paying our bureaucrats’ super is like a family saving for a rainy day whilst the foundations in their house require severe repair work and remain unattended to. Failure to attend to them gets more costly year after year.

Under the arrangements set out in this bill, this Future Fund will not be managed independently. Essentially we will have a Future
The Future Fund which is locking away money that we are not going to make the maximum use of for the maximum opportunity of the country, and we will expose this money to political misuse. For those two reasons, the opposition has substantial reservations about this bill.

This government has shown time and time again that, to secure short-term political ends, it will interfere in the management of something that is open to its interference. This Future Fund is more an investment in the future of the Howard government; it is not an investment in the future of this nation or in our long-term national interest. Labor has a better alternative which will harness the fund to meet our long-term challenges whilst ensuring its absolute independence.

I would like to talk briefly about some of the challenges we face as a nation. We have enjoyed enormous prosperity in recent times, with 14 years of uninterrupted growth. As the architect of the reforms of the 1980s and early 1990s, Labor is rightly proud of the role it played in delivering that prosperity. In recent times Australia has also had its fair share of luck. We have moved seamlessly, as Access Economics has said, from record house prices to record commodity prices, which has kept our economy buoyant. We have recently had a $40 billion boost to our national income from record commodity prices. But beneath all of that things have changed, which is putting our future prosperity at risk. It is not just the Labor Party that is making this observation; it has been made by many. All of the peak industry groups are making this observation. For example, the Business Council of Australia recently warned: ‘the performance of Australia’s economy is slipping and we are heading for trouble’. They have even gone to the extent of taking out billboard advertising to ram home their message to the government. They disagree with the government on a number of key areas of policy which go to the heart of securing future prosperity: the failure of the government to reform the tax system, to put incentive in it and to keep it efficient and fair; the failure to ensure that we are internationally competitive; the regulatory burden, which is a drag on productivity; the failure to invest in the skills and the education of our people; and the failure to deal with entrenched buck-passing and overregulation which flows from gridlock in federal-state relations. These are all matters that are of the highest priority if we want to protect prosperity well into the future.

It has been the failure of the government to attend to the critical areas of policy that has led even organisations like the Business Council of Australia to observe: … Australia’s economy is slipping and we are heading for trouble.

Our future prosperity and our capacity to create wealth for future generations is simply at risk, and the most fundamental thing that we as a nation can do to cope with the ageing of our population is to create wealth. First and foremost, that is the factor which enables us to deal with the long-term pressures of the ageing of the population. Central to wealth creation is our productivity and lifting our productivity over time.

If we look at what has occurred in recent times, our productivity has gone into reverse. In 2004-05 labour productivity fell by 1.3 per cent—the first fall since 1986-87, the largest since 1982-83 and only the sixth fall in the last 39 years. This fall was broadly based, with 11 of 14 market sectors recording a decline in productivity. This is a massive problem and it should set alarm bells ringing inside the government, but of course they have simply hit the snooze button and gone back to sleep. They have put all their eggs in the
basket of a low-skilled, low-wage path and claimed that their response to declining productivity—a raft of industrial relations changes which will eat away at the living standards of many in our workforce—will have some magical solution. Everyone in the country agrees that we need a broad based reform program and/or vision across a raft of policy areas to deliver the productivity that we require for the future—except the Treasurer, Peter Costello, and the Prime Minister, John Howard.

Nothing is more symptomatic of our decline in competitiveness, and the decline underneath that in our productivity, than our recent trade performance. The Minister for Trade claimed in the House today on the back of one set of figures that somehow the records that have been set with current account deficits in recent times have been dealt with by a slightly improved recent performance. They have not. There is a very long way to go if we are to deal with our entrenched problems of competitiveness and their reflection in our current account deficit and escalating net foreign liabilities. We have a long way to go in lifting our trade performance from where it is at the moment, which in many ways is a very poor performance.

Australia has made very little headway in this decade in either existing export markets or in moving up the value chain into new products and services that can deliver higher paid jobs and strong company profits well into the future. Sure, we have a one-off boost to our national income from record commodity prices, but that cannot be guaranteed to be there forever. When it passes, what will we be left with? We must use this fortuitous set of circumstances to invest for the future, and this Future Fund is not setting Australia up to do that, which is why so many people hold such deep reservations about the motivation of the government in setting it up and the inappropriate nature of its structure. Our poor performance in ETM exports is well documented. From double-digit growth in the 1990s, almost half are now in absolute decline, and we are all aware that since 2000 Australia has shed something like 115,000, or 10 per cent, of our manufacturing workforce jobs. There is a very substantial challenge ahead of us there.

The government might just shrug its shoulders and say: ‘Well, the decline in manufacturing is inevitable given the rise of China and India. There’s not much that can be done.’ I think we all know that we are in the middle of one of the most substantial restructurings of industry in our economic history, brought about by the rise of China and India and Asia more broadly. The Treasurer himself publicly acknowledges that there will be a substantial shift in economic power and activity into the Asia-Pacific throughout this century. We all know that as a result of this, in many ways across the board, things are going to get tougher, particularly for our manufacturing industry. But we also acknowledge that if we get the policy settings right in this country there are great opportunities in that restructuring and in the movement of wealth into the Asia-Pacific region. But what we have to do is to put in place the policy settings that maximise the opportunities for this country. We know that what is going on in Asia means that the pace of innovation will only quicken and the pace of competition will only quicken and intensify. That is why we urgently need a much more broad based approach to dealing with lifting our productivity across the board. If we do not do that, are we as a nation prepared to see our manufacturing industry, for example, disappear? I for one am not.
If we look at what has been going on with our service exports, we find there are great challenges there. Our overall export performance in services is dismal, and the challenge to lift its performance is daunting. Our service sector exports are just four per cent of GDP—the third lowest in the OECD, one-third of the OECD average. Just 27 per cent of our service exports lie outside tourism and transport, down from 30 per cent in 2000. Tourism and transport are of course important, but what about the vast array of other high-skilled, high-value added services? For example, in the US such high-end services account for 90 per cent of service exports, including education, financial services, communications and computer services, scientific and medical research and software and movie distribution. So there are big challenges ahead for this country.

Most thinking people who have observed our economy over the years recognise the need for a new vision in this community which goes to the core of lifting our productivity and our competitiveness. But what do we get from the Howard government? We get two responses. We get a narrow set of industrial relations changes which take us down the low-skill, low-wage road. The only other solution they have to cope with all of these structural changes and the ageing of our population is this Future Fund. We need something much broader than that. Crucial to lifting our trade performance, creating wealth and sustaining prosperity is making our economy much more productive across a range of policy areas with a new range of policy initiatives.

So what role does the government’s Future Fund play in meeting this challenge and lifting productivity and sustaining our prosperity? In short, absolutely nothing. The government’s Future Fund is a solution which is looking for a problem. The problem the government have identified is increasing under-funded public sector superannuation liabilities; that is the problem they have identified. On the face of it, the headline numbers are daunting. These liabilities are projected to increase to $140 billion over the next 10 years. But that headline number is misleading. What is crucial is not the absolute size of superannuation liabilities but the cost to the budget each year arising from these liabilities. The reality is that official projections already show the cost to the budget is currently in decline. While the government have refused to release the latest projections, the future call on the budget was further diminished following the close of the Public Sector Superannuation Scheme on 1 July last year. Public sector superannuation liabilities are a problem that has already been solved by the closure of the largest defined benefits scheme. Public sector superannuation liabilities are a red herring in this debate.

So what is Labor’s alternative? Labor believes that the government’s priority should be to secure our future prosperity by lifting the productive potential of the economy as soon as we can, to meet the challenge of intensifying competition in our region, to capture a much greater share of the opportunities that are arising from that and to minimise the risk that is flowing from it. Under Labor the assets in the government’s Future Fund would be retained in the Building Australia Fund. However, under Labor the income stream from the fund would be applied to productive purposes including infrastructure investment, not set aside solely to offset the cost of bureaucrats’ superannuation payments, which are already in decline.

For almost 10 years this government has stood aside while our key economic infrastructure has declined. The Business Council
of Australia says there is a $90 billion shortfall in Australia’s infrastructure and the BCA estimates substantive infrastructure reform could lift the level of GDP by two per cent or $16 billion annually. We need national leadership in infrastructure, and it is not just a question of trumping up public funds. We need a completely new national approach to infrastructure which brings the capacity of the government, the private sector, state governments and local governments together to meet the challenges across the board to do something about our infrastructure to lift our productivity. But there is nothing about that in this bill.

The Reserve Bank of Australia cautions that capacity constraints in the non-residential construction and resource sector mean new projects are being put off. Even the Prime Minister’s own hand-picked task force found there were underlying weaknesses in Australia’s infrastructure which must be addressed to ease capacity constraints and bottlenecks in export industries. A federal Labor government will allow the Future Fund to consider all important investment opportunities suitable to its return and risk objectives, and that would include commercially attractive infrastructure investments.

But what really disturbs us about this fund, apart from the missed opportunities, is what this crew will do with it, because the governance arrangements are not up to scratch. This is not a locked box. It is worth recalling what the government promised when the details of the Future Fund were announced in last year’s budget. The government said:

The fund will be managed by an independent statutory board ... in accordance with a broad investment mandate from the Treasurer and the Finance Minister. The Board will set the investment strategy and the strategic asset allocation of the Fund. Actual investment management will be contracted out to private sector investment managers.

In other words, the government will set the risk and return objectives of the fund, an independent board will decide what type of investments will enable them to achieve these objectives and independent fund managers will decide on what specific investments will be purchased. That is what they said then. The Treasurer crowed at the time that the fund would be managed by experts free from government interference. If only that were the case! We were expecting to see in this set of arrangements a locked box, but that is not the case. This bill shows that is not the case.

The bill shows that the government’s power over the fund will go far beyond the setting of a broad investment mandate. This bill is intended to empower the government to direct the investments contained in the fund. Whilst I have a lot of respect for the chief executive that has been appointed, the rules that govern the operation of this fund are not what the government originally promised and not what they should be if this money is going to be locked away for the future, as the government claims. The fund will not be overseen by trustees, as is the case with every other public sector superannuation fund in this country. There will be no trustees whose independence will be protected by law— I repeat that: no trustees whose independence will be protected by law—and who will have a duty to act only in the best interests of the fund—that is, it can be subject to political direction. Instead, the Future Fund will be overseen by so-called guardians who must do what the government tells them even if, in their professional judgment, it is not in the best interests of the fund. These corporate arrangements are not up to scratch and they must be brought up to scratch.
These arrangements could allow or include underwriting the ill-advised sale of Telstra. This may include falsely inflating the value of Telstra’s shareholding to ensure the government’s forward estimate of zero net debt appears achievable. Anything can now happen with these arrangements. But the risks go beyond Telstra, given this government’s record of pork-barrelling on an unprecedented scale. Under this bill, the government will have the power to direct how an additional $18 billion pool of cash is invested. Fancy having an $18 billion pool of cash sitting there for the pork-barrelling proclivities of this government, in particular those of The Nationals. Its track record does not give any comfort that this money will be used to lift Australia’s productive capacity. It could well be used to try to lift the Liberal Party’s popularity in marginal electorates.

Take AusLink, for example. On the face of it, it was based on reasonable principles but in practice it was completely contaminated by politics. AusLink included a $150 million discretionary fund, a fund that could have built high-yield, low-cost projects with regional significance. Instead, the government squandered almost $100 million of that fund during the last election campaign not on merit but on political advantage. The member for Oxley can tell us all about that, about the effects that that is having on the Ipswich region that he represents and about the impact on the productivity of that region of the country of the government’s failure to invest properly in the infrastructure that we require.

Last November the government announced it would increase this fund with an additional $100 million to shore up marginal electorates. The list goes on. In the Liberal seat of Forde, the government spent over $5 million on a steam train that had not generated enough steam to boil an egg! In the seat of Dobell, held by the Liberal Party with a margin of under one per cent, the government committed $1.5 million to dredge the Tumbi Creek. The problem was that the creek had already dredged itself! And the list goes on. In the seat of Gwydir, the electorate of the then Deputy Prime Minister, $1.2 million was given to a company with a $1 share portfolio to develop an ethanol plant in Gunnedah. To date, not a single drop of ethanol has been produced.

We must absolutely get some decent governance arrangements for this fund. With decent governance arrangements, we can then have an argument about what the income stream ought to do. But there is absolutely no doubt that the potential has been put in place for the product of the hard work of millions of Australians in recent times, reflected in the surpluses that are going into this fund, to be squandered for political purposes and not used properly to enhance the productive capacity of the nation in the creation of wealth to secure our prosperity in the long term. This is a massive wasted opportunity for this country. It breaks the promise given by the Treasurer when he announced this measure, and we intend to hold the government accountable for it.

Mr TUCKEY (O’Connor) (6.08 pm)—It is with some pleasure that I enter the debate on the Future Fund Bill 2005. I have just listened to the shadow Treasurer’s remarks on this very important legislation. I find his remarks a little confusing because, in the beginning, he was arguing that maybe this money was going to be quarantined from certain infrastructure works. In fact, I note that the second part of the amendment to which he has just referred says:

(2) the income stream from the Fund should be used for productive national economic purposes rather than being set aside solely to off-
set the cost of public sector superannuation as
the Government intends”.

I wish to say a bit more about that before I
conclude my speech. It seems to be a very
clear argument for close interference by gov-
ernment at every moment of the process. Yet,
in the last part of his remarks, the member for
Lilley was complaining bitterly about that
sort of approach. It seems to be his view that
if Labor were in control of these moneys eve-
rything would be done in a pure and honest
fashion but if it were the responsibility of the
present Howard government it would not. I
have to disagree with him on those princi-
pies. Nevertheless, it is my view that from
time to time there are substantial investments
in the future needs of the nation that might be
highly productive in meeting the eventual
ambition of this fund.

But to start at the beginning: this fund is
probably the final piece in the jigsaw that this
government has implemented during its term
in office to genuinely remove not only the
existing debt of this parliament but also its
prospective responsibilities. These responsi-
bilities have accumulated over a long time—
in particular, for public servants who are un-
der defined benefit schemes. Quite properly,
the government has decided that what people
have they should keep, notwithstanding the
lines being drawn in the sand, including in
this place. And of course the new schemes
are all contributory. But as we were advised
in the second reading speech—and it was
confirmed a moment ago by the member for
Lilley—the defined benefit schemes are go-
ing to reach liabilities of $140 billion, ac-
cording to actuarial assessment. I was some-
what surprised to hear the member for Lilley
say, in one breath, that this was the amount of
money mentioned by 2020 and, in the next
breath, say that, really and truly, the problem
has gone away because we have changed the
rules. We have not changed the rules for a
large group of public servants who had these
other schemes available to them. Some of
them are approaching retirement in future
years and have made all their arrangements
accordingly, and they are certainly entitled to
that protection. Some people—in particular,
in Canberra—who have a special interest in
this issue should read the member for Lilley’s
speech quite closely because it seems to ar-
gue both sides of the coin.

The biggest responsibility in achieving the
sort of productive growth that the member
for Lilley promotes—in my mind, quite cor-
rectly—is getting people to invest in Austra-
lia. One of the easiest ways to get people to
invest in Australia is to ensure that the inter-
est rates they are charged on borrowings for
that purpose are as low as possible. I have
always said that a lot of attention is paid to
the decisions of the Reserve Bank and others.
The reality of the modern economy is that,
like any other commodity, the value of
money is relative to the demand for it. When
a government is a major competitor in buying
money—hopefully the savings of Austra-
lians, but frequently, in the Australian con-
text, the savings of people in other parts of
the world—if it gets too competitive it forces
the price of money up and that makes it ex-
tremely difficult for people to invest in their
own assets, such as their homes, and difficult
for business to invest in and develop our
country.

At the moment, because government has
virtually walked out of the borrowing market
in a retrospective sense, we find all sorts of
people wanting to invest in infrastructure
assets. The money is available and it is
cheap. We are buying infrastructure assets
not only through our investment bodies in
Australia but all around the world. I read in
the paper the other day that Macquarie Air-
ports now has massive investments in airports in Europe, as it does in Australia with Sydney airport. Other people are demonstrating to us just how wasteful we as government managers were in the use of the assets of an airport. Suddenly the terminals are full of retail premises, which are presumably making money, because they are always there when I return. Then we see areas of the airport where airplanes do not land but which are a necessary requirement of an airport development for all sorts of purposes, such as warehouses, retail centres and things of that nature, where we as a government said, ‘Oh, well, there’s a runway here and there’s a runway there.’ I have often in this place quoted the words of Maggie Thatcher when she visited this place once and told us that it was a good idea to keep politicians out of business because, after all, if we politicians were any good at business we would be in business. That may be a test that is worthy of judgment.

So the first thing that these proposals are saying is that politicians should not be too close to the decision-making process. The member for Lilley was a bit two bob each way on that issue, as I heard him. In one breath he was saying that they as a government of the future would take this money and invest it according to their decisions. That is intervention at a very close level. In the next breath he was saying that we as the Howard government should not.

We have a very interesting situation: the government, having surplus moneys to the revenues it needs, has said, ‘We will commence the Future Fund.’ The Future Fund will wipe out the last prospective debt of this government of this parliament, and I would be extremely disappointed to hear anything from opposition speakers that says that is not a good idea. The benefits will flow to the business community, to the private sector, because we are not in there competing for the money available in our community and elsewhere. So that is the first point: the Howard government has been the biggest contributor to national savings by paying off the debts previously accumulated. So this fund is important and will contribute to the infrastructure that the member for Lilley has said is so important and that the amendment of the opposition stresses.

Nevertheless, I am hopeful that there will be opportunity for the Future Fund to look at some of the investment opportunities that probably do need some seed money from government. That might come from revenue. It is not the first time I have stood in this place and talked about the huge opportunity in renewable energy that is available in the Kimberleys of Western Australia. It is a tidal resource that is equal to all the energy consumed in Australia. Funnily enough its only fuel is money, because once the money is invested in tidal power, as the French have proved over a 40-year period, all of the revenue—I would think 90 per cent—is profit.

I would think that our significant managed funds, be they trade union or other funds, should be looking at that themselves because, firstly, it insulates Australia. It would create an opportunity to create hydrogen fuel, and in fact at present even liquefy natural gas. Rather than burning natural gas, which we have the ability to sell to the world, why not use tidal power for the purpose of liquefying natural gas. It would also be used to create hydrogen, and that is the fuel of mobility for this nation. What a wonderful prospect. Outside of the environmental benefits, the economic benefits would not be beholden to any part of the world, particularly the more volatile sectors that currently dominate in the liquid hydrocarbon field.
So there are investments of that nature that require huge amounts of money, but if properly managed in terms of markets and other opportunities of the future they could be the ultimate in superannuation funding. As I have pointed out, every time someone refuelled their car with hydrogen generated from that investment they would be contributing to their own long-term pension. I think that could be part of this message, and I wish that were the intention of the opposition in its second reading amendment to the bill, which says in part:

(2) the income stream from the Fund should be used for productive national economic purposes rather than being set aside solely to offset the cost of public sector superannuation as the Government intends”.

I think the example I have just given meets both those criteria. There are investment opportunities for this very large amount of money that could of themselves generate financial returns of significant quantity to pay those pensions, so you could have your cake and eat it too. I will always while I stand in this place be supportive of that idea. But where the Treasurer and others who have constructed this legislation become gravely concerned is when this sort of money, which is prescribed for a certain purpose—that is, the payment of superannuation—suddenly becomes the sort of slush fund that the Labor Party complains about on other occasions. There is a grave suspicion on our side of the House, considering the economic record and the business management record of the Labor Party the last time it was in government, when it accumulated this $96 billion worth of debt, that it might do so again.

Yes, you can argue until you are blue in the face about Regional Partnerships and some of these investment strategies, but they are primarily, from my observation, of great value to the community. I revisited one of the recipients of these grants in my electorate just the other day. They are a small community with a couple of highly technical, modern machines making them competitive in any marketplace with the product they manufacture. Of course, a large of proportion was paid for out of that grant. It is a fund and a grant that is working. I have never seen any program that governments operate from time to time that is 100 per cent successful, but the Regional Partnerships program, as mentioned by the member for Lilley, is 99 per cent successful. I think a lot of the programs that have been implemented in regional areas have not been done with large amounts of money. They are funded by the taxpayer, not by somebody whose job it is to manage monies to pay the superannuation of those with future entitlement.

Looking at both the explanatory memorandum and the second reading speech, which are matters of record in this House, I cannot find the evidence, which the member for Lilley paints, that, while the Howard government manages it, it will be some sort of rort. We could have done that with the money in the first instance. We did not. As I have said previously, we have decided to pay out the prospective debts of the nation, having now paid out the retrospective debts—those already accumulated. It is a great honour to be part of a government that has taken those steps.

I do not know how long I have been reading articles in the commercial and business media complaining about the unfunded liability of government superannuation. As was said in the bill’s second reading, state governments have bitten the bullet, although many of them will have these old systems to deal with. This government is now biting the bullet. That means that people can be assured
that the funds will be there to meet their retirement needs and the youth of Australia can rest assured that the funds will not be coming out of their pockets at a time when, because of demographic change, it would be extremely difficult for them to pay these sums of money through the tax system, as there will be fewer of them to do so.

I might add that, without contest, the member for Lilley had to have a shot at industrial relations. In my state at the moment it is quite a tragedy that a project to build a 30-mile passenger railway line, which was originally going to cost $200 million more than the track between Alice Springs and Darwin, is now running off the rails. It is very interesting to see how the industrial relations scene of Western Australia might have intruded. A well-known columnist and one-time Editor in Chief of the *West Australian* published an article the other day with the very strong hint that, at the insistence of the WA government, the prime contractor, Leightons, took on the CFMEU, as the controlling union, to dig a tunnel. In Western Australia in particular, and I think in many parts of Australia, the AWU has typically had coverage of what you do under the ground, with the CFMEU more likely to have coverage on top of the ground. I was most struck by his comments that a lot of people have been put into a workplace that they do not understand, which is not consistent with their culture. There are huge problems arising that some suggest will add $500 million to the cost of that project, which was already going to cost $200 million more than a railway line that goes halfway across Australia. There has to be something wrong there if there is privilege of that nature being granted.

Similarly, there are a litany of projects associated with our natural gas resources on the Burrup Peninsula and around the Pilbara area that have simply fallen over one after the other because, on final assessment, the investors from various parts of the world who want access to these natural resources have said, ‘It’s all too difficult; it’s all too costly.’ There must be components of our industrial relations regime that bring them to that conclusion. It was notable that when the WA Gallop government—now the Carpenter government—changed the Court industrial relations laws there was an immediate cancellation of a near-$1 billion project up in the Pilbara. That was the first one to go. I read the other day about five or six others that have fallen over before they have laid a brick, simply because Australia is not competitive. So what happens? We bundle our natural gas into a ship, it goes somewhere else and that is where the facility is constructed.

I think the opposition are being a little tongue in cheek with their amendment, and I think that is a pity. I do not dispute that part of paragraph (2) that states an income stream ‘should be used for productive national economic purpose’. I do disagree with the bit that says that it should be ‘set aside solely to offset the cost of public sector superannuation’. It is not offsetting the cost; it is providing a fund for the purpose of ensuring that people who have given loyal service to the government, particularly in this town, have the knowledge that their future superannuation is guaranteed when demographic change might otherwise make that very difficult. I thank the House for listening to me and I naturally support this legislation with enthusiasm.

Mr STEPHEN SMITH (Perth) (6.28 pm)—I support the notion of a Future Fund, but not the government’s Future Fund. The government’s notion of a Future Fund has two fundamental and severe limitations, reflected by the legislation and addressed by
Labor’s second reading amendment to the Future Fund Bill 2005. I firstly wish to associate myself with the remarks of the shadow minister for finance, the member for Melbourne, Mr Tanner, and the shadow Treasurer, the member for Lilley, Mr Swan. Any Future Fund, in our view, needs to make a contribution to our future national productive capacity. The parliament needs to ensure that any Future Fund is able to operate independently, at arm’s length, when it comes to its investment decisions, free from ministerial, political or government interference. On both those counts the legislation, as presented to the House, fails.

We need to ensure that the Future Fund makes a contribution to our future national productive effort. Australia has survived as a prosperous nation because we have over our period been internationally competitive. But to remain internationally competitive, to remain in the race for prosperity, to continue to be able to create wealth and to seek to distribute the proceeds of that wealth fairly within our community, we have to be internationally competitive and we have to be more productive. We are the beneficiaries of nearly a decade and a half of economic growth. That economic growth was, in large terms if not entirely, set up by the structural reforms of the former Hawke and Keating governments. But the great economic complacency of this government has been to live off those structural reforms and that economic growth and to not move our nation to the next level of productivity improvement. This is reflected by the government’s failures as far as the Future Fund is concerned.

That complacency is reflected by our serious trade deficit, our effective collapse in manufacturing and services and elaborately transformed manufacture exports, a skills crisis, crumbling infrastructure, a massive current account deficit and a record foreign debt which dwarfs the foreign debt we saw when Mr Howard and Mr Costello were running around with their so-called debt truck. I now know where they have hidden the debt truck. It is either hidden under snow and ice in Iceland or hidden under desert sands in Qatar—the only two countries that have a foreign debt larger than our own as far as per capita calculation is concerned.

Labor announced its approach to a Future Fund in the budget reply of 2005. Our notion of a Future Fund is described as a Building Australia Fund whereby it would be possible for the income proceeds from a Future Fund to be applied for productive purposes, in particular to help rebuild crumbling infrastructure. We made it clear at that time that the scope and nature of the government’s so-called Future Fund was too limited. The entire rationale for the government’s Future Fund is to make allowances for the unfunded superannuation liabilities of Public Service employees. The relevant fund is already closed. It is quite clear from any effort at an objective analysis that those liabilities can be more than comfortably met by the ordinary annual finances of government. Whilst you can argue that a Future Fund could pay some attention to those unfunded superannuation liabilities, it is frankly extraordinary for the government to base its entire public policy rationale on a Future Fund entirely for that purpose. The scope is too narrow and will not make a contribution to our ongoing productivity improvement and our ongoing capacity to be internationally competitive.

Secondly, it is quite clear, despite some utterances at the time by the Treasurer, that the Future Fund will be a locked box. And when Mr Costello said that the Future Fund would be a locked box we knew exactly what he was referring to—that he wanted the funds
protected from the once-every-three-years splurge by the Prime Minister or the ongoing splurge by the National Party. It is quite clear that this was a view not shared by the Prime Minister. It is quite clear that, in yet another example of the Treasurer losing an arm wrestle with the Prime Minister, the Prime Minister’s view that these should be decisions for the government of the day to make has prevailed. So, contrary to the Treasurer’s assertions at the time that the Future Fund would be a locked box, the capacity for ministerial direction means that the governance of the Future Fund is entirely at risk of ministerial, political or government interference so far as individual, day-by-day investment decisions are concerned. These two deficiencies are addressed by the second reading amendment moved by Mr Tanner, which says:

(1) the Future Fund should only invest on a prudent commercial basis and manage funds in a manner consistent with:

(a) best-practice portfolio management;
(b) achieving desired returns without undue risk to the Fund as a whole;
(c) enhancing Australia’s reputation as a responsible and ethical investor; and
(d) building productive capacity in the Australian community; and that

(2) the income stream from the Fund should be used for productive national purposes rather than being set aside solely to offset the cost of public sector superannuation as the Government intends”.

Those deficiencies of the fund would be remedied by Labor in government. As that response to the second reading speech reflects, the provisions in the bill severely limit the independence of the fund and its guardians or its board. Secondly, the bill contains no proposed guidance or general investment mandate. The bill is also silent on when, how, if and at what price the government would transfer any remaining publicly held equity in Telstra shares into the fund. As has been observed by more than one commentator in the marketplace, that has the potential to massively distort the equilibrium of the fund from day one.

When the government initially announced its proposed Future Fund to be seeded with budget surpluses and future asset sales—which was code for the sale of Telstra—the government, particularly the Treasurer, assured us that the fund would be managed independently of the government of the day. As recently as 8 December, to coincide with the introduction of the legislation into the parliament, in an article in the *Australian Financial Review*, the Minister for Finance and Administration, Senator Minchin, stated ‘There will be a lot of transparency and accountability’. Unfortunately, that is not reflected by the actual bill as presented. The Treasurer had gone even further and likened the operation of the Future Fund to the independence of the Reserve Bank board. On 8 November, in an *Australian Financial Review* article, the Treasurer stated:

We have a board on the Reserve Bank which has a strong culture of independence and because it has a strong culture of independence with strong directors it makes independent decisions.

The Treasurer was, of course, distracted by the Reserve Bank board in a different context on that occasion. But, again, to hold out the independence of the Reserve Bank board and to seek to compare that with the so-called independence of the Future Fund is nonsense. So, far from guaranteeing the independence of the fund, through this legislation the government is potentially placing the fund under direct political ministerial interference and control.

In a sense, this should not have been a surprise, as I alluded to earlier. On 11 April in
the *Australian Financial Review* the Prime Minister stated that the fund should be under government control rather than be an independent authority. He said:

I don’t believe in too many statutory authorities. I think governments should be held accountable for what happens on their watch, just as they should have the power to influence what happens on their watch. The two go together.

But my point is that going through the process of winning an election and then handing over all your authority to unelected officials, that is crazy, I have never supported that.

So it is quite clear that, in the arm wrestle between the Prime Minister and the Treasurer, the Prime Minister had his eyes on the capacity to pork barrel once every three years and the capacity to assuage his National Party colleagues from time to time. It is also a quote which might well be read back to the Prime Minister given his performance today. Today, during question time and in a different context, the Prime Minister was walking a million miles away from what happens, so far as governments are concerned, on their watch and the power to influence what occurs on their watch. Today, in a different context, from the Prime Minister, we had much more of a ‘washing of the hands’ approach so far as Iraq, Saddam Hussein and the Wheat Board are concerned.

So it comes as no real surprise that the legislation empowers the Treasurer and the Minister for Finance and Administration to give the Future Fund board written directions about the performance of its investment obligations. Page 13 of the explanatory memorandum makes the point that these ministers can ‘consider broader policy and national interest considerations’. In addition, ministers are given the authority to sack members of the fund’s board for ‘unsatisfactory performance’, though what this may constitute remains undefined. Furthermore, the bill contains no guidance on the proposed investment mandate of the Future Fund, a mandate which, though it is being presented to parliament, may not be disallowed. The absence of an investment mandate is a glaring omission, and the finance minister has chosen to provide scant or no detail through other public sources. In a letter to the *Australian Financial Review* on 19 December, the finance minister wrote:

Our proposed investment mandate simply seeks a target real rate of return of 4.5 to 5.5 per cent per annum ...

That is modest in that it equates with the Reserve Bank’s current cash rate. So, if that is the investment mandate, why don’t we just leave the money with the Reserve Bank board, where it currently is? It ignores any risk premium that a prudential and wise investment could make by investing money in a portfolio of shares. This raises the question that if the target investment return is simply to be the prevailing risk-free rate then, as I say, why not just leave the funds on deposit with the Reserve Bank or, indeed, with the Commonwealth Superannuation Scheme or the Public Superannuation Scheme, which have earned an average return of eight per cent over the past decade. The fact that that is the modest and underwhelming aspiration of the government is reinforced by the fact that some time ago the government appointed American asset consultant Watson Wyatt to advise on how to invest the Future Fund capital base. At the time of that appointment, Treasurer Costello said:

Watson Wyatt will provide advice to the Government on a range of issues, including the type of asset classes the Government might invest in, the expected returns and the associated level of risk ...
According to media reports, Watson Wyatt were to have reported within six to eight weeks of their appointment in late July 2005. Despite this, we have seen none of the details of any of those reports, and certainly none of the details are in the bill itself. Insofar as what we have been able to find on the public record, the investment mandate of the fund would be to simply meet the return which you could get by leaving the money with the Reserve Bank and getting a return for that deposit.

The Australian Chamber of Commerce and Industry, in its June review, argued that the government would be unable to resist pressure and opportunity to intervene on investment decisions and make uneconomic, politically motivated investments. I quote from the ACCI June review:

There will be political pressure for the fund to invest locally rather than overseas, intervene in specific markets and invest in projects which may not produce an economic return.

ACCI argues that the Future Fund will effectively amount to a ‘tax increase or a forgone tax reduction’ and that it will have a ‘limited effect’ on national savings—therein making the point of the limited nature of the fund so far as the government is concerned. In its June review ACCI made the point:

It is unclear why the government should provide for superannuation and not for other costs which are going to increase strongly.

So in that analysis we have a number of concerns: on the one hand, the capacity of the government to interfere through the capacity for ministerial direction in the day-by-day investment decisions and, on the other hand, an almost deafening silence from the government as to what the effective mandate guidance to the board would be. A much better, more sensible and rigorous approach would be for the legislation to simply allow general investment guidance to be given by the parliament and by the government of the day and for the board to then make independent, arms-length decisions in accordance with prudential requirements, reflected by the second reading amendment:

(a) best-practice portfolio management;
(b) achieving desired returns without undue risk to the Fund as a whole;
(c) enhancing Australia’s reputation as a responsible and ethical investor; and
(d) building productive capacity in the Australian community...

All of that puts to one side the government’s deafening silence as to what, if any, Telstra shares will be placed in the fund at the direction of the government. There are a number of market commentators and a number of interested market players, including Mr O’Sullivan, the President of the Australian Council of Superannuation Investors, and Dr Michaela Anderson, the Director of Policy and Research at the Association of Superannuation Funds of Australia. They have both publicly drawn attention to the potential distorting capacity that that could have on the Future Fund.

Labor’s approach is to say, ‘Yes, there is a role for a Future Fund to play but a Future Fund which is, firstly, sensibly managed by an independent board of directors making impartial, objective and prudentially wise decisions subject to general mandate guidance so far as the government of the day is concerned and, secondly, trying to make a productive contribution to our national economic effort.’ In our view, the best approach to that is to enable the income stream from those independent impartial objective decisions to be available if required for national productive purposes through investment in infrastructure.
A strong independent intergenerational fund managed appropriately does have a significant role to play in improving Australia’s productive capacity. That will not occur through the government’s Future Fund but, on the election of a Labor government, it will certainly occur through what we have described as our Building Australia Fund. I support the amendment moved by my colleague the member for Melbourne.

Mr Lindsay (Herbert) (6.46 pm)—Running the government’s budget is really no different from running your own personal household budget; it is just on a bigger scale. Every mum and dad who reads this speech will know that, in their household, if they continue to run up a liability and make no provision to meet it when it needs to be met, they are going to be in a spot of bother; there will be trouble. The Commonwealth of Australia is no different. If the Commonwealth runs up and continues to increase liabilities and makes no provision to pay out those liabilities, then the Commonwealth will be in a lot of trouble. It is pretty simple. I know, in the jargon of things, there can be all sorts of explanations about why that is not so, but I am a pretty simple person. I have found that, in life, if you treat things in a straightforward manner and look at things in a straightforward way, you get to the right answer, which is that we have responsibility. If we are allowing a liability to accumulate, then we have to equally make provision to meet that liability when it falls due. All the big words under the sun, all the philosophy and so on really does not change the fact that one day somebody has to pay.

It is prudent of the government to make provision to meet the Commonwealth’s unfunded superannuation liability. I know the amendment that has been moved by the opposition looks pretty fair. It states:

(2) the income stream from the Fund should be used for productive national economic purposes rather than being set aside solely to offset the cost of public sector superannuation as the Government intends”.

But I would ask the opposition: why is it that other governments have already gone down the path that the Future Fund Bill 2005 is going to take the Commonwealth of Australia? Why is it that Labor state governments in Australia have the same view as the Commonwealth? Why does the state that I come from, Queensland, have the Queensland Investment Corporation? Of course, it is to strengthen their balance sheets and to address the unfunded superannuation liabilities— exactly what the Future Fund being proposed tonight is designed to do. The Australian government is doing no more than responsibly catching up with its state Labor counterparts. Similarly, there are a number of nations around the world who have already adopted what is in effect a future fund. France, Ireland, Norway, New Zealand and Canada have established funds similar to the Future Fund. I do not quite understand why the Labor Party has moved this amendment tonight knowing that other state Labor governments in Australia have the same view as the Howard government, that we need a fund to meet the liabilities of our Public Service superannuation. There is nothing wrong with that. It is a prudent thing to do.

I know it sounds good to say that we should be investing in productive national economic purposes, but we have a liability and, first and foremost, that is what has to be met. I know that as soon as the government announced the Future Fund the Leader of the Opposition jumped into the media by promising to raid the Future Fund. He wanted to make expensive promises and he told the Northern Star newspaper in Lismore, I be-
lieve, that he intended to improve the Pacific Highway in the Northern Rivers and he planned to commandeer Treasurer Peter Costello’s Future Fund. Of course, that is why the fund legislation locks up the money so that it cannot be commandeered.

That is irresponsible. If you establish a fund to meet an unfunded liability, that is the purpose for which it should be used. Through the provisions of this bill the government is intent that that will happen. It is going to be an independently managed fund of assets that will be sourced from future budget surpluses and the proceeds of asset sales. The fund aims to grow to match the Commonwealth’s unfunded superannuation liability by 2020. We are talking about a lot of money—over $100 billion. That is why it is very important that action is taken now, particularly in relation to what we have all read in the Intergenerational report and what other countries have read in their intergenerational reports.

I note that an article in the New York Times in December last year congratulated Australia for having the courage to face up to these unfunded liabilities so that we can pay our bills and for not taking the politically attractive option of spending the money—because once it is spent, it is spent, whereas with the fund that money will grow. It is going to be invested in safe areas. There is a broad direction from the government on what the fund may and may not do. For instance, there will be a prohibition on taking over publicly listed companies, a prohibition on borrowing and restrictions on the use of derivatives for speculation or leverage, and the fund will be restricted to investment in financial assets. It is a prudent way ahead for the Australian government and the Australian people.

The board will be independent and appointments will be for five years, which will help protect appointments from short-term political cycles. Of course, the Future Fund will appear before Senate estimates and be subject to other forms of parliamentary accountability. I support the establishment of the Future Fund. I support measures in the bill aimed at ensuring it will not be raided by future governments. I support the government’s vision in looking ahead to the liabilities that we will face as a nation in the out years and due to the ageing of the population. I support this bill.

Mr HAYES (Werriwa) (6.55 pm)—The amendments to be moved by the opposition are sensible and have been developed with a view to the future of Australia beyond the current electoral cycle. Labor has stood firm in its belief about the proper use of the fund that will be established by the Future Fund Bill 2005. Labor believes that it is necessary to use some of the considerable funds that will be controlled under the Future Fund for more than just fulfilling the minister’s investment objectives or acting as a halfway house to privatisation.

The bill before us signals another step in a return to big government under coalition control. This government is not content with being the largest taxing government in Australia’s history, nor is it content with threatening the fabric of Australian society by fundamentally changing the dynamics and interplay between individuals in employment relationships, and in other relationships for that matter. No, this government has decided that, when it comes to the funds that through this bill will provide for the ongoing superannuation liabilities of the Commonwealth, it will insert a clause that will give the responsible ministers scope to direct the Future Fund board to invest in a particular manner. Possibly the single most important aspect of this bill is the rules that will be established to
govern the operations of the fund and its board.

Labor is not opposed to the fund—that has to be made clear. The Labor Party was the first to seriously attack the problems presented by our ageing population when it set out to establish a program of compulsory superannuation contributions. Labor members past and present know only too well the budgetary pressures that are likely to be faced in the not too distant future if we do not adequately cater for the ageing population. It is for this reason that the previous Labor government introduced the system of compulsory superannuation, and I have to say there was some foresight of this problem and support given to that decision by the trade union movement of this country. A system was introduced through which working Australians would save for their retirement to reduce the pressure on future budgets—it was a means through which ordinary Australians could save for their retirement with a degree of security.

Of itself, a system of compulsory superannuation would not guarantee that money would always be made through investment. The market fluctuates and no-one can make such guarantees in any event, but, in the main, the fear that many people had about investing in stocks and other financial assets was reduced, as superannuation funds would have the appropriate level of expertise in such matters with appropriate governance arrangements in place.

The government is setting up a future fund aimed at covering the unfunded liability of the Commonwealth when it comes to ongoing superannuation liabilities. There is no doubt that such a fund is necessary. Members on both sides of this House and the general public need only take a cursory glance at the numbers and compare the ratio of taxpayers to workers now and the expected ratio of taxpayers to workers in the future to see that it is prudent to establish such a fund.

As the Intergenerational report noted, Commonwealth spending is expected to exceed revenue 15 years from now and the gap between spending and revenue will continue to grow at five per cent of gross domestic product by 2041-42. There is a need to put some money aside to fund such a yawning gap between expenditure and revenue. There is a need to share the burden so that, through our own inaction, we do not create a considerable intergenerational inequity.

Of course, the important difference between the fund that will be established by the Future Fund Bill 2005 and the fund established to manage superannuation for future retirees relates to the government’s requirements of the proposed Future Fund. The arrangements that the government proposes to establish through this bill are merely a shadow of those which should be in place. I would have thought that the amount of money that is to be in the hands of the Board of Guardians would have compelled the government to make sure that appropriate checks were in place.

I would also have thought that, when it comes to managing a multibillion dollar fund of taxpayers’ money, there would be similar types of governance rules to those that apply to fund managers of other superannuation funds. Instead, what do we get? We have a bill before us that will establish a fund that is supposed to cover the unfunded superannuation liabilities of public sector employees and that does not need to subscribe to the same rules as other organisations. Despite the Future Fund being set up to receive some $18 billion in seed capital, it will not be held to the same standards as other superannuation funds. The $18 billion will be handed over to
the Board of Guardians and a new statutory agency—the Future Fund Management Agency—yet it will not have the same requirements on its governance arrangements as a small industry based superannuation fund has.

The Board of Guardians and the management agency will be given a huge responsibility. They will be tasked with the job of taking the pressure off future budgets by reducing or possibly eliminating the risk of future generations facing higher taxes to cover the retirement of this generation. They will be tasked with the job of managing, investing and accumulating funds so that ongoing superannuation liabilities of the public sector will be taken care of. They are being tasked with the job of making sure that when the time comes to draw upon accumulated funds, some time around 2020, the money will be there and that the public will not have to choose which projects or what type of spending will have to be cut.

Quite frankly, this is a pretty big deal. Of course, the Board of Guardians will be required to do all of this while having to fulfil the request of the ministers responsible for this bill. So it could be a case of one eye on the investment goals of the fund and the other on the investment whims of the ministers in charge. Mr Deputy Speaker McMullan, I do not know about you, but it concerns me that a group of people in charge of this fund will not be held to the highest standard of governance on investing, managing or accumulating public funds.

Clearly, the government has in the back of its mind that there will be so much money in this fund that it will not be able to resist the temptation to use it at some stage, and therefore a backdoor measure of accessing the amount of accumulated funds is being placed in this bill. I am sure that is the reason why the government has decided that the board will have a statutory obligation to maximise the fund’s return over a longer term—a pretty logical requirement, I might say—and that the statutory requirement will be subordinate to the investment parameters set out by the government through the responsible ministers.

As difficult as it may appear, section 20(1) of the bill requires the board to take all reasonable steps to ensure that all policy and decisions regarding the operation and investment of the fund are in accordance with any direction and investment mandate issued by the ministers responsible, and those ministers are the final arbiters. I have to say that that is a pretty big hedge. As the ministers appoint the Board of Guardians, you would have thought that the government would have covered this off without needing to be so blatant—the government has been pretty loose in board appointments of late. Establishing this bill will simply allow ministers to appoint those persons whom they think they can trust to administer this fund—just appoint some of the Liberal Party stooges and take the pressure off. Surely a captive board would have been more adequate than putting this massive big hedging arrangement into the scheme for the Future Fund.

However, it seems that recent events have stung the government. They have been caught out once too often and now they are keen to cover off every possible angle through legislation—just like they did when, through the Work Choices act of 2005, they redefined ‘duress’ for the purposes of industrial relations. With the Future Fund, they are making sure that the primacy of ministers to direct investment strategies cannot be challenged. As we all know, the government have never been fans of appropriate levels of oversight and governance. Mr Deputy Speaker,
you only need to look at the types of projects that were approved under the Regional Partnerships program or at what the Australian Wheat Board seems to have been able to get away with to see that ministers in this government do not like to be held to account.

But to set up a fund that is based on some fundamental principle that is different from the principle that applies to managing other superannuation funds—and bear in mind this fund will by that stage probably be in receipt of more than $100 billion of taxpayers’ money—and putting these caveats on it is contrary, in my expectation, to how the Future Fund would operate as it was originally announced in the budget.

I would have thought that a more prudent approach by the government—a government that does not have a reputation for the most transparent and appropriate use of public moneys—and a better idea would have been for the Board of Guardians to be placed at arms length. If the opportunity to override the board and to issue investment mandates were not low enough standards in governance, the Treasurer has now managed to set an even lower bar on this arrangement. Once again, learning the lessons of his colleagues, the Treasurer has decided that it is not good enough to make sure that the board is compliant. An added surety, section 56(1), requires the board members only need apply the degree of care and diligence that a reasonable person would exercise.

Unlike a superannuation trustee, who is required to apply the ‘prudent man’ rule when it comes to managing, investing and protecting taxpayers’ money, this government has set a lower standard of governance or requirement of persons who sit on the board. Under the prudent man rule, superannuation trustees are required:

… to exercise the degree of skill, care and diligence of an ordinary prudent person dealing with the property of another for whom the person felt morally bound to provide.

While the governance arrangements surrounding the Future Fund are critical to its proper operation, another important aspect of the fund outlined in the bill is where the money is coming from and how it will be accessed. The Treasurer, in his second reading speech, noted that seed capital of $18 billion is to be provided by the government in July to get the ball rolling. From then, the contributions of realised surpluses will proceed and the assets of sales will be credited to the fund. The bill goes into some detail about the crediting of moneys to the fund and the maximising of funds to be invested at any point.

Interestingly, though, there has been no detail provided about how government intends to make the biggest credit to the fund: the proceeds from the sale of Telstra. The 2005-06 Mid-Year Economic and Fiscal Outlook assumes that the sale of Telstra will be concluded and the full value of $26.6 billion will be received by the government. We all know that that value is unlikely to be achieved, based on the most optimistic view of the Telstra share price.

I do not know that too many domestic or international share markets are ready to buy nearly 6.5 billion shares of Telstra at the moment. The issue at hand is not really whether the market can bear an influx of Telstra shares; the issue continues to be—as it always was for this government—a case of accountability and detailing the plans. Late last year the Treasurer outlined that, if the full sale of Telstra did not go ahead—which was likely—the Future Fund would hold the Telstra shares and earnings allocated to the fund rather than the budget. I imagine that
the plan of the Treasurer is also that the fund progressively dispose of the holdings of Telstra so that the government does not continue to indirectly own Telstra through the Future Fund. The whole process is a little unclear. It seems that the use of the Future Fund is in some way, as I said from the outset, being used as a halfway house, while either the Telstra share price or the market actually adjusts. Those things have simply not been well thought through.

Should this occur, what role would the government continue to play through its ongoing ownership of what may be a significant share in Telstra, while the fund holds the bulk of these unsold Telstra shares? What sort of impact will ongoing ownership by the government of unsold Telstra shares, through the fund, have on the government’s regulatory role when it comes to Telstra? These things have not been detailed. The issue of Telstra is not the only question when it comes to investment strategies of the fund. The Treasurer, in his second reading speech on the Future Fund, said, ‘It is a financial assets fund.’ That is, it is not an investment in non-financial assets, except through indirect means such as a pooled investment vehicle through trusts et cetera. He further stated, ‘It is not to invest directly in holdings of property or infrastructure.’

I am of the view that this element of the fund’s operation is unnecessarily restrictive, at least in the short to medium term. The government has been clear that the fund is unlikely to be drawn upon until 2020—that is now some 14 years away. I understand that, when the time of drawing on the fund occurs, the desire to have liquidity certainly increases. By the time we roll around to 2020 there will need to be a relatively liquid fund so that it can be easily drawn upon, not risk based capital needing to be liquidated quickly with the prospect of probably not gaining the most satisfactory results in superannuation payments. At that time, having the fund hold the vast majority of its assets in a liquid form is not an unreasonable request. Despite the need to have a greater degree of liquidity in the future, I do not think in the medium term that an investment strategy of the fund should be so restricted. There is a need for investment in infrastructure, an investment in the infrastructure that is necessary to increase productivity and continue to build this nation.

In saying that I believe that, subject to ordinary prudence checks and commerciality considerations, there may be a role for the Future Fund in investments that build capacity, I do not believe that it is necessary to restrict the type of assets the fund can hold to any one class of investment. (Time expired)

Mr CIOBO (Moncrieff) (7.15 pm)—It is a pleasure to follow on in this debate on the Future Fund Bill 2005 from the member for Werriwa and from the members opposite, such as the member for Lilley and the member for Perth, all of whom come into this chamber and espouse the great Labor Party philosophy and the great Labor Party ideals that they would apply to the Future Fund. Of course, it is wonderful that the Australian Labor Party can come into this chamber and lecture the government and the Australian people about the ways that they would improve the Future Fund if only they were in charge. Their standing up and arrogantly proclaiming what they would do with the Future Fund stands in stark contrast to the fact that the Australian Labor Party, when they had the opportunity, left the economy of this country in a state of rack and ruin.

The only reason we are able to have this debate in the chamber today is that a coalition government has delivered—and delivered in spades—for the Australian people
when it comes to good management of the Australian economy. It is all very well for the member for Werriwa to come into this chamber and talk about how the Future Fund is overly restrictive in that area and how the Future Fund should have more liquidity in this area—how we need to focus on building productivity, how we need to ensure that young Australians will have opportunities in different job markets and all manner of different considerations such as these that the member for Werriwa put forward in his contribution. Yet he himself is a member of a political party that racked up, in the 13 years that the Australian Labor Party was at the helm of the Australian economy, some $96 billion of debt. That was the legacy of the Australian Labor Party. That was what was left by the Leader of the Opposition as part of Kim Beazley’s black hole when it came to the last budget that the Australian Labor Party ran.

Bear in mind that $96 billion of public debt as left by the Australian Labor Party is even greater than the liability of unfunded superannuation that this Future Fund is attempting to address. Bear in mind that this coalition government has delivered seven budget surpluses since 1996—and what a stark contrast it is to the nine deficits that the Australian Labor Party ran in their 13 years in office. The fact that, for example, this government has been able to deliver $33 billion back in the black since we came into office in 1996 again stands in contrast to the record of the Australian Labor Party. The coalition government, under the strong stewardship and economic management of the Treasurer, Peter Costello, has delivered $33 billion in the black. What was the Labor Party record? It was $74 billion in the red.

I am fascinated to hear from such erudite people as the member for Perth and the member for Lilley—and no doubt the member for Rankin will make his contribution—about the great things the Australian Labor Party would do if only we would listen to them when it comes to the Future Fund. How do they explain $74 billion in the red as compared to $33 billion in the black under this government? So while the coalition government and the Treasurer, Peter Costello, continue to deliver budget surpluses when most OECD countries around the world are expected to record budget deficits in the year 2004-05 and likely next year, we have the Australian Labor Party, with absolutely no sense of irony, coming into the chamber and telling us how they could do things better. I am very sceptical, as indeed are all Australians. We are very sceptical of the Australian Labor Party, because the Australian Labor Party, as of only about 14 or 15 months ago, stood before us all, straight-faced, and said, ‘The best person to lead Australia, the best person to be Prime Minister, is Mark Latham.’

How interesting that I should follow the member for Werriwa, because the presence of the new member for Werriwa also highlights the fact that the former member for Werriwa is currently up on different charges before the police—assault and I think theft is another one. There is a range of four or five charges. And the former member for Werriwa is the man that the Australian Labor Party was telling us should be Prime Minister of this country! Any wonder that we think that perhaps the Australian Labor Party not only lacks credibility when it comes to economic management of Australia and when it comes to the way in which this Future Fund should be dealt with, but also lacks credibility by virtue of the fact that it is not in a position to comment on economic management in this country because it has demonstrated a complete
vacuum of judgment? How many more times must the Australian Labor Party be shown to be the kind of unscrupulous party it is when it comes to putting forward good recommendations to the Australian people? I make the point that we should apply the same test to the Australian Labor Party when it comes to the Future Fund.

The Future Fund is an initiative of the Treasurer, Peter Costello. It is a very good initiative and one that I am very pleased to highlight to residents in my electorate of Moncrieff, as well as to residents of the city of the Gold Coast and more broadly to all Australians. It is an initiative that is particularly pertinent to younger Australians. It is a forward-looking initiative that ensures that in the longer term, thanks to the good economic management of the Treasurer, Peter Costello, this government is starting to meet those unfunded liabilities that have been racking up for decades under successive governments. This government, through careful economic management, is making a contribution such that we are in a position where we can alleviate some of the burden that will fall on future generations of Australians if we were not to ensure that we fund the current $90 billion of unfunded superannuation liabilities.

The Queensland government enjoys funded superannuation liabilities such that it has a funded superannuation scheme—introduced, I might add, by a coalition government. In the same way that the Labor Party in Queensland today can enjoy the fact that superannuation liabilities there are funded, this coalition government will ensure that the Australian people in the longer term can enjoy funded superannuation for public servants. It is a $90 billion expense, expected to grow over coming years to over $120 billion, but it is a challenge that this government can meet, and we are taking concrete steps forward with this bill. The amazing thing is that the Australian Labor Party stands opposed even to measures like this, which will make such a substantial difference to our wealth and to the tax liabilities that future generations of Australians will need to pay.

We must bear in mind that Australia, like many Western democracies, has an ageing population. The Australian people will see the proportion of the population aged 65 and over continue to grow from approximately 12 per cent in the early 1990s to closer to 27 or 28 per cent by about the year 2050. So we will see a very significant increase in the number of Australians who will effectively be retired, who will have an expectation that the government will provide funded pensions and who will continue to utilise services that we take for granted, such as Medicare. Bear in mind that, as more Australians start to utilise these services as they grow older, there will of course be proportionately fewer Australians working and paying the income taxes that fund these kinds of expenses. Consider the fact that, in combination with this ageing of the population and the draw-down on government services increasing significantly, there will also be a sizeable proportion of the Australian population that is currently employed in public sector roles that will be drawing down on what are presently unfunded superannuation liabilities. In that respect, we must be mindful of the importance of the fact that where possible we need to provide for these superannuation liabilities. That is very much what this bill does.

With respect to the construction of the Future Fund and the management committee that will put it together, we see an injection of initial start-up capital by this government of approximately $18 billion. This $18 billion flows from previous budget surpluses as well as proceeds of any future asset sales that this
government will make. I heard the member for Werriwa talking about the fact that he thought it was a little unclear as to what the government’s policy might be with respect to the sale of Telstra and whether or not proceeds from the sale of Telstra will flow directly into the Future Fund or whether there might be a transfer of assets into the Future Fund in the form of Telstra shares. Apart from highlighting the hypocrisy of the Australian Labor Party when it comes to the privatisation of Telstra, given their track record when it comes to privatisations, I would simply say to the member for Werriwa and to all members opposite that at least this government, in privatising former national assets such as Telstra, is putting the money aside for a proverbial rainy day. At least this government is not squandering the millions of dollars that will be raised—and indeed, when it comes to Telstra, the billions of dollars that will be raised—by chewing it up as part of that particular year’s budget.

This was the legacy of the Australian Labor Party. When the Australian Labor Party privatised Qantas and when it privatised the Commonwealth Bank, that money was not set aside. That money was not used to pay down debt. That money was not used to ensure that we were paying less interest. That money was used in the budget of that year so that the Australian Labor Party could continue on with their merry and reckless way of spending taxpayers’ money—not in an educated way but simply in some mad scramble to try to improve the budget bottom line. That is the legacy of the Australian Labor Party—to spend national assets for short-term gain, to rid our nation of jewels so that they were not leaving a $20 billion budget black hole but were able to raise the budget bottom line to Kim Beazley’s $13 billion. That is the legacy of the Australian Labor Party.

I find it extraordinary that the member for Werriwa would come into the chamber and say: ‘I’m a little concerned about the sale of Telstra. I’m a little concerned about the fact that we are putting assets into a Future Fund.’ I say to the Australian people: it is fantastic. I say to my constituents: isn’t it good that this government, when privatising a company—moving it from the half-pregnant, half-public/half-private ownership model that we currently have with Telstra into a private sector form of governance so that the government is not conflicted by being both the majority owner and the regulator—can at the same time provide the benefit that future generations of Australians will be able to enjoy with these assets not only accruing in value, not only earning interest and dividend income, for example, but actually being used to meet future liabilities? These are issues that I am very pleased to talk to my constituents about, and the feedback that I receive from my constituents highlights the fact that they are very pleased that this government has the wherewithal to ensure that we continue the good, strong economic management that the Treasurer, Peter Costello, and all members of this government are renowned for.

With respect to the Board of Guardians, the board will have statutory responsibility for managing the investments of the Future Fund. I have heard previous opposition speakers call into question the qualifications and the operation of the board. I am willing to bet that it probably would not matter who was appointed to the board—they would do a better job than the Australian Labor Party would. What is more, the board that will govern the Future Fund has one single greatest threat, in my view—and that single greatest threat would be the election of the Australian Labor Party to government. The Austra-
lian Labor Party have already indicated that their policy is not to continue with the Future Fund. The Australian Labor Party will turn their backs on future generations of young Australians. The Australian Labor Party will ignore the hard work of this government that has built up assets for the Australian people. The Australian Labor Party, if they have the opportunity of getting elected to government, will raid this Future Fund. Once again we will see the tried and true form of the Australian Labor Party as they undo all the good work and years of strong economic management that the Treasurer, Peter Costello, has put into growing this Future Fund. They will raid the Future Fund, no doubt to try to prop up some budget deficit that no doubt they will accrue again in the future.

The Australian Future Fund is an important fund because it is about recognising that in the future the Australian people may not always enjoy the economic sunshine that the Treasurer has been able to bring about through economic management that is both sound and strong. The Future Fund is an important initiative that will help to ease the tax burden. By easing that tax burden, we will continue to ensure that this government, through the delivery of budget surpluses, is in a situation to provide money back to the Australian people. This government has delivered a number of tax cuts over its past 10 years in government. That stands in stark contrast to, as I am sure you would recall, Mr Deputy Speaker, the l-a-w law tax cuts that the Australian Labor Party said they would institute. This government actually brings about tax cuts, but the Australian Labor Party stand up and promise the people that tax cuts are l-a-w law and then turn their back on them. Once again, Mr Deputy Speaker, I would suggest to you that the Australian people are actually quite intelligent when it comes to determining who is real and who is phoney and when it comes to the way in which we deal with their money and the way in which we provide for the future of the Australian people.

I commend the Future Fund Bill 2005 to the House. I commend the fact that, through careful economic management, by delivering seven budget surpluses since 1996, through raising $33 billion in budget surpluses and by an injection of some $18 billion into the Future Fund, this government is able to take the pressure off future generations and, what is more, is able to provide some certainty to those in the Public Service Superannuation Scheme, which will be looking to draw down on this fund in the future. I commend the bill for ensuring that we have in place adequate management safeguards while at the same time ensuring that we have a fund that is able to build up capital and income as a result of varied investments.

I challenge the Australian Labor Party to recognise that they are not credentialed when it comes to the economic management of Australia. The Australian Labor Party do not have the credentials to determine the manner in which the Future Fund should be operated. Furthermore and most importantly, I challenge the Australian Labor Party not to raid the Future Fund, to use it to prop up the bottom budget line from some future deficit budget that they are likely to run, but rather to leave the Future Fund in place so that it can continue to earn income and fund those $90 billion of unfunded superannuation liabilities. The Future Fund, as an initiative of the Treasurer, Peter Costello, is a very good initiative, one I am very proud to support and one that I certainly know the Australian people are very grateful to see taken. I commend the bill to the House.

Dr Emerson (Rankin) (7.33 pm)—The member for Moncrieff gave the same old
speech, but on a different topic, that the devil incarnate, as far as the member for Moncrieff is concerned, is the Australian Labor Party. That is his theme and then he builds a few details around it. I wish he would spend a little bit of time doing some decent research to come up with something productive in the debate. He sought to assure the parliament that there are going to be, as a result of the Future Fund Bill 2005, ‘adequate management safeguards’. I have had a look at the management arrangements in this legislation. Any such safeguards can be undercut by the ministers responsible issuing the investment mandate. I remind members of the parliament that this is a collection of ministerial directions to the board regarding the investments of the fund and that these directions are not disallowable. So much for ‘adequate management safeguards’! You could drive a Jordonian truck through these management safeguards, but in fact you probably would not be able to because that particular trucking company does not have any trucks, such is the cost-cutting competition for trucking in the Middle East. I wonder whether these particular ‘safeguards’ might be so wide as to allow the government to invest in the future in Jordonian trucking companies; it has certainly done that in the past. So much for ‘safeguards’ and so much for the noble cause of investing in Australia’s future!

This government has shown every capacity in the past to manipulate government spending programs and government savings for its own electoral advantage. We know that from the $400 million of infrastructure rorts and from the dredging of the mouth of Tumbi Creek, which had already been opened by rain—‘Never mind, we’ve got to get this marginal member re-elected so we’re going to dredge it even though it’s open.’ That is the standard that has been set by this government in its ‘adequate management safeguards’. The so-called Charter of Budget Honesty has led to unprecedented dishonesty in the budget papers. Nowadays they are unintelligible—deliberately so. The move to accrual accounting has been nothing but a smokescreen to make it impossible to read budget papers, so we get this standard of so-called ‘adequate management safeguards’.

The government has built surpluses—that is a matter of record—but it is worth examining how it has built the surpluses that will go into this Future Fund. It has built them on the backs of working Australians. It is the highest taxing government in Australia’s history, with very high levels of income tax in this country then supplemented by a $38 billion goods and services tax, the orphan tax. The day the goods and services tax was born was the day that this government disowned it and said that the GST, although it was passed by this parliament, is not a Commonwealth tax. The Auditor-General says it is a Commonwealth tax and the Australian Statistician says it is a Commonwealth tax. The only people who continue to assert that that $38 billion GST is not a Commonwealth tax are the Howard government. It is the highest taxing government in Australia’s history, yet it then purports to have achieved spending restraint.

Let us have a brief look at the government’s record on spending restraint. There was one budget in which it cut spending. In the 1997 budget there were very substantial cuts in government spending. But which programs were cut? Training programs were slashed. Is it any coincidence that Australia now has acute skills shortages? The training programs were an investment in Australia’s future. The government cut that investment in Australia’s future, creating acute skills shortages which are now operating as a constraint
on our economic growth prospects and putting extra pressure on wage inflation.

What else did the government cut? We have heard many members of the government talk about the so-called I-a-w law tax cuts. Let us examine what actually happened. The first tranche of those tax cuts was brought forward. It was delivered not on time but ahead of time. The second tranche was converted into superannuation that would have lifted Australia’s superannuation adequacy to 12 per cent, which is a very reasonable figure—perhaps not all the way to 15 per cent, but to 12 per cent. The government went to the 1996 election promising in writing to deliver that superannuation contribution, which was such an investment in Australia’s retirement incomes, on time and in full. It did nothing of the sort. Instead, it abolished it. And that is why the government achieved spending restraint in the 1997 budget. The consequence of that is that we now have a situation of inadequate retirement incomes. Cancelling superannuation contributions that had already been included in the budget that it inherited was one of the most vandalistic acts of any government.

So when the government talks about spending restraint, the two key areas in which it cut spending were training, manifesting itself in acute skills shortages, and superannuation—a great investment in Australia’s future, a great investment in retirement incomes and a great investment in Australian infrastructure and productive assets. The government abolished that, despite promising in writing in 1996 that it would not do so. So the government’s record on spending restraint is to cut the most vital investment programs imaginable.

Since then, there has been virtually no spending restraint. Instead, the government has relied on taxing and taxing and taxing the Australian people almost into submission. The Australian tax system is crushing incentive. It is crushing the incentive to move from welfare to work. It is crushing the incentive for middle-income earners to go for a promotion or to work overtime. One million taxpayers are now confronted with a 42 per cent marginal rate and, within the next three years, another 400,000 taxpayers will go into that 42c tax bracket. If you look at Australia’s history of cutting high income tax rates, that task has been done by the Australian Labor Party. The highest top marginal rate of income tax of more than 62 per cent was delivered in the late 1970s by the then Treasurer and now Prime Minister of this country. Labor cut that rate and it is now down to 47c in the dollar. It was Labor that reduced those punitive income tax rates, and this government has allowed bracket creep to collect more and more tax.

In 2000, the government introduced the GST and said: ‘What jolly good fellows we are! We’ve delivered the greatest income tax cuts in Australia’s history.’ Weren’t those cuts compensation for the GST? The government says, ‘We gave back all this bracket creep.’ Wasn’t that compensation for the GST? The government has tried to count the same tax cut dollar in three different ways: as the biggest tax cuts in Australia’s history, as handing back bracket creep and as compensation for the GST. You can count it once, but not three times. We now have taxes going through the roof because the government has not restrained spending. So we now ask: why is the government accumulating surpluses? It is accumulating surpluses because of those tax increases and because Australia is enjoying the best mineral commodity prices in at least 30 years and perhaps 50 years. Australia is enjoying the most favourable terms of trade—that is, the price of our exports in
comparison to the price of our imports—in 30 years and probably 50 years. This is the result of two forces: China, and increasingly India, has an insatiable appetite for Australia’s mineral products and we are bringing into Australia very cheap Chinese manufactured goods. These very favourable terms of trade have added $40 billion to Australia’s national income in the last few years. This is swelling the government’s coffers through company income tax and very high rates of personal income tax on people who are becoming wealthy as a result of the resources boom.

But resources booms have a habit of busting—or certainly of deflating. We must ask: where is this government’s investment program? Where is this government investing in Australia’s future productive capacity so that we do not have to rely indefinitely on the luck of high mineral prices as this government returns Australia to a quarry and a farm? Our luck ran out in 1986 when the then Treasurer, Paul Keating, warned of Australia becoming a banana republic. The government has taken us down that road again, relying on Australia as a farm and a quarry.

Under a very deliberate policy of the previous Labor government to insure against a minerals commodity bust, the volume of Australia’s sophisticated manufactured exports grew by 11 per cent per annum in the 10 years prior to the change to a coalition government. In the 10 long years this government has been in office, the volume of sophisticated manufactured exports has grown not by 10, nine, eight or seven per cent per annum but by one per cent per annum—compared to 11 per cent per annum under Labor.

So this government has no investment program to diversify our export base. As a consequence, despite the highest mineral prices in at least 30 years, we have Australia’s worst trade performance since the Second World War. We have a current account deficit that has passed seven per cent of GDP. Compare that with the 6.3 per cent of GDP that prompted Paul Keating to warn of the dangers of Australia becoming a banana republic.

This government said that it would follow policies that would bring down the foreign debt. The Prime Minister said that in launching the debt truck in 1995. At that time foreign debt was $180 billion. It has now more than doubled. It is now $430 billion as a result of the policies of this government. And it says that it is a responsible economic manager! It has presided over an economy where foreign debt has increased from $180 billion to $430 billion.

The government has failed to invest in the country, and nowhere is this showing up more clearly than in relation to productivity growth. Today’s productivity growth is tomorrow’s prosperity. Productivity growth as a result of the economic reform program embarked upon by the Hawke and Keating governments averaged 2.05 per cent over a 10-year period. The Intergenerational report, released by the Treasurer in 2002, warned of the dangers of Australia’s productivity growth slipping back from 2.05 per cent to 1.75 per cent. It actually forecast that from the end of 2005 this would happen and Australia’s productivity growth would slip back to its 30-year mediocre average. Well it has, but it has kept going backwards. It has not slipped back from 2.05 per cent to 1.75 per cent, or to one per cent or to half a per cent or even to zero. Australia’s productivity growth slipped into reverse gear at the beginning of 2004 and has been stuck in reverse ever since.
If today’s productivity growth is tomorrow’s prosperity, then today’s negative productivity growth bodes very badly for Australia’s future. Indeed the projections contained in the Intergenerational report, even at a productivity growth of 1.75 per cent, combined with the ageing of the population, would give Australia its slowest rate of economic growth per person in the decade starting 2010 since the decade of the Great Depression. It must be a sobering thought for every Australian that we face the prospect of a decade of economic growth per person that is the slowest since the decade of the Great Depression, and that is based on productivity growth assumed at 1.75 per cent, whereas at present it is negative. There is no immediate prospect of productivity growth turning positive, because the government does not have a productivity-raising reform agenda. Instead it is focused completely on labour market deregulation, as if working Australians will become more productive if their jobs are less secure. Have you every heard anything so ridiculous?

Orthodox economists like Professor Mark Wooden have pointed out the folly of this government’s industrial relations program. It will not deliver productivity growth. It will deliver further negative growth in Australian productivity and lead to a very sombre outlook for the decade from 2010 onwards. So despite the best terms of trade in almost 50 years, and despite $40 billion being injected into Australia’s national income from those high mineral prices and cheap manufactured imports, we have this very sobering outlook.

What Labor is saying in relation to the Future Fund is invest in Australia’s future, invest in a nation-building program to lift our productivity and our national prosperity. We need to invest in Australia’s intellect, in the youth of Australia, and give every young Australian a decent education. All of the international and national research shows that the most powerful, indeed the dominant, source of productivity growth in the 21st century is investment in people’s capacity, in their human capital, in their education and in their skills. What has happened? The year 12 retention rates have failed to rise significantly at all under this government. The number of children who are not completing a decent education is still at an alarming level. Australian literacy levels have not improved in the last 25 years.

There are estimates from the OECD indicating that one in five Australian adults is functionally illiterate. In relation to university education, last year for only the second time in 50 years the number of Australian students going to university actually fell. The figures are still coming in for this year but there is a fair prospect that it will fall again—that is, only three times in the last 50 years has that happened, because cash-starved universities are relying on full fee paying foreign students. All the growth in Australian university enrolments since 1996, since the change in government, has been accounted for by full fee paying foreign students. There has been no growth in enrolments by Australian students. Now the government has moved to full fee paying Australian students, and young people are saying that it is just not worth it. This government accuses Labor of being snobs about a university education. Every young person in this country who works hard and who has talent should be entitled to go to university and not be locked out of a university education by high fees.

We have a situation where China and India each year are producing 2½ million university graduates. We are down to around 150,000 graduates, and falling. The former Minister for Education, Science and Training,
now the Minister for Defence, said that under this government, if it gets its way, within 10 years there will be further reductions in enrolments for Australian students. That is not investing in our future. Australia is one of only two countries in the Western world where increases in private funding in universities have not been complemented by increases in public funding but have substituted for it. So as the rest of the world is whizzing by here we are: not only standing still but going backwards.

On the second ‘I’, investing in ideas: where is the investment in Australian innovation? The other big decision that the government made in the 1997 budget was to cut the 150 per cent R&D tax concession to 125 per cent. Australian business responded accordingly by cutting its investment in research and development in this country.

This government has a program called Backing Australia’s Ability. It is best understood as ‘Backending Australia’s Ability’. The government is pushing out any investment into the future because it wants to pay the superannuation liabilities of public servants. It considers that to be a higher priority. It has failed to invest in our infrastructure. I do not only mean ports, roads, telecommunications, broadband roll-out; I mean our social infrastructure—our schools and medical facilities—to attract creative people to regional areas so that we can build on our dynamic regions and create a new engine of growth in our dynamic regions.

This government has failed to invest in initiative, to get the tax burden off the backs of those who want to move from welfare to work; those who want to improve themselves, do some extra overtime and go for the job promotion. They are confronted with very high rates of personal income tax, all in order to generate these surpluses that go into the Future Fund that the government in the end will control.

This government has no vision, no imagination—none whatsoever. It has a narrow-minded view that all it should do is put some money aside for Australian public servants. This government has an appalling investment record and should be condemned for it. (Time expired)

Mr JOHNSON (Ryan) (7.53 pm)—I am pleased to be back in the people’s House, this great democratic chamber of the Australian House of Representatives, to speak on bills and issues of importance not only to my electorate of Ryan but to the wider nation that I am so proud to be part of as a migrant Australian. At the very outset in this new parliamentary year I want to absolutely reject what the former shadow minister, the member for Rankin, has spoken of. The first thing that Australians have done to invest in their future has been to vote on four successive occasions for a coalition government. That is an investment in their future, not some Labor Party government that would take them into high interest rates, high unemployment and massive debt. The Australian people invested in their future in 1996 when they voted for the Howard government.

The member for Rankin spoke about the Howard government being a high-taxing government. But I recollect that in last year’s budget the federal Labor opposition did not want to support the Howard government’s tax cuts for all Australians. And I recollect that the member for Rankin did not vote for $21.7 billion worth of tax cuts. So this claptrap that the Labor Party, particularly the member for Rankin, talks about—that the Howard government is a high-taxing government—is absolutely rejected by this side of the parliament. To use an analogy from the Treasurer in today’s question time, like a reliable mo-
The Australian economy remains strong, robust and dynamic because of the management, the stewardship and the leadership of the economy in coalition hands. The driver of this economy is wearing a coalition badge. Thankfully, it is not the member for Rankin, it is not the member for Werriwa and it is not the current member for Brand.

The Howard government is committed to strong and sensible economic policy and the Future Fund Bill 2005, which I am pleased to speak on, is very much part of this package of good policies, of vision, of measures that will put this country in a very strong position for the future. The Howard government is committed to policies that keep this budget in surplus, that keep unemployment low and that keep interest rates low. All this is the envy of the world. We are the envy of developing nations and we are the envy of developed nations. This government is pro jobs and pro families. All this adds to a prosperous economy, a society and a community that Australians are all proud of. We are for the future. We are for the Future Fund. This is a commitment of the Liberal and National parties in coalition.

As I said, it is a pleasure to be back in the House in this new year, 2006, and to start off the year’s debates and presentations by speaking on a very important bill, a very fundamental bill for the future of this country, in particular for the future of young Australians, who will have a more secure future financially and economically.

This government, as has been alluded to in speeches so far, is approaching its 10 years in office. In that 10 years it has done some remarkable things in the interests of this nation. Of the $96 billion worth of debt created by the Keating government, some $90 billion has been repaid—incridible stuff, which is going to secure the future of this country, particularly, as I mentioned, of younger Australians.

The Future Fund Bill 2005, which I am pleased to speak on, is an example of what this government is doing. This government is all about addressing major issues, major policy challenges. One of the biggest policy challenges that we have is how to address this matter of unfunded public sector superannuation. The Future Fund will do that. The Future Fund is a mechanism, a vehicle, with which we can address this very critical issue.

For 13 years employers in Australia have been legally obliged to put aside a percentage of their staff salaries into a superannuation fund to ensure that employees are secure in their economic futures. Yet, somewhat remarkably, public employees have received no such guarantee. The government is currently relying on an ad hoc pay-as-you-go superannuation system. While this system works when the budget is in surplus and the economy is strong, there is no doubt that it becomes somewhat of a challenge when the economy faces weaknesses. We want to prevent any future weaknesses that might confront the economy from damaging the economic livelihood of Australians.

I think that most public servants have seen how quickly an irresponsible and incompetent Labor government can send this country into debt, indeed into near bankruptcy, as the years have proved when Labor has been in office. They are rightly concerned about how a Labor government—any Labor government, led by any member of the opposition—that gets back in power would be in a position to completely destroy their prospects. The collective sum of these entitlements is a massive amount of money: $140 billion of accumulated entitlements by 2020. This country, this government, must do something about that, and we are doing something about
it. This is a further reassurance to the Australian people and why we have the confidence of the people—because we are seen to be acting, and we are acting in a very appropriate manner.

In such a scenario the government of the day would be forced to increase taxes, cut spending in other vital areas or go into deficit. Quite clearly, from this side of the parliament, they are all untenable policy options. This fear is especially justified when figures show us that, while at the moment there are some nine people paying taxes for every one person in retirement, with an increasingly ageing population this ratio will drop to just four working Australians for every one person in retirement by 2040. The Future Fund will cover this $140 billion liability, creating a fully funded public superannuation scheme without having to raise taxes or drive the budget into deficit. It allows the government to put money away in case of a rainy day so that Australians can be reassured that their economic futures are better secured.

We all know that the Labor opposition are on the record as attacking the idea—none more so than the member for Melbourne, the shadow opposition finance spokesman. In only December last year he questioned the need for the Future Fund, saying, ‘It is difficult to see why it is necessary to specifically fund future public sector superannuation liabilities,’ and calling this fund a ‘honey pot’. That is remarkable when in a few years time there will be $140 billion of entitlements due. All that the shadow minister in the responsible area can say is: ‘Why do we need to have it?’ It is just remarkable. Quite simply, the federal Labor opposition cannot be trusted with the future prosperity of this country and with the management of this economy. This was never more reflected than by the Australian people’s commanding result and commanding voice at the last election in 2004 when they spoke emphatically and decided not to trust the former member for Werriwa and the Labor Party in government; it was just too much of a risk.

Today the sun is shining on the Australian nation and the Australian people. We have a very strong economy, we have low unemployment rates and we have strong budget surpluses, but we do have this lurking issue of the ageing population, which all my colleagues on this side have referred to and some of the speakers on the Labor side have also acknowledged. This is an issue of immense importance. I was pleased in my first speech in this chamber when I was elected in 2001 to refer to it. I drew the attention of the House and the electorate of Ryan, which I have the great privilege of representing, to the significance of this issue of the ageing population. How this government and future governments manage and lead on this issue of the ageing population will shape the future prosperity of our country.

Quite frankly, I am not yet sure that the Australian public fully appreciate the gravity of this issue and the implications of an ageing population. I encourage all my colleagues on this side of the chamber, as well as those opposite, to continue the good and important work of drawing the public’s attention to this issue of the ageing population and what it means in particular for younger Australians. We do not want working Australians in the future to be saddled with enormously high taxes to sustain the current high quality of services that we deliver to the wider community at the moment. One thing I will say and predict in this parliament today is that Australians of my generation will be in for a very big shock if we think that nothing needs to be done to address this important issue. The government and all those in this place, as I
will reiterate, have an abiding responsibility to educate and emphasise the importance of this issue for future Australians.

The Future Fund Bill establishes an initial deposit of $18 billion from the 2005-06 surplus. It will allow for deposits in the future both from surpluses and from the sale of any government assets. This includes the possibility of placing government shares in Telstra into the fund. Importantly, though, it does not set out any obligation on the government to deposit funds—which is quite unlike the equivalent New Zealand Superannuation Fund. Therefore, in times when such an allocation of funds would be inappropriate, such as if the budget was in deficit, the government is not obliged to contribute to the fund.

The fund is a financial asset fund, meaning it will invest in financial assets such as shares and bonds but not directly in property, art or infrastructure—although it may invest indirectly in infrastructure projects through listed infrastructure vehicles. Although it is expected that the fund will invest in appropriate Australian companies, it must be said that no legal mandate exists for it to do that; it is not compelled to do that. In accordance with international best practice, it is expected the fund will also invest heavily in overseas markets to spread its risk and also to avoid possible distortion of the Australian market.

I now want to refer to the Board of Guardians. The bill establishes important controls over the management of the fund. One very important control lies in the quality of the Board of Guardians. I have heard in presentations by Labor speakers preceding me that this fund is going to be accessible almost at whim by the government. That is just absolute nonsense; it is claptrap. Why speak in such language when it is just not true? There are controls in place. The purpose of this piece of legislation is to ensure that there is a significant amount of money in place for a very specific purpose—to meet unfunded superannuation liabilities of $140 billion plus. It is absolutely absurd to suggest that the government, in coming up with this initiative, is in fact keeping its money aside for ulterior purposes. Why create the fund in the first place if we are going to use it as a honey pot? That is absolutely not the case. This has a very specific purpose, and to protect the integrity and legitimacy of the Future Fund controls have importantly been put in place.

The first is the Board of Guardians. A seven-member panel of eminent Australians, including a chairman, the Board of Guardians will be independent of the government and will be responsible for the fund’s investment decisions. The bill sets out an investment target of around 4½ per cent to 5½ per cent per annum for the guardians and also allows for the government to present the board with a broad investment mandate. The guardians themselves will be responsible for the particulars of all investment decisions. By protecting the guardians’ power in law and recognising their control over investment decisions, the Howard government is ensuring the Future Fund cannot be raided or used as a ‘honey pot’—to quote the shadow finance minister, the member for Melbourne. We are not in the business of fiscally irresponsible practice, as the Labor Party has been when it has been in office.

The CEO of the Investment and Financial Services Association, Mr Richard Gilbert, has recognised the government’s efforts in maintaining a separation between the government and the administrators of the fund. He stated:

It is critical that the Future Fund operate at arms length from government and it appears that the legislative foundation will achieve this.
The guardians will be assisted by a new statutory agency, the Future Fund Management Agency, which will provide operational support for the guardians. The Future Fund Management Agency will be self-funded, drawing directly from its capital for its day-to-day running costs so as not to put a strain on future budgets. It will be based in Melbourne and is expected to employ some 20 people.

The bill provides provisions to ensure the Future Fund is secure and legitimate and that its integrity remains in place. The Future Fund cannot be accessed until it is sufficient to cover the public superannuation liability or until 2020. This allows the guardians to plan an investment strategy across a longer term without the fear of future governmental interference.

The fund will be absolutely transparent and accountable. This is completely consistent with the entire purpose and motivation for the creation of this fund. I want to take this opportunity to quote from the Treasurer’s budget speech last year for the benefit of those opposite, because quite clearly they were asleep when he was giving his presentation or they have not taken the liberty of reading it and listening to its very wise words. For their benefit—and this might assist future opposition speakers in not making geese of themselves when they come into this chamber to give their presentations—this is what the Treasurer said on this issue of transparency and accountability and the entire purpose of the bill:

It will begin to fund the liabilities we have already incurred but not yet made provision to pay for. Earnings will accumulate in this fund and it will be safeguarded by legislation. Whilst the fund will invest the money allocated to it, no government will be able to draw money out of it until it is sufficient to meet all the unfunded liabilities to which it is dedicated. A statutory independent board will be created to manage the fund.

This is quite simple, even for some of those sitting opposite. I am sure—I would like to think very much—that they understand the very simple language of the Treasurer in explaining the essence of the Future Fund. I draw attention to this for the benefit of those Labor speakers following me.

As I have alluded, we all know that Labor stands on the opposite side to the government on this bill. I am at a loss to understand why. In my electorate I have had the opportunity to discuss this bill with businesspeople and everyday Ryan residents, and they see complete sense in it. They see absolute logic in this bill and they see the importance of it. They see it as a protection for future Australians—for their children and grandchildren. I cannot see any reason whatsoever why the federal Labor Party would oppose such an important initiative.

Again, I draw the House’s attention to the comments of the shadow minister for finance, whose responsibility is to comment prudently and wisely on this sort of topic and yet he comments that it is difficult to see why it is necessary to specifically fund future public sector superannuation liabilities. Once again, I say that this legislation funds $140 billion worth of unfunded superannuation liabilities. Once again, I say that this legislation funds $140 billion worth of unfunded superannuation liabilities. It is as simple as that. The member for Melbourne has once again revealed his complete misunderstanding of the purpose of this bill. I only hope that those around him might be able to bring him to an appreciation of this piece of legislation.

The track record of those opposite tells us that they have no integrity whatsoever in the stewardship of the Australian economy. Australian taxpayers continue to pay off a debt that totalled $96 billion when we came into office in 1996. Fortuitously, a very impres-
sive government was elected to address that important issue; otherwise, Australians today and in the future would be saddled in an untenable way. Australian taxpayers continue to pay off this enormous debt, and the multibillion dollar surpluses and the ability to save for the future are luxuries afforded only by a coalition government.

The five Labor budgets preceding 1996 were each in deficit to the tune of an average of nearly $14 billion. In contrast, in 2005 the coalition government brought down its eighth budget surplus in nine years. It is a remarkable achievement by a very good government—a government that has a right to be proud of 10 years in office come March this year. If we continue to work together, to appreciate that it is a privilege to be in government and to realise that we are here in the interests of the Australian people, then we will continue to have the confidence of the Australian people. I commend this bill to the parliament very strongly. In this new year of 2006 I wish all my colleagues a very good year.

Mr BOWEN (Prospect) (8.13 pm)—The Future Fund Bill 2005 represents the government’s proposal on how to spend the proceeds of government surpluses built up over recent years. Government members—and the honourable member for Ryan is no exception—talk about the government’s economic record in laudatory terms, and that is what you would expect; but the $18 billion which is the seed funding for the Future Fund represents the proceeds of the government’s fiscal cutbacks and privatisations over the past 10 years. It is not some magic formula; it is not some economic genius. Surpluses come from taxing more and spending less, and that is what this government has done.

We have, of course, seen the privatisation of 49 per cent of Telstra as well as the privatisation of most of Australia’s airports, the Australian National Line, Auscript, ADI, Commonwealth Funds Management and various other organisations. And we have seen the government’s financial cutbacks. Just a quick glance at this list of cutbacks is instructive. When the government came into office we saw the abolition of the Commonwealth Dental Scheme, which produced a saving of $110 million; the abolition of Better Cities, a saving of $150 million; cutbacks in syndicated research and a reduction in the R&D tax concessions, savings of $2.2 billion; and various other cuts. So this is very much the people’s fund, built by the sacrifices and hard work of the Australian people and by the sale of organisations which have been in the ownership of the Australian people in some cases for 100 years.

The responsibility for ensuring that this is put to only the most worthy causes and is administered properly is a very onerous one. Some say that the money accumulated by the government would best be spent in other ways and not put into a fund. For example, some say that it would be best spent on tax cuts. This is the view of the Australian Chamber of Commerce and Industry and the National Farmers Federation. I disagree and my party disagrees with this view. The proceeds of privatisation in particular must be ring fenced to ensure that they are not used on short-term measures. It is very unsound economics to take one-off cash injections such as from the proceeds of privatisations and spend it on recurrent items such as tax cuts or on recurrent expenditure. The principle of a fund being established, ring fenced and managed in a prudent manner in a commercially sound way and the proceeds being used on matters of national importance is a sound one, and it is one which Labor supports.
There are, however, a number of concerns about the Future Fund Bill 2005. The primary concern that I personally have is the use of the dividends from the fund’s investments. The government has identified its unfunded superannuation liabilities as the most pressing fiscal burden facing the nation over the coming 20 years and, accordingly, the only thing which the proceeds of the fund can be spent on. I believe that it has got that decision wrong. The shadow minister for finance, the member for Melbourne, has likened it to putting aside money to pay your council rates for the next 20 years while there are other more pressing and urgent expenditures that you could be using the savings for. The government’s unfunded superannuation liabilities are certainly very large. However, they have been successfully and sustainably funded annually from the budget each year, just as they are by the state governments. This is not just my view; it is also the view of the Australian Government Actuary, who said:

At the present time, there seems no reason to suppose that the future expenditure on superannuation for Commonwealth Government employees will place an unsustainable burden on the budget. It is presently around three percent of total government expenditure, and less than 1% of GDP. Moreover, as a percentage of GDP it is expected to fall in the next few years, and to stabilise at a rate which is less than half the current rate.

The government has closed most of the defined benefits superannuation schemes which have been in existence for many years, so it stands to reason that the liability will fall over the next 20 years. I also agree with Alan Wood, the economics editor of the Australian, who has written:

As Costello must know, the unfunded liabilities of Canberra’s public servants are not a problem.

And I agree with Ted Evans, the former Secretary of the Treasury, who wrote:

... the ability of future generations, and their governments, to meet the needs of their day will be entirely dependent upon the size of the economy they command at the time ...

The proceeds of the investments of the Future Fund could be spent on things which actually enhance our economic capacity as a nation. The government could, for example, have earmarked the proceeds of the Future Fund to be spent on education. It could have said, ‘The most important resource for the future is our children and we will use the proceeds of the Future Fund to ensure that we have the world’s best education system.’ That would have been a decision of some vision. That would have been something which the Labor Party would have welcomed. That would have been something which I think everybody in the community would have welcomed. It could have said, ‘We will use the proceeds of the fund to ensure that we have the world’s best preschool system, that we have the best education for people before they go to school in the world.’ That would be something which every educational expert in the world says would be a very good thing—the best contribution that we can make to improving the education of our children. That would have been a decision which, over time and over the long term, would have increased the economic capacity of our nation. It would have been a decision of vision, but it is not the decision that this government took. Alternatively, the government could have taken the decision to invest the proceeds of the fund in infrastructure. That would have been a decision which definitely would have improved the economic capacity of our nation.

We are faced with the situation now that this government and this nation have the best terms of trade that we have had in 50 years. However, we are running a trade deficit. If
we had the terms of trade now that we had in 1986, the time of our last current account crisis, the current account deficit would now be well over 13 per cent of gross domestic product—clearly an unsustainable rate. The other interesting point is that we are one of the very few primarily commodity-exporting nations in the world that is currently running a trade deficit. Countries like Norway and Brazil have managed to capitalise on the record terms of trade, which are being driven by the Chinese expansion, and to turn in trade surpluses. Yet this government has failed miserably in the area of trade and exports. There is no single solution, there is no magic bullet when it comes to improving our export performance, but it is clear that one of the major causes of our poor export performance is poor infrastructure. The government itself says this. Not untypically, it attempts to blame state governments for the lack of infrastructure, but it admits that one of the primary causes for our absolutely abysmal export performance is poor infrastructure. Again, this government could have taken the visionary approach. It could have determined that the proceeds of the fund be spent on infrastructure projects. I am not talking about, with all due respect to you, Mr Deputy Speaker Scott, the dodgy National Party pork-barrelling that we often see. I am not talking about that sort of infrastructure project. I am talking about projects of national significance.

Last year the Treasurer came into the House and tried to tease the Leader of the Opposition by saying that the view of the Leader of the Opposition was that some of the proceeds of the investments in the Future Fund should be spent on the Pacific Highway. The Treasurer made a joke out of that. Of course, the families of those who have lost their lives on the Pacific Highway do not regard that as a laughing matter. Furthermore, the Pacific Highway is the major freight route between Sydney and Brisbane. The road is not only notoriously dangerous but also notoriously slow and inefficient. I would have thought the economic benefits of an upgrade would be obvious. We have seen the economic benefits of a major piece of infrastructure in Western Sydney with the M7, the Western Sydney Orbital—which, I must say, was built in my electorate and surrounding electorates through cooperation between the federal government and the New South Wales government. This has substantially reduced freight travel times and also the cost of freight, even with what is a substantial toll.

Major infrastructure projects such as this would, in my view, meet the test of having the long-term economic success of the nation in mind. These projects would be worth while to fund out of the proceeds of the Future Fund—a fund, as I said in my opening remarks, that will be built through the sacrifices and hard work of the Australian people. It is their fund; it is not the government’s fund or anyone else’s fund.

The second area of concern regarding this bill is the amount of independence of the guardians of the fund. Here, again, the government could do better. It could adopt the model that the New Zealand government has formulated in the New Zealand Superannuation Fund. In New Zealand, the finance minister can give a ‘direction’ to the guardians, but any direction must not be inconsistent with the guardians’ duty to invest on a prudent commercial basis, which is in contrast to this bill where the funding strategy can be directed by the minister, who may take into account ‘broader policy and national interest considerations’. In New Zealand, any directions must be tabled in parliament and the guardians must have regard to any ministerial
directive but are not obliged to follow it. That would have been a better model than this one.

The government say they are at arm’s length—both the Treasurer and the Minister for Finance and Administration have been at pains to stress that. They do not say they will exercise ministerial control, but this bill gives them the ability to do so. It is hypocritical for the government to suggest they are at arm’s length while at the same time they are giving themselves the opportunity to direct the guardians on how to invest the money.

My third concern with this bill is what I fear will be the government’s uncontrollable urge to shove large amounts of money into the pockets of investment consultants. There is no doubt that there will be a huge amount of money under the management of this fund, and some consultancy advice would be appropriate. As always in these matters, the test will be one of what is reasonable. This government has form. Last year it spent $360 million of taxpayers’ money on consultants and well over $100 million on private sector recruitment agencies. It has an addiction to spending large amounts of money on private sector consultants because it has an ideological aversion to establishing the necessary skills for such tasks in-house.

The member for Ryan referred to the agency that will be established to manage this fund and which eventually will control funds equivalent to some 10 per cent of GDP, and he said it will have just 20 staff. The reason this agency can have only 20 staff is that it will be putting the funds under the control of private sector consultants. Again, I must stress that I am not opposed to private sector consultants, but the test is one of reasonableness. How much would it be reasonable to spend and to what degree should the government bring those skills in-house? I am not alone in these concerns. Barrie Dunstan wrote in the Australian Financial Review:

The government has also determined the fund must use investment managers ... Before this was spelled out in the legislation several people in the industry had been assuming the Future Fund would operate much like some of the other very large government sector funds, with an internal investment staff to handle some of the investments as well as dole out mandates to external managers. Frankly, I find it extraordinary that the government has seen fit to mandate by legislation that external fund managers must be used. It does this in proposed part 3, section 28. Unless approved by the responsible ministers, the board must use investment managers to invest money in financial assets, acquire derivatives, enter into securities lending arrangements or realise financial assets. The responsible ministers may provide approval in writing for certain methods of investment other than through investment managers, should it be prudent and cost-effective to do so. I feel it would be more prudent to allow the Board of Guardians to make an assessment about what is the best mix of internal and external involvement in investment decisions.

These are people to whom we will be entrusting a major fund that will have under its control 10 per cent of the gross domestic product of this nation, but this government is not willing to entrust them with the decision of whether to use external consultants or internal skills to manage those financial assets. Here we see this government’s ideological obsession with outsourcing coming to the fore. Surely these people whom we are entrusting with a fund that will reach 10 per cent of gross domestic product should be trusted enough to determine whether investment managers are necessary without getting a permission slip from their responsible min-
isters. They should not need a note from the minister to say, ‘I give you permission not to use external advisers.’ They should be entrusted with that responsibility.

I assume that these people will be appropriately and comfortably remunerated. I assume that the guardians will be properly rewarded for the responsibility they are being entrusted with. If we are remunerating them appropriately, we should be giving them the responsibility to do their job. We should be letting the managers manage and not allowing this government’s ideological obsession with outsourcing to interfere with the fund’s operation.

I would like to briefly mention another concern I have with this bill. Clause 38(3) specifies that the responsible ministers must be satisfied that a board member—a guardian—has:

(a) substantial experience or expertise; and
(b) professional credibility and significant standing;
(c) investing in financial assets;
(d) the management of investments in financial assets;
(e) corporate governance.

Of course, I have no quarrel with that. However, I note that there is no requirement for board members to be fit and proper persons. In the vast majority of cases, they will be fit and proper persons. In the vast majority of cases, we will not need that requirement in the act. But, given the huge responsibility that will fall on the shoulders of the guardians of these funds, I would have thought it prudent to include a clause in the bill making this an explicit requirement. Why would that be prudent? We saw last year why that would be necessary with the appointment of Mr Rob Gerard to the board of the Reserve Bank—the most important financial institution in this nation. This government has form. It appoints to important jobs without doing the necessary character checks. It appointed a man to the Reserve Bank board who was fined by the Australian Taxation Office. He received a fine of some many millions of dollars—in the multiple of hundreds of millions of dollars—for tax cheating.

The government has introduced a bill into the House which establishes another very important financial mechanism, yet there is no requirement in the bill for the appointment of the guardians to the board to be people of fit and proper character, to be fit and proper persons. I would like to think that is an oversight rather than an intentional clause. The government would be well advised to take that on board and to put a clause into the bill which would ensure that those appointed to the board are fit and proper persons.

In conclusion, this bill represents another missed opportunity. It could have been an act of great vision from this government—a fund set up to pay for important infrastructure for future generations. Sadly, it has become an avenue to simply fund unfunded liabilities, which almost every commentator of any credibility regards as not a major problem which, in any event, will subside over time as the defined benefit schemes are closed down.

This is a missed opportunity like so many other missed opportunities that we see from the government. The government has taken an appalling attitude to the infrastructure of this nation. The government has seen the infrastructure of this nation driven down over the last 10 years. It is a government that sat on its hands and did nothing about section 51AD of the tax act for some six years. It did absolutely nothing about section 51AD of the tax act and it let the infrastructure of this nation be driven down. Now the government
has missed the opportunity to use this fund—this once in a generational opportunity.

How many times does a government have the chance to set up a fund such as this? But what does the government spend it on? It spends it on a liability which every economic commentator of any credibility in this nation says is not a problem. It ignores the issue of infrastructure. It ignores education. It intends to ignore every important economic issue that this nation faces and instead spends this fund on an accounting mechanism which every economic commentator of any credibility says is not a problem.

A Labor government will return to this matter and ensure that the proceeds of the investments of the Future Fund are spent on projects which will benefit all Australians and help our economy grow. A Labor government will return to this matter and ensure that this opportunity is not missed. I hope that that opportunity comes sooner rather than later, because the Australian people cannot afford to see the money—which is their money paid for through the privatisation of their assets, cuts to their services and increases in their taxes by the highest taxing government in Australian history—tied up in this fund and the proceeds from it whittled away. They cannot afford to see them wasted. The money must be spent on infrastructure.

The government and the opposition are at one that a fund needs to be established and that the proceeds of the investment must be spent on a worthy cause, but we disagree vehemently on what is a worthy cause. The government has missed its opportunity, but Labor will not miss it when it becomes our responsibility.

Dr WASHER (Moore) (8.33 pm)—The Future Fund Bill 2005 gives effect to the government’s commitment to establish a dedicated financial asset fund—the Future Fund—to meet unfunded superannuation liabilities. By accumulating assets to meet liabilities that will become payable at a time when spending pressures associated with an ageing population are likely to hit, the fund will strengthen the Commonwealth’s long-term financial position.

Currently estimated at $90 billion, unfunded public sector superannuation is the largest single liability on the government’s balance sheet. Four Commonwealth superannuation schemes account for 95 per cent of current unfunded superannuation liabilities: the Commonwealth Superannuation Scheme, the Public Sector Superannuation Scheme, the Military Superannuation and Benefits Scheme, and the Defence Force Retirement and Death Benefits Scheme.

To restrict the growth of these unfunded liabilities, most of these schemes have been closed to new members. The only significant Commonwealth government defined benefit superannuation scheme to remain open to new members is the Military Superannuation and Benefits Scheme. A defined benefit scheme is one which pays a benefit calculated upon a member’s salary and their years of service, or a similar formula.

The bill outlines proposed measures in relation to governance, management, funding, investment policies, taxation and the treatment of the Future Fund in the budget. Governance of the Future Fund will be overseen by a Board of Guardians—not directors, as would be the case in a commercial entity. However, the governance arrangements for the board are substantially the same as the duties of directors under the Corporations Act.

The board will consist of a chairman, Mr David Murray, who was formerly the long-
serving CEO of the Commonwealth Bank, and six part-time members. It will be a body corporate, having a separate legal identity from the Commonwealth, and it will make investment decisions independently. It will have a statutory responsibility to manage the investments of the fund and it will hold these investments in its own name; however, the Commonwealth will retain beneficial ownership of the fund’s assets at all times.

The Future Fund Management Agency will be responsible for the operational activities associated with the investment of the fund and will also provide executive support for the board. The costs of running the agency will be met from the fund; however, it will still be subject to scrutiny through the budget and estimates process.

Initial funding will be a transfer of $18 billion from the Reserve Bank of Australia. Further funding will be through realised surpluses and proceeds from asset sales. The government may also transfer some of its remaining equity in Telstra to the fund. Detailed investment decisions will be left to the board.

However, the bill provides a framework for those decisions by setting a benchmark for long-term returns and outlines restrictions such as: the fund will invest only in financial assets, including overseas financial assets, such as shares and bonds. It will not directly invest in property or infrastructure. However, it will be able to invest in pooled property and investment vehicles that do invest in these types of assets. It will not take control of listed companies or unlisted companies with more than 50 members. It will invest in a wide portfolio of financial investments. It will exercise its voting rights in relation to companies in which it holds shares, and it will not borrow, except for short-term borrowing associated with the settlement of transactions.

Strategic guidance will also be provided to the board through an investment mandate by relevant government ministers. The board may make a submission on the draft directions given to it, which will also be tabled in parliament, along with the final investment mandate. The investment income of the fund will not be subject to income tax, nor will the transactions of the fund be subject to a state or territory tax law, such as stamp duty, if the Commonwealth is not subject to that law. It will, however, be subject to notional fringe benefits tax and goods and services tax. Fund earnings will be recorded on the government’s balance sheet but will be excluded from the underlying cash balance, as they are precommitted and not available to meet current payments.

There has been a fair amount of discussion on whether a fund to meet future demands should be established. Before this matter is discussed, we need to keep in mind a couple of important aspects. It is estimated that the public sector superannuation liability will be up around $140 billion by 2020. The government has experienced a period of strong cash surpluses and this is expected to continue over the next 10 years. However, from 2014 to 2015 the federal budget is projected to slip into increasing deficits due to the effects of the structural ageing of the Australian population.

Some have argued that the establishment of the fund will result in the government limiting the volume of services and/or tax cuts by running a budget surplus to be deposited in the fund. They believe that liabilities should be paid from revenues as they arise. However, it is unfair to saddle a future generation of taxpayers with liabilities incurred by a previous generation. If these liabilities
are not met in a period of budget surpluses general levels of taxation may have to rise to meet those liabilities.

Also, not all future budget surpluses will be needed to be diverted into the Future Fund for the target balance to be met. As mentioned before, $18 billion that is currently on deposit with the Reserve Bank will be the seed capital. The combination of this amount, expected surpluses from the 2005-06 and the 2006-07 budgets, plus the expected proceeds of sales from Commonwealth assets, suggest that the Future Fund could be $62 billion by June 2007. An average yield of 6.5 per cent per year for the next 13 years will see the fund reach its target of $140 billion by June 2020, without further contributions from budget surpluses.

The report from the Productivity Commission entitled *Economic implications of an ageing Australia* projects a substantial increase in real income by 2040. Some feel that the projected increases in costs and the shortfalls in government revenue can be met from increased taxes at that time. It is thought that such taxes will have less adverse effect on that future generation due to the increase in real incomes and living standards. However, it is not that simple, as raising taxes can have other consequences. There are only three economic flows that can be taxed: labour income, capital income and consumption.

As pointed out by the current Treasury secretary, Dr Ken Henry: ‘Higher rates of tax on consumption’—that is, a higher GST rate—‘are not politically sustainable. Higher rates of tax on capital income would dry up flows of international capital, which are likely to be vital in the future, and higher tax rates on labour income simply accelerate the withdrawal of labour into early retirement, thereby decreasing a source of revenue.’

There are also concerns about the impact of the fund on financial asset prices due to the likely size of the fund. An initial transfer of $18 billion and a projected size of $140 billion in 2020 is certainly large. However, it needs to be assessed against the current and expected size of the superannuation industry to determine any potential impact on Australian investment markets.

If all of the initial $18 billion were invested at once the fund would only have been around 2.3 per cent of the total size of the superannuation industry at the end of the December quarter 2005. If half of this initial asset were invested in shares it would represent only one per cent of the total market capitalisation.

By 2020, the total value of superannuation assets in Australia has been estimated to be between $1,700 billion and $2,280 billion. Based on these figures, the fund in 2020 will be around 5.7 per cent to 7.6 per cent of the estimated total superannuation funds invested. Large as the fund may be, it may not be large enough to significantly affect asset prices in the way some have feared, and if an effect did occur it is likely that the investment managers of the fund would seek alternative investment opportunities.

Several commentators and the Australian Labor Party have called for the fund to concentrate on directly investing in infrastructure assets, as we have recently heard. The assumption behind this is that there is a shortage of funds available for investment in infrastructure within Australia.

However, Mr Dennis O’Neill, CEO of the Australian Council for Infrastructure Development, has noted that currently there is no shortage of money for infrastructure developments. Also, the fund is investing part of the government’s fiscal surplus—that is,
money that is left after outlays on recurrent expenses and new capital works. Investment in infrastructure should be considered as part of outlays by the government, not part of its surpluses. The fund should not be hindered by imposing a requirement that part of the fund be reserved for investment in public infrastructure.

Some have a concern about taxpayers having to meet public servants’ superannuation liabilities. This concern is irrelevant as this will be the position whether or not the fund is created. The government acknowledges its legal obligation to meet these liabilities, irrespective of the existence of the Future Fund. Also, although budget surpluses may be put into the fund, its total assets will be made up of investment earnings and proceeds from asset sales. Contributions from these sources are likely to dwarf contributions from tax revenues.

Others have mentioned the establishment of other types of funds instead: the Building Australia Fund and the establishment of 20 million small funds for every Australian. Once again, this is irrelevant, as there is still a liability of $90 billion which is expected to increase to $140 billion by 2020. This liability needs to be addressed. This bill addresses this liability and allows future generations to deal with the massive changes that the ageing population will bring.

Ms HALL (Shortland) (8.45 pm)—I stand here tonight to support the Future Fund Bill 2005, but in doing so I must express some concerns. Whenever this government introduces legislation of this kind, I am always overwhelmed with feelings of missed opportunity. That is what I think this legislation is, to a large extent: a missed opportunity. The establishment of a Future Fund could have been embraced. If this government had a real vision, it would have been a lot more than what we have before us tonight. Time and time again this government brings in legislation which is flawed in one way or another. I believe there are some serious flaws in this legislation, in addition to it being legislation that is a missed opportunity.

This bill grants the Treasurer and the finance minister the power to credit cash amounts to the Future Fund through a special account and to transfer financial assets to the fund. Transferred funds are to come from realised cash surpluses, including seed capital of $18 million and proceeds of any future asset sales. Whenever I hear this government talking about asset sales, I cringe. I think, ‘What can they sell next?’ Some of the things I think they are looking at selling include Medibank Private. There has already been a scoping study done, and I am very concerned about that proposal to sell Medibank Private. Then there is the Snowy hydro-electric, the Submarine Corporation and the list goes on. If it is not tied down, this government will sell it. Everything is up for grabs, and everything is up for sale.

The bill quarantines all fund assets for the purpose of making provision for the government’s unfunded superannuation liability. This is where it becomes very narrow. The simple fact is that this government is focusing on the unfunded superannuation liability rather than having a wider vision, rather than looking towards what previous speakers have talked about: an infrastructure fund. I would now like to turn to the Treasurer’s budget speech last year, where he set the ground for this legislation. He stated that the Australian government’s task:

... is to begin saving for the future to meet the costs of our ageing population.

We have had the Intergenerational report; now we have the Future Fund. At every op-
portunity this government has to talk about an ageing population, it does so from a negative perspective.

I believe that, along with some cost factors, the ageing population of this nation also creates opportunities. I believe this government has failed to grasp those opportunities—rather, it is fixated on the cost factors. When you can look at any issue in only one dimension, you are going to miss opportunities for a very long time to come and those missed opportunities will have an enormous impact on our nation. The Treasurer goes on to say that the Future Fund will be funding liabilities that have already been incurred and:

Earnings will accumulate in this Fund and it will be safeguarded by legislation. Here is the legislation, and I think it really misses out on some of the safeguards that are needed.

The fund will be overseen by a Board of Guardians, consisting of a chair and six part-time members. It is a body corporate. The board will hold fund investments in its own name for the Commonwealth. Ostensibly this will provide a separate legal identity to manage fund investments, but the independence is undercut by the responsible minister issuing the investment mandate—a collection of ministerial directions to the board regarding the investment fund. Every time legislation is introduced into this House, we see the potential for it to be manipulated and we see the hand of the minister in there. These directions are to be tabled in the parliament but they are not to be disallowable—so, once again, the parliament will have a limited ability to consider them. We on this side of the House are not surprised by that; we are used to this government’s approach to all issues: the minister involved being able to manipulate, whether it be a fund or a controlling body, and then the parliament not being able to properly scrutinise or debate legislation. The board will decide, within the limits of its ministerial directed investment mandate, how the fund is to be administered and the agency will do the investing.

You might ask what the fund can invest in. It can invest in financial assets, including overseas financial assets. Telstra shares can also be transferred to the fund. This raises the issue of Telstra and what the transfer of the Telstra shares to the Future Fund means. I have some concerns about that. We would all be very aware of the fact that the government has already made comments about this in the parliament. The Treasurer, at the time the legislation went through, stated that he thought that Telstra funds could be transferred to the Future Fund. A transfer of Telstra shares to the fund is not a Telstra sale scheme because the Commonwealth will retain beneficial ownership of the shares. A Telstra sales scheme is a scheme designed to achieve a transfer, or progressive transfer, of all of the Commonwealth’s remaining equity in Telstra to other persons. Mr Deputy Speaker, I ask you and the House to consider that. However, a transfer of shares to the fund does affect the Commonwealth’s regulatory power to control Telstra. Under the Telstra Corporation Act 1991, the government retains a power of ministerial direction until the Commonwealth share of Telstra drops below 15 per cent.

You might ask why the government is so keen to transfer the Telstra shares to the Future Fund. I do not think that you have to be too suspicious to come up with some answers to that question. The 2005-06 MYEFO assumes that Telstra will be sold for $26.6 billion in 2006-07. It is hard to see this happening, because the average share price of $4.13 is too low. Secondly, it is hard to see that the
local and international markets have an appetite for 6,446 billion Telstra shares in one year. The government may decide not to sell or to part sell Telstra simply because it is not in their interests to go ahead with the full sale. You have to be very suspicious of where the government is going in relation to this issue.

I would like to highlight some of the issues that I think are areas of concern. There are a few main points. Firstly, the Board of Guardians is not at arm’s length from the government and will be at the beck and call of the government. Have we not seen that time and time again with legislation that we have looked at in this House? Either the government has the ability to become involved in the operation of and influence the board, the minister has the power to override the board or there is a lack of transparency. I feel that this is quite a big issue that needs to be looked at when we are considering this legislation. I understand that the New Zealand legislation was the model that this was based on, but unfortunately the government has not adopted all the aspects of the New Zealand model. If they had adopted all those provisions then we would be debating a much better piece of legislation today. It would have much better safeguards in place and I would have far fewer concerns than I have today. The Board of Guardians will not operate with the same protection as other public sector superannuation bodies, such as the PSS, where the board of trustees is independent of the government and required to act only in the best interests of members—the prudent man rule. That is what I have been talking about.

Secondly, it is too easy for responsible ministers to terminate the appointment of a board member if their performance is unsatisfactory. The bill explains what ‘unsatisfactory’ refers to. Once again, this is a means by which board members and the actions of the board can be influenced simply because they are so beholden to the government. Thirdly, the blanket potential ministerial override on conflicts of interest flies in the face of good corporate governance principles. That is what my concerns are all about—the impact that this legislation will have on good corporate governance. What we as a parliament should demand is good corporate governance. What we as a parliament should demand is open and transparent legislation. What we as a parliament should demand is a Board of Guardians that will operate at arm’s length from the government. Unfortunately, I do not believe that we have that before us today. Fourthly, the government has done a reasonable job of detailing qualifications to inform the selection of board members, but there is a lack of detail in the legislation on the investment mandate. Once again, it is very flawed legislation.

I will quickly turn to what I said at the beginning of my contribution: this is a missed opportunity. The government could have used this as an opportunity to invest in the infrastructure of the nation. I have heard previous speakers say that there is no shortage of money for infrastructure. If there is no shortage of money for infrastructure, why has our infrastructure been allowed to run down, and why does this government refuse to invest in infrastructure? I support this legislation, but I do so with some serious concerns and I say once again that this is a piece of legislation that will result in missed opportunities for the Australian people and the Australian nation.

ADJOURNMENT

The SPEAKER—Order! It being 9 pm, I propose the question:

That the House do now adjourn.
Work Choices Legislation

Mr BRENDAN O’CONNOR (Gorton) (9.00 pm)—I rise to comment upon Labor’s industrial relations task force that has been established. I know that some in the gallery and, indeed, in this chamber think that somehow the effects of the industrial relations legislation will slip from the memory of the Australian people. I am here to tell you, Mr Speaker, that will not be the case. There is no doubt that over the course of the months ahead and until the next election the Australian people will be considering the extreme and unfair provisions of the Work Choices act that has been passed by this parliament, having been put by an ideologically obsessed government which is clearly anti worker and, indeed, has an extreme enmity towards unions.

I am happy to say that the task force first met last week in Launceston, in the electorate of Bass, where six Labor members and senators met with local Launceston people raising concerns about the potential adverse effects of the Work Choices act upon employment and employment conditions in that community. I am aware that the member for Bass spoke in favour of the legislation. I think he will have to eat his words once he starts to listen to the comments of the residents of Launceston. For example, we had before us a small business operator, Andrew Lovitt, who had worked on Warwick Smith’s campaign, so he is a person who would indeed associate himself—at one point in time at least—with the Liberal Party. He had taken out an advertisement for $5,000 in the Launceston Examiner opposing the laws for their extreme and unfair provisions. He told us of his concerns and of how difficult it would be for honourable employers to maintain decent employment conditions under this new system, which will drive wages and conditions down.

We were also fortunate to hear from Debbie Butler, who is the Launceston Community Legal Centre manager. Debbie Butler was the author of a submission to the sham Senate committee of inquiry into the Workplace Relations Amendment (Work Choices) Bill 2005. I remind the members present that the sham Senate committee inquiry into the bill lasted for five consecutive days, confined to Canberra. It did not leave this place and it did not go and speak with communities, churches and other organisations about the concerns they have about this extreme set of laws. She did put a submission into that process but was not invited to appear. So you had a situation where this sham Senate committee inquiry, which was of course then followed by the ramming through of the legislation after the debate in this chamber was gagged, did not invite any Tasmanians that had put in submissions to the inquiry to appear except for the Tasmanian government. So we had one Tasmanian witness appear before the entire Senate committee inquiry, the so-called committee of inquiry last year into the Workplace Relations (Work Choices) Bill 2005, and no other Tasmanians were invited even though they had put submissions into the actual process and wanted to appear before the committee.

We invited Debbie Butler, the manager of the community legal centre, the opportunity to explain her concerns, and she listed a number of them, which included a concern that the legal cost for even an employer to have to deal with unfair dismissals was going to become too costly. She emphasised how difficult it will become for unfairly dismissed workers to actually take recourse. We know, as we continue to travel throughout Australia, as we will for the first half of this year before reporting back to our party room, the caucus, and to Kim Beazley, that there will be more
and more examples. If the government think that this matter will fall from the eyes of the Australian people, they are very much mistaken. We will make sure that this is front and centre right up until the next election. I look forward to hearing more Australians putting their views, an opportunity that was denied them when the so-called Senate inquiry was convened last year to look into the Work Choices bill. *(Time expired)*

**Rt Hon. Helen Clark**  
**Child Care**

**Miss JACKIE KELLY** (Lindsay) *(9.05 pm)—*I would like to start by welcoming the New Zealand Prime Minister, the Right Hon. Helen Clark, to Canberra.

*Mr Slipper interjecting—*

**Miss JACKIE KELLY**—We are having lunch with her tomorrow, Mr Slipper. As a female Prime Minister, Ms Clark is an all too rare phenomenon. In the Australian parliament we have never come close to having a female Prime Minister, and I am afraid that unless we support women by providing child care in our place of work we never will.

The Australian parliament should be a role model employer for all Australian businesses. We already are in many ways. We have made Parliament House accessible by providing talking lifts and wheelchair accessibility. This House has spent $2 million on refurbishing the Health and Recreation Centre, $11 million on a security barrier around Parliament House and $3 million on the southern courtyard. All this expenditure is to improve the environment of those who work here. But enough is enough: I refuse to spend any more money on appropriations for Parliament House until we have a world’s best practice child-care centre installed in this building. If you want women to crack the glass ceiling, you do not wait for them to start careers after they have had children. You make sure they have access to child care so they can consistently spend time in the workforce throughout their careers as well as raising children.

Parliament House is supposed to be representative of the diversity of our society. Half of the population is female but much less than half of our politicians are female. In 1985 in Australia, 45.6 per cent of mothers with children under 15 worked. In 2003, that figure was 63 per cent. And the reality is that that figure is going to keep increasing. In Sweden, 82 per cent of mothers with two or more children are working.

If you are wondering where all the talented, experienced females are, they have gone to raise their kids. When they choose to return to their careers, they start behind the eight ball. Men of the same age have raced up the career ladder because they have been able to work while women are raising children. We do not have equal opportunity because we have a playing field where some players spend more time on the bench than others. In the current environment, a mum returning to politics is not going to have enough time in her career to become Prime Minister of this country. I and the other mothers in this parliament have struggled to maintain our careers while we raise our children. I have been told to use the child-care centres in surrounding suburbs when my children are here. For six years, I have relied on family and friends to amuse my children while I perform my duties in parliament.

It is time for the parliament to reflect on the needs of the mums who work here as well as on the realities of life outside parliament. I have said that this government needs to take a new approach to child care and listen to the mums who use it. I believe in workplace based child-care solutions. Every woman I know who has successfully balanced work
and family has done so with the support of her employer. We need to be heading in the direction of workplace based child care and employer involvement in child-care solutions.

This parliament frequently justifies enormous expenditure on Parliament House because it must be held up as a ‘world’s best practice’ workplace. The argument for any future improvements is no longer sustainable unless we have world’s best practice child care in this workplace. I call on all parents in this House to vote against spending any more money on this building until we have invested in a child-care centre for the parents who work here. Let us provide a role model for the workplaces of Australia in supporting work-family choices.

Oxley Electorate: Education City Project

Mr RIPOLL (Oxley) (9.09 pm)—I want to talk about Education City, a very important development taking place right in the heart of the fastest growing electorate in the country—namely, my electorate of Oxley. Education City is being developed by the Springfield Land Corporation, which is chaired by Mr Maha Sinnathamby. Many members of the House would be very familiar with Mr Sinnathamby’s commitment to south-east Queensland and my local community. But more importantly, those who have met Mr Sinnathamby would be inspired by his passion for education. His vision and commitment to education for future generations of Australians should be an inspiration to us all. The people of Ipswich and south-west Brisbane are indeed fortunate that this project is taking place in their local community. Heading up the Education City project is Mr Neville Smith, a well-known and respected educator in the Springfield area. Mr Smith is passionate about the power of education and has a strong record of achievement in this field.

I want to highlight the unique nature of Education City—what it does, how it works, how it is financed and what its structure is. Education City will provide career focused education for a wide range of people. It will have a state-of-the-art campus, including a 350-seat auditorium, 14 lecture theatres, 20 teaching rooms, two fully equipped computer laboratories and many other program-specific facilities. Education City has been designed to deliver lifelong learning, offering educational pathways from early childhood right through to postgraduate training.

The initial investment of $80 million to develop Education City has come from Springfield Land Corporation itself. Interestingly though, this project has come about without any support from the federal government. This is a great shame, because I believe projects such as this should be supported by the federal government.

By contrast, Labor is committed to providing the education and skills needs of the whole nation. This is among Labor’s top priorities. In fact, just last week Kim Beazley launched Labor’s first fully costed policy in the lead-up to the next federal election. In government, we will introduce a ‘skills account’, which will remove TAFE fees for traditional apprentices. Labor will make an initial contribution of $800 per year, for up to four years, to apprentices’ skills accounts. This will get rid of up-front TAFE fees for the 60,000 traditional apprentices who commence training each year. It is a very important initiative.

Labor’s new system of skills accounts will invest in young people and help them to complete their traditional apprenticeships. Under Labor’s plan, an additional 13,000
qualified tradespeople would enter our workforce every year. Like Education City, Labor is determined to build Australia into the future and build a better future for our kids. These are the sorts of policies that will promote the success of facilities like Education City and provide the skills and training desperately needed by our young people today.

With Labor’s strong tradition of nation building and its heritage of investing in people, it should come as no surprise that I and many of my colleagues on this side of the House have such high praise for the initiatives of Education City in Springfield. It is a great story, and one which I believe should be told widely. It will have enormous benefits for the people of Ipswich and south-west Brisbane and more widely for those interstate and internationally. By partnering with the University of Southern Queensland, Education City has created a unique education model for the local community. Over the next decade, Education City will provide to thousands of local people, and people from interstate and overseas, opportunities which have not previously been available to them in my region.

When the doors open for the first time in the next few weeks, it will mark the beginning of an exciting educational opportunity for many people. As the local federal member, I think having an education facility such as Education City marks a coming of age for the region I represent. For my community and for the people of south-east Queensland, Ipswich and Brisbane, education City is an educational facility which provides a range of services broader than the traditional educational services.

I am happy to acknowledge the efforts of the Springfield Land Corporation—in particular, the work of Mr Maha Sinnathamby, Mr Neville Smith and his team—and the people of the University of Southern Queensland for making this project a reality. I also want to acknowledge the support of the Mayor of Ipswich, Paul Pisasale, and the Queensland government for its continuing support of Education City and the Ipswich region. It is a great honour to represent the area, and I am even more proud of it now that we have a world-class facility. (Time expired)

Cook Electorate: Cronulla Riots

Mr BAIRD (Cook) (9.14 pm)—On Sunday, 11 December 2005 a significant and disappointing event took place in my electorate. Now known as the Cronulla riots the news of this disturbance flashed around the globe, casting my area and our country in a less than flattering light. It is unfair to simply label the crowd as racist, as some elements of the media have done. Many in the crowd of 5,000 were there through curiosity. Many others were simply there to make a point about the failure of the New South Wales government to deal with inappropriate conduct, assaults, intimidation and other antisocial behaviour which has been happening over the last eight years or so by young men identified as being of Arabic or Lebanese background.

No matter what the intent of the majority of the crowd, the way that this protest manifested itself, with young and innocent Australians pursued by a violent mob through the streets of Cronulla, has brought great shame on my suburb, my area and our nation. In turn the retaliatory attacks by young men, reportedly of Australian Lebanese background, has brought great shame on the Australian Lebanese community. The stabbings and violent bashings of people in their front yards and in the streets on the evening of Monday, 12 December has only served to ingrain more broadly the ill feeling and prejudice which these young men were supposedly retaliating against.
The approach I have taken following the riot and subsequent violence is to address the underlying causes of both the initial riot and the subsequent retaliatory attacks. This matter had the potential to become a long-standing scar between the shire and the Australian and Lebanese communities, and I am sure that the House would agree that any further attacks on shire residents or people visiting the shire are to be avoided at all costs.

On the Tuesday following the riots I initiated contact with community leaders from both the Sutherland Shire and the Lebanese community. I must pay tribute to everyone involved in the initial meeting on the Thursday following the riot and in the many subsequent meetings we have had. Everyone involved has been outstanding, and they have worked together to ensure no further violence occurs. More recently we have worked together to promote understanding and mutual respect between our conflicting communities.

The members of the Inter-Community Dialogue, as the group is known, are: from the Lebanese Moslem Association, Ahmed Kamaleldine, Sheikh Awaaz, Rabih El Ayoubi and Samir Dandan; from the Islamic Council of New South Wales, Ali Roude and his sister Nada Roude; from the Australian Lebanese Christian Federation, Stephen Stanton and Andre Kortbawi; together with a significant number of community representatives from various Muslim, Christian and secular Lebanese associations. From the Sutherland Shire we had the mayor, Kevin Schreiber, the president of the Cronulla Sharks, Barry Pierce, and the general manager, Greg Pierce. We also had the presidents of the four surf clubs. I wish to thank the Prime Minister and the then Minister for Citizenship and Multicultural Affairs, John Cobb, for their strong support.

At the meeting we had the presidents of the surf clubs, Greg Holland, Brian Ferguson, Ron Smith and Steve Frawley. We were also very pleased that National Rugby League great Jason Stevens, actor Daniel MacPherson, Cronulla Chamber of Commerce president, Robert Stanley-Jones, police local area commanders John Richardson and Robert Redfern and Phil Vanny from Surf Life Saving New South Wales were so ready to assist. I was also thankful that the member for Hughes, Danna Vale, and the state member for Cronulla, Malcolm Kerr, were ready to lend a hand.

Each of these people and the remainder of the participants deserve great praise for the way they were able to come together and truly show direction to their respective communities. A press conference was held at the site of the riot just four days later to jointly call for calm. The Lebanese leaders worked particularly hard to stop any further violence or revenge attacks, and they deserve the thanks of this parliament for their commitment and dedication.

I am greatly buoyed by the way the shire and Lebanese leaders have built a strong rapport and friendship over the past two months. We have eaten in each other’s homes, visited each other’s communities and worked very hard to ensure that positive steps are taken to remedy the core problems. I was particularly touched by the invitation from Wanda Surf Club to Ahmad Kamaleldine and Nada and Ali Roude to launch Wanda’s new surfboat. This boat launch occurred on the Sunday following the riot, and it sent a strong message of friendship from the shire to the Australian Lebanese community. My thanks again go to the Prime Minister and John Cobb for their strong support.

Following the riot, we submitted to the Prime Minister and Minister Cobb for ap-
proval a special scholarship to young Australians from ethnic backgrounds to participate in the surf-lifesaving clubs, to complete their bronze medallions and to pay their membership to the clubs. We hope that this program will promote greater understanding across our communities.

While we were all deeply disturbed by the riot and subsequent attacks, I take great hope in the way that our communities are now coming together. It is beholden on all Australians to work together in a spirit of mateship, and I firmly believe that this is now occurring. (Time expired)

**Australian Sports Commission: Grants**

Mr JENKINS (Scullin) (9.19 pm)—Progressively during the years of the Howard government we have seen decisions that are breathtaking in the way in which they are inconsistent and the way in which they show a degree of the victory of good politics over good policy. The example I am going to give tonight might seem minor, but in an electorate like mine, which is culturally diverse and has migrants from various backgrounds, it is important that we support the diversity that that means.

The decision by the Australian Sports Commission to cease funding the sport of bocce and other similar sports beyond June 2006 is breathtaking if you take it in the context of the type of funding that was thrown around to sporting bodies in the run-up to the last election. The reason given to the Bocce Federation for this change in funding is that there has been a directive from the federal government to the Australian Sports Commission that it must assist Olympic, Commonwealth and high-profile sports to meet their increased costs.

What we are arguing about here is the $51,000 per annum that bocce receives at a national level. Compare this with high-profile Australian sports such as Australian Football, Rugby and Soccer, which receive in excess of an average $900,000 per annum in Australian Sports Commission grants. Bocce is played throughout Australia. It was brought here by migrants from countries such as Italy and Malta. In my electorate of Scullin there are formal bocce lines that have been put in place by the Italian, Maltese and Croatian communities. If you go to any picnic ground or park around Australia you will see the way in which sports like bocce, boules and petanque have been picked up by the wider Australian community as a recreational pursuit.

As I said, this defunding of the Bocce Federation of Australia can be contrasted with the run-up to the 2004 election, when there were promises of around $2 million made as election commitments—no program, no criteria, no accountability, no contestability and no way in which people knew that they could apply. For instance, of that $2 million, marginal seats such as McEwen, which is the neighbouring electorate to mine, received $340,000. Now the federal Minister for the Arts and Sport would simply say, ‘This isn’t a Commonwealth responsibility. This is something that should be picked up by the states.’

In fact, Minister Kemp said to the Senate committee in November last year that he did not consider instituting a formal sports facilities program through his department prior to the last election, and he specifically ruled out introducing one in the future. Minister, explain how $2 million went to a handful of electorates without people knowing that these funds were available. Now, under his administration, we have genuine national bodies like the Bocce Federation of Australia being told, ‘You’re on your own.’ Here is an organisation that in the past had an agreement with a
tobacco company. But, because of the change in laws relating to tobacco sponsorship in sport—which I wholeheartedly agree with—it has lost that funding.

At the time that legislation went through this place the government said that it would make transitional arrangements to ensure that sporting federations were not out of pocket because of the change in policy. But we see in this case that nothing happened. Again, I maintain that this is an example of the way this government, with the rampant way it makes decisions, can on the one hand, in the run-up to an election, throw money at something as good politics, but, when there is a need for good policy, cannot see its way through to ensure that it is catering for that diverse fabric of Australian society, which we need to encourage to ensure that things like the events the member for Cook mentioned do not occur. I ask the sports minister to reconsider his decision so that sports like bocce, and other sports that are going to be denied funding, in which we do well on the international stage and commit to internationally—sports that are used in community organisations—are funded.

Hon. Sir Reginald William Colin Swartz
KBE, ED

Mr SLIPPER (Fisher) (9.24 pm)—I rise tonight to associate myself with the comments made by the Prime Minister, the Leader of the Opposition, the Minister for Foreign Affairs and the honourable member for Cowan concerning the late Sir Reginald William Colin Swartz, a constituent of mine whom I came to know in recent years. He was a remarkable person, dying at 94 years of age, having lived a full and complete life. He was elected to the Australian parliament in 1949, one of the first Liberal members elected, and was returned in 1951 unopposed, in 1955 unopposed again—that certainly does not happen very much these days—in 1958, in 1961, in 1963, in 1966 and in 1969, retiring at the election on 2 November 1972.

Sir Reginald Swartz held a large number of ministerial appointments. I see listed amongst those ministerial appointments the position of Parliamentary Undersecretary for Commerce and Agriculture from May 1952 to 1956, and also the Parliamentary Secretary to the Minister for Trade from May 1956 to December 1961.

I first met Sir Reginald Swartz at the dinner to celebrate the 50th anniversary of the election of the Menzies government. That was held here at Parliament House in 1999. I then met him at an Anglican Church function where he was fundraising for the church. I visited him at his home, and he told me a very interesting story about when he was first appointed as a parliamentary undersecretary. That position apparently was not enshrined in legislation, but Prime Minister Menzies had appointed parliamentary undersecretaries notwithstanding. Apparently, Mr Speaker, at that stage they were not members of the executive council and your predecessor, Mr Speaker Cameron, took great exception to people whose positions were not enshrined in legislation actually having signs on the doors of their parliamentary offices. Sir Reginald Swartz told me about the tug of war he had over his sign. He had to wait until Mr Speaker Cameron returned to South Australia, when he had the sign erected. The Speaker heard about it. It was pulled down, put up again and then pulled down again. It sounds a bit pathetic in some respects, but Sir Reginald had a great sense of humour. I gather that Prime Minister Menzies, who had actually created the problem, did not want any part of it. I think he pointed out to Sir Reginald that he had to sort it out himself.
Ultimately, Sir Reginald finally got a promotion, so he was able to be appropriately recognised on the door of his parliamentary office.

Sir Reginald Swartz really is an icon of Australian politics and a pioneer of modern politics in this country. After serving in the AIF during the Second World War—where, as we heard today, he was held as a prisoner of war by the Japanese for 3½ years—he returned to Australia and worked in the oil industry before being elected to the House of Representatives in the Queensland seat of Darling Downs in 1949. He had been educated at Toowoomba Grammar School and at Brisbane Grammar School. My fiancee’s two brothers are currently boarding masters at Toowoomba Grammar School and my son attended Brisbane Grammar School. Although Sir Reginald was a giant of Australian politics, he never forgot how important it was to have and enjoy local support. We heard from the Leader of the Opposition today how his legendary press secretary had a responsibility to keep Sir Reginald out of the Sydney Morning Herald and in the Toowoomba Chronicle.

Sir Reginald was a member of the first Liberal government. He took some time to attain full ministerial office but, when he did attain full ministerial office, he was treated with a great deal of recognition and respect. When he retired voluntarily in 1972 he was a person held in very high regard.

I have to say that Sir Reginald is someone who is an icon of Australian politics. I personally believe it was a great honour for me to get to know him. When I saw him at his home he was aged over 90. He sat in front of his computer and he was tapping away. He had this incredible legion of Australian political stories. Unfortunately, when someone of Sir Reginald’s vintage passes away, in some respects we lose a living national treasure and we lose so much corporate knowledge that is so valuable to us as a nation. His political career spanned an era that left an indelible influence on the nation that Australia had become. (Time expired)

Trade

Mr JENKINS (Scullin) (9.29 pm)—With regard to trade, the global orthodoxy is to free trade. I make yet another plea tonight that, in assessing trade policy, we take it from the view of fair trade—that we look at the way in which Australia can compete against trading nations in a fair way. Too many decisions are made on the basis of businesses going offshore. Look at the northern suburbs of Melbourne: Deeko, a paper manufacturer; a webbing factory for seatbelts; a biscuit manufacturer in Broadmeadows—hundreds of jobs going to China; in Mentone, Armstrong-Nylex—a couple of hundred jobs going to Malaysia. If we do not realise that the only way that we can have proper trade is to do it on the basis of fair trade, it will be to the detriment of Australia.

The SPEAKER—Order! It being 9.30 pm, the debate is interrupted.

House adjourned at 9.30 pm

REQUEST FOR DETAILED INFORMATION

House of Representatives Seminar Program

Mr Price asked the Speaker.

1. What is the budgeted (a) revenue and (b) expense for the 2006 House of Representatives Seminar Program.

2. Is the net revenue from the Seminar Program hypothecated; if not, why not.

NOTICES

The following notices were given:

Mr Nairn to 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: Fitout of new leased premises for Centrelink at Greenway, ACT.

**Ms Annette Ellis** to move:

That this House:

(1) recognises that building insurance is an essential service and must be regulated;

(2) supports and encourages:

(a) the principle for building insurance to be valued on either:

(i) agreed value (a value agreed between the insurer and the insured and not less than the market value for special inclusions); and

(ii) market value (the building cost based on figures from a quantity surveyor);

(b) settlement policies that reflect market or agreed value at the date a rebuild contract is signed and that takes into account the delay between the period of the incident and the time the rebuild commences;

(3) calls on the Government to expand the role of the Australian Valuation Office to set the market rates for building costs annually within regions for which insurance companies should base premiums and values and remove the CPI as an index;

(4) calls on the insurance industry to implement terminology that is standardized and simplified industry wide; and

(5) calls for Government and insurance industry funded prevention strategies, such as home fire risk reduction programs, in order to help keep insurance premiums low.

**Mr Griffin** to move:

That this House:

(1) recognises that the atrocities that occurred in Rwanda between 1994 and 1995 were some of the most horrific and appalling crimes seen in recent history;

(2) notes that between April and July 1994 up to one million Tutsi and moderate Hutus were killed at the hands of the militia;

(3) notes that in response, Australia deployed 657 ADF members to Rwanda in 1994 and 1995 as part of the United Nations Assistance Mission in Rwanda (UNAMIR);

(4) notes that the Australian contingent was largely a medical team whose key role was to provide medical care and health support for UNAMIR and, where possible, those injured by the massacres;

(5) acknowledges that Australian troops came under direct fire in and around refugee camps and faced the daily threat presented by landmines and other explosive devices placed to maim or kill Australian soldiers;

(6) acknowledges that these peacekeepers experienced the most horrible events such as the massacre of up to 8,000 men women and children at the Kibeyo refugee camp in April 1995;

(7) notes with concern that many of these troops are now suffering serious mental and physical disabilities as the result of their service;

(8) notes that despite the severe trauma and the danger faced by Australian Peacekeepers in Rwanda, their service is still not treated as warlike service under the Veterans’ Entitlement Act; and

(9) calls on the Government to immediately reclassify this service from ‘hazardous’ to ‘warlike’ in recognition of the risk faced by these troops and the magnificent contribution they made to the protection of Rwandan citizens.

**Mr Bowen** to move:

That this House:

(1) notes that the Government had previously given a commitment that a decision on the future of the Badgerys Creek airport site would be made by the end of 2005;

(2) notes that 2005 has come and gone; and

(3) calls on the Government to rule out permanently the construction of a second Sydney airport at the Badgerys Creek site.
Mr Randall to move:

That this House:

(1) calls for the celebration of the Queen’s Birthday holiday, which is observed in the States and Territories of Australia on various days and dates, to be replaced by a truly national day and that this uniform national public holiday be observed on the first Tuesday in November each year;

(2) calls for the Queen’s Birthday holiday to be observed in States and Territories in a form of their choice but not in the form of a public holiday; and

(3) recognises that the Melbourne Cup has become a national event and is observed by the majority of Australians in some form and the fact that a large number of Australians take time during the day to observe and celebrate this event means it is highly appropriate that this annual event be made available to all Australians as it is observed in Melbourne.
QUESTIONS IN WRITING

The Lodge and Kirribilli House: Costs of Wine
(Question No. 49)

Mr Martin Ferguson asked the Prime Minister, in writing, on 17 November 2004:
What sum was spent during (a) 1998-1999, (b) 1999-2000 and (c) 2000-2001 on (i) consultation, (ii) transport, (iii) acquisition and (iv) storage in respect of wines for the Prime Minister’s Lodge and Kirribilli House.

Mr Howard—The answer to the honourable member’s question is as follows:

I am advised that:

(a) (i) Nil.
   (ii) Nil.
   (iii) The department’s financial reporting system does not distinguish wine from other alcoholic beverages purchased. The precise detail requested in the question is therefore not readily available and I am not prepared to authorise the commitment of resources required to provide a detailed response to the question. However, my department has prepared estimates of expenditure based on a twelve month sample period which indicated that wine constituted approximately 94% of alcohol purchased for the residences. On this basis, the estimated cost of wine purchased in 1998-99 was $29,516.
   (iv) Nil.

(b) (i) $8,000
   (ii) $81.85
   (iii) On the basis of calculations as set out in (a) – (iii), the estimated cost of wine purchased in 1999-2000 was $40,499. This includes $16,877 for 58 dozen bottles of wine purchased under the plan prepared by the wine consultant, Mr Peter Bourne. Much of this was acquired in the lead up to the Olympic Games and therefore consumed in 2000-2001.
   (iv) $669

(c) (i) $1,680
   (ii) Nil.
   (iii) On the basis of calculations as set out in (a) – (iii), the estimated cost of wine purchased in 2000-2001 was $21,308.
   (iv) $672

Prime Minister: Meetings
(Question No. 147)

Mr Melham asked the Prime Minister, in writing, on 18 November 2004:
For each financial year since 1996-1997, on how many occasions has he called at Government House or Admiralty House for (a) meetings of the Federal Executive Council, (b) other meetings with the Governor-General or Administrator excluding attendance at functions, and (c) to attend functions including luncheons, dinners and receptions etc.

Mr Howard—The answer to the honourable member’s question is as follows:

It would take considerable resources to answer this question completely and accurately for every financial year since 1996-97.
As Prime Minister, I have called at Government House or Admiralty House for a variety of meetings and functions, including swearing-in of ministers, Federal Executive Council, private discussions and State occasions.

Commonwealth Superannuation Scheme
(Question No. 186)

Mr Kelvin Thomson asked the Minister representing the Minister for Finance and Administration, in writing, on 29 November 2004:

(1) What is the most recent calculated liability of the Commonwealth Superannuation Scheme.

(2) How does this liability compare to estimations made in the previous 10 years.

(3) What are the current and projected assets of the Commonwealth Superannuation Scheme.

(4) What action is the Government taking to achieve full funding of the Commonwealth Superannuation Scheme.

(5) What is the estimated date at which the Commonwealth Superannuation Scheme will be fully funded.

(6) Is he able to say how the Commonwealth Superannuation Scheme’s funding levels compare to State Government based superannuation schemes.

Mr Costello—The Minister for Finance and Administration has supplied the following answer to the honourable member’s question:

(1) As at 30 June 2005, the Commonwealth Superannuation Scheme (CSS) liability was estimated to be $46,755,592,000.

(2) As at the end of the previous ten financial years, the liability for the CSS was estimated to be:

<table>
<thead>
<tr>
<th>Year</th>
<th>CSS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>$46,907,813,000</td>
</tr>
<tr>
<td>2002-03</td>
<td>$50,522,600,000</td>
</tr>
<tr>
<td>2001-02</td>
<td>$45,929,452,000</td>
</tr>
<tr>
<td>2000-01</td>
<td>$44,697,767,000</td>
</tr>
<tr>
<td>1999-00</td>
<td>$44,079,400,000</td>
</tr>
<tr>
<td>1998-99</td>
<td>$40,000,925,000</td>
</tr>
<tr>
<td>1997-98</td>
<td>$38,000,000,000</td>
</tr>
<tr>
<td>1996-97</td>
<td>$38,000,000,000</td>
</tr>
<tr>
<td>1995-96</td>
<td>$40,000,000,000</td>
</tr>
<tr>
<td>1994-95</td>
<td>$40,000,000,000</td>
</tr>
</tbody>
</table>

(3) The assets of the CSS as at 30 June 2005, were $6,014,647,000.

The CSS Board has obtained actuarial advice concerning the likely size of the CSS Fund at 30 June 2013. The future size of the CSS Fund will be impacted by a number of factors, the most important of which are:

- investment returns
- retirement, resignation and retrenchment rates, and
- the proportion of resignees and retirees who retain a preserved benefit in the CSS.

Whilst it is impossible to precisely predict each of the above variables, the actuarial work shows that the CSS Fund’s projected assets are likely to be between $4.0 billion and $4.4 billion at 30 June 2013.
The Government has already taken decisions to address the growth in its unfunded superannuation liabilities. These include paying out $4.6 billion to fully extinguish its liabilities relating to the Telstra and Australia Post superannuation schemes and closing the existing Public Sector Superannuation Scheme defined benefit plan to new members from 1 July 2005 and instead providing them with fully funded accumulation benefits.

Also, as announced in the 2005-06 Budget, the Government will establish the Future Fund to accumulate financial assets to offset the Australian Government’s unfunded superannuation liabilities.

The Government will build assets in the Future Fund with the aim of fully offsetting the Australian Government’s unfunded superannuation liability by 2020.

This compares with the following years by which the States expect to have their respective schemes fully funded:

<table>
<thead>
<tr>
<th>State</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>2030</td>
</tr>
<tr>
<td>ACT</td>
<td>2040</td>
</tr>
<tr>
<td>NT</td>
<td>2060</td>
</tr>
<tr>
<td>WA</td>
<td>2021</td>
</tr>
<tr>
<td>VIC</td>
<td>2035</td>
</tr>
<tr>
<td>TAS</td>
<td>2018</td>
</tr>
<tr>
<td>SA</td>
<td>2034</td>
</tr>
</tbody>
</table>

QLD has already fully funded its superannuation obligations.

**Mental Health**

(1) What are the procedures for determining whether people in immigration detention suffer from any form of mental illness.

(2) Have protocols been agreed with the private Detention Service Providers (DSP), including Global Solutions Limited (GSL), for the treatment and management of people with mental illness; if so, (a) are they contained in the Immigration Detention Standards and (b) would the Minister publish these protocols or provide a copy to House.

(3) What are the provisions for monitoring compliance with such contracts/protocols and what penalties apply when these provisions are breached.

(4) Are there any provisions for complaint by detainees, detention centre staff, visitors or attending mental health professionals about the medical treatment provided to individuals in detention.

(5) Since the move to private DSPs, has there been a change in practice, as reported in The Age, in relation to external specialists providing assessment, treatment and facilitating psychiatric hospitalisation where necessary; if so, what are the details.

(6) What is the legal authority for the current practice of non-consensual treatment of hunger strikers who are mentally competent.

(7) How many persons in detention (a) have a mental illness and (b) are on prescribed medication for a mental illness.

(8) What treatments, other than prescription medication, are provided, by whom are they administered and how many detainees receive these treatments.

(9) What restrictions are there on psychiatrists attending on detainees at the detainees’ request.

(10) What criteria are used by the department and DSPs when determining whether to transfer a detainee to a mental health treatment facility.

(11) What processes are in place for the transfer of a detainee who is in need of inpatient treatment.
(12) Have there been instances where the department or a DSP continued to keep a detainee in a detention centre when professional staff were of the view that the detainee required treatment in a psychiatric facility or mental institution.

(13) Is the department or a DSP required to accept the advice of any psychiatrist or psychologist regarding treatment and location of a detainee; if not, why not.

(14) In respect of the isolation management units in Immigration Detention Centres (IDCs), (a) under what circumstances may detainees be placed in them, in particular, at the Baxter facility, (b) is there a limit to the time for which a detainee can be held in one, and (c) is there any scrutiny of detainees in the management units by trained mental health professionals.

(15) In respect of the allegations that Ms Cornelia Rau was abused while in Baxter IDC, can the Minister guarantee she has experienced no such abuse.

(16) Is the Minister aware that the psychologist employed at the Baxter IDC told the Federal Court in the case of SXMB that there was a conflict between his role as therapist and as an employee of DIMIA/GSL.

(17) Is it the case that there were no visits by departmental or GSL contracted psychiatrists between August 2004 and February 2005 and can the Minister say how often such visits are normally made.

(18) Is it correct that a General Practitioner visits the Baxter IDC from time to time but does not deal with mental health issues.

(19) Why was the South Australian Public Advocate refused access to Ms Rau in the Baxter detention centre.

Mr John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) Detainees currently have a health assessment, including a broad mental health screen and a suicide and self harm risk assessment, on arrival. Screening of all detainees using internationally recognized mental health instruments (by staff trained in their use) is currently being implemented. The instruments to be used are the clinician rated Health of the Nation Outcomes Scale (HoNOS), the client rated Kessler 10 (K 10). The HoNOS and K 10 are widely used in mainstream mental health services. The K 10 in particular is very well validated in different cultures and available in many languages.

(2) There are key requirements in the Detention Services Contract in relation to mental health services. This contract is publicly available. Operational Procedures provide further detail on how these requirements work in practice (Attached).

(3) Departmental staff (drawing on expert advice as required) monitor service delivery against contract requirements. Financial penalties are enacted against the Detention Services Provider (GSL) if services and protocols are not met.

The department has commissioned a number of clinical audits of health services through Knowledge Consulting undertaken by members of the Royal Australian and New Zealand College of Psychiatrists and the Royal Australian College of General Practitioners. A Health Advisory Panel will be convened in the near future and will develop health standards to serve as a base for auditing.

(4) The complaints mechanisms currently in place were developed in consultation with the Commonwealth Ombudsman’s Office. Immigration detainees are able (and are encouraged) to raise matters first with GSL and departmental officers at the immigration detention facility, either individually or as a group. In addition, or alternatively, approaches can be made directly to the Commonwealth Ombudsman’s Office and/or the Human Rights and Equal Opportunity Commission. Contact details for both these organisations are prominently displayed throughout all immigration detention facilities.
(5) It is unclear what change in practice or procedure the journalist refers to in the article. For many years outside expertise has been engaged, where required, to facilitate appropriate health services for immigration detainees.

(6) Regulation 5.35 of the Migration Regulations was made in 1994. It enables the Secretary of the department to personally authorise medical treatment without the consent of the detainee in certain circumstances.

(7) (a) Detainees with a mental illness are reviewed and treated by psychiatrists. The following table gives the number of detainee consultations with psychiatrists in the year 2005, (as at 2 November 2005).

<table>
<thead>
<tr>
<th>Month (2005)</th>
<th>Baxter</th>
<th>Villawood</th>
<th>Maribyrnong</th>
<th>Perth</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2005</td>
<td>17</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>February 2005</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>March 2005</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>April 2005</td>
<td>10</td>
<td>0</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>May 2005</td>
<td>10</td>
<td>1</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>June 2005</td>
<td>20</td>
<td>11</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>July 2005</td>
<td>28</td>
<td>10</td>
<td>14</td>
<td>1</td>
</tr>
<tr>
<td>August 2005</td>
<td>18</td>
<td>17</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>September 2005</td>
<td>20</td>
<td>20</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>October 2005</td>
<td>7</td>
<td>20</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

(b) As in the general community, prescription of medication for mental illness is a private matter between the treating doctor and their patient. Aggregate data regarding the number of detainees on prescribed medication for a mental illness is not collected.

(8) A range of treatments are available to all detainees and is provided as per the recommendations of the treating health professionals which could include a GP, nursing staff, a psychiatrist, psychologist and/or counsellor.

(9) A detainee need only inform the Manager of an immigration detention facility that an external psychiatrist is attending the facility to examine that detainee. The detainee is responsible for all costs.

(10) A detainee is only transferred to a mental health treatment facility on the recommendation of the treating health professionals.

(11) On referral of the treating health professional a detainee is transferred to an appropriate place of health care.

(12) Yes. However, when there are two conflicting medical opinions as to the care required for a detainee, an independent third opinion is sought.

(13) The department’s practice is to follow the treating health professionals’ advice in regard to the treatment and location of a detainee. The department now routinely obtains third opinions when advice is received from non-treating medical practitioners that conflicts with the advice provided by the detainee’s treating doctor/s.

(14) (a) Placements in the Management Support Unit (MSU) occur only when there is no viable alternative and it would be unsafe or would present an unacceptable risk for the individual to remain in a mainstream setting.

(b) Alternative measures are considered should a placement of a detainee in a MSU exceed 48 hours.

(c) The Operational Procedures provide that detainees in a MSU are to be seen daily by qualified medical staff. Referrals are made, where required, to further specialist services including psychological support or counselling.

QUESTIONS IN WRITING
(15) The Palmer Inquiry has commented on this matter.
(16) I am aware of the comment by the psychologist.
(17) At the time asked, visits by a visiting psychiatrist to Baxter Immigration Detention Facility (IDF) took place around every six weeks depending on case requirements. Such a visit took place on 6 November 2004. The medical staff determined in early December that no immigration detainees required urgent appointments before February with the visiting psychiatrist.

The visiting psychiatrist now attends Baxter IDF every two weeks - or more frequently if required. Acute psychiatric assessment and interventions are available at any time in accordance with protocols negotiated with the South Australian Mental Health Unit.

(18) A General Practitioner medical clinic is conducted at Baxter IDF every week day and a GP is on call 24 hours per day, seven days per week. The GPs are able to (and do) refer persons with mental health issues to appropriate mental health professionals.

(19) The South Australian Public Advocate has not been refused access to Baxter IDF. I have received confirmation from the Public Advocate that he did not seek access to Ms Rau prior to her discharge from the Baxter IDF.

Baxter Detention Centre
(Question No. 588)

Mr Murphy asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 15 February 2005:

(1) Has the Minister read the article titled ‘Baxter’s mentally ill denied full psychiatric care’ in the Sunday Age on 13 February 2005 which reported that while Ms Cornelia Rau was hidden inside the detainee population at Baxter Detention Centre “psychiatric care was in pitifully short supply”.

(2) Has the Minister read the article titled ‘Everybody knew who she was except Immigration’ in the Sun-Herald on 13 February 2005 which reported that “Cornelia Rau, the Australian woman who immigration authorities could not identify for 10 months, was well known to Federal Police, Foreign Affairs and Trade officials, two state police forces and leading hospitals in Queensland and NSW”.

(3) What evidence can the Minister provide to counter media reports that there is a deep-seated culture of denial on the part of immigration officials in handling detainees suffering from acute psychotic disorders caused by prolonged periods of detention.

(4) What proportion of the Baxter Detention Centre’s 256 detainees exhibit disturbed and psychotic behaviour.

(5) Can the Minister confirm that the Baxter Detention Centre does not have a full-time psychiatrist; if not, why not.

(6) Can the Minister confirm that there is no nurse available on a regular basis for detainees at the Baxter Detention Centre and that all medication is distributed by guards with no medical qualifications; if not, why not.

(7) Can the Minister say how the (a) medical and (b) psychiatric care of detainees held in Immigration Detention Centres compares with the medical and psychiatric care of prisoners held in correctional facilities administered by State Governments.

(8) Can the Minister guarantee that medical and psychiatric care for Immigration detainees will be improved to levels provided in correctional facilities; is so, how; if not, why not.

(9) Can the Minister guarantee that no other Australian will suffer prolonged detention in an Australian Immigration detention centre; if so, how; if not, why not.
Mr John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) Yes.
A psychologist saw Ms Rau the day after she arrived at Baxter Immigration Detention Facility (IDF) and the visiting psychiatrist saw her a month later on 6 November 2004.

(2) Yes. These issues were referred to the Palmer Inquiry.

(3) Following Mr Palmer’s recommendations, mental health services have been enhanced at Baxter IDF. The Detention Services Provider (GSL) provides training in observing, recognising and reporting behaviour and signs that may be symptomatic of mental illness. Mechanisms are also being put in place to ensure that significant concerns about the wellbeing of any detainee, as expressed by Detention Services Officers, other detainees and visitors is communicated to medical staff, in a timely manner, to allow this information to be taken into account in the mental health assessment process. Whenever DIMIA staff have concerns regarding a detainee’s mental health they are required to bring these to the immediate attention of treating medical staff.

A Detention Health Services Taskforce has been established to develop a detention health strategy to implement improvements to health services at all immigration detention facilities.

(4) A table is provided giving the number of Baxter detainees who saw a psychiatrist, reflected against the total number of detainees in Baxter IDF in the year 2005 (as at 2 November). It should be noted that not all these consultations were for ‘psychotic behaviour’.

<table>
<thead>
<tr>
<th>Month (2005)</th>
<th>Number of detainees who consulted the psychiatrist</th>
<th>Total number of detainees in Baxter</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2005</td>
<td>17</td>
<td>258</td>
</tr>
<tr>
<td>February 2005</td>
<td>0</td>
<td>263</td>
</tr>
<tr>
<td>March 2005</td>
<td>0</td>
<td>301</td>
</tr>
<tr>
<td>April 2005</td>
<td>10</td>
<td>213</td>
</tr>
<tr>
<td>May 2005</td>
<td>10</td>
<td>215</td>
</tr>
<tr>
<td>June 2005</td>
<td>20</td>
<td>229</td>
</tr>
<tr>
<td>July 2005</td>
<td>28</td>
<td>164</td>
</tr>
<tr>
<td>August 2005</td>
<td>18</td>
<td>259</td>
</tr>
<tr>
<td>September 2005</td>
<td>20</td>
<td>168</td>
</tr>
<tr>
<td>October 2005</td>
<td>7</td>
<td>259</td>
</tr>
</tbody>
</table>

(5) A psychiatrist visits the Baxter IDF every 2 weeks – or more frequently if required. The visiting psychiatrist is also available for telephone consultation, as required.

(6) There is a nursing service on-site at Baxter IDF 24 hours a day, seven days per week and nurse clinics are run six days per week.

(7) to (8) Immigration detention is administrative detention and cannot be directly compared with correctional detention. However, given that there are some similarities my Department has drawn on the expert advice of a medical and health consultant with a detailed knowledge of, and experience in, health care within state correctional environments to assist it in overseeing the delivery of health services by treating health professionals in immigration detention facilities.

(9) Immigration detention will continue to be administered according to the provisions of the Migration Act 1958.
In February 2005, I announced the following changes to strengthen procedures relating to immigration detention, particularly the administration of complex cases.

- A 28 day limit – in all but exceptional circumstances – on the time immigration detainees can be held in prison, a watch-house or similar state corrections facility in those jurisdictions where an immigration detention facility is not available.
- Following regulatory changes people detained can be required to provide a finger print without their consent where necessary.
- Further advice has been given to staff to clarify and strengthen procedures that are to be followed to try to establish a person’s identity.
- I have written to the Justice Minister, Senator Ellison, asking him to formally pursue the issue of access to data bases with relevant Commonwealth and State law enforcement agencies. I have also asked the Secretary of my Department to pursue the same issue with the Heads of Commonwealth Law Enforcement Agencies (HOCOLEA).
- Where a person’s identity or status is not confirmed within 28 days, departmental staff are required to consult with senior staff in Canberra on the ongoing management of the case.

Proposed National Infrastructure Advisory Council
(Question No. 776)

Mr Murphy asked the Minister for Transport and Regional Services, in writing, on 9 March 2005:

(1) Has he read the article titled ‘Anderson spurns call for advisory body’ in the *Australian Financial Review* on 8 March 2005 which reported that he rejected the need for a new national infrastructure advisory council to co-ordinate a national response to Australia’s infrastructure crisis.

(2) Can he confirm that a national infrastructure advisory council would be able to independently determine state and federal responsibilities and promote private investment in rail, road, water and energy projects; if not, why not.

(3) Can he confirm that The Business Council of Australia and the Australian Council for Infrastructure Development believe a national infrastructure advisory council is necessary; if not, why not.

(4) Will the Government establish a national infrastructure advisory council; if so, when; if not, why not.

Mr Truss—The answer to the honourable member’s question is as follows:

(1) No.

(2) The role and composition of a National Infrastructure Advisory Council would depend on the terms under which it was established. However, by definition an advisory council would not be able to “independently determine state and federal responsibilities”.

(3) to (4) It is my understanding that the Business Council of Australia has called for a better planned and coordinated approach to infrastructure issues through the Council of Australian Governments (COAG) or establishment of an alternative peak intergovernmental body. The Australian Council for Infrastructure Development has called for COAG to consider the establishment of a National Infrastructure Advisory Council with expert non-government representation.

Following consideration of issues raised in the Export Infrastructure Report by the Prime Minister’s Taskforce, COAG has established its own arrangements to progress strategic transport policy issues. Further details are available in the COAG Communiqué of 3 June 2005.
Opinion Polls
(Question No. 1077)

Mr Bowen asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, 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 John Cobb—the Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

The Department of Immigration and Multicultural and Indigenous Affairs commissioned eight market research surveys and the Migration Agents Registration Authority commissioned one market research and conducted one market research.

Department of Immigration and Multicultural and Indigenous Affairs

<table>
<thead>
<tr>
<th>(1)(a)</th>
<th>(1)(b)</th>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undertook usability testing to evaluate the information structure of immi.gov.au.</td>
<td>$25,631 (including GST)</td>
<td>The Hiser Group 47 Albion Street Surry Hills NSW 2010</td>
</tr>
<tr>
<td>Undertook usability testing to evaluate the information structure of immi.gov.au from the perspective of users outside Australia.</td>
<td>$35,279.70 (including GST)</td>
<td>Serco Usability Services in London conducted the usability testing on behalf of The Hiser Group in Australia. The Hiser Group 47 Albion Street Surry Hills NSW 2010</td>
</tr>
<tr>
<td>Undertook survey research in each state in Australia to assess the performance of the IHSS service contractors.</td>
<td>$64,000 (including GST)</td>
<td>AMR Interactive Level 14, 235-243 Jones Street Ultimo NSW 2007</td>
</tr>
<tr>
<td>Undertook a survey to evaluate the Australian Citizenship Promotion Campaign 2004.</td>
<td>$72,760 (excluding GST)</td>
<td>The Research Forum Suite 5, Level 3, 55-65 Phillip Street Parramatta NSW 2150</td>
</tr>
<tr>
<td>Commissioned 4 surveys from October 2004 to April 2006. The survey measures DIMIA staff satisfaction with IT and Telecommunication services provided by external service providers under the Cluster contract.</td>
<td>October 2004 - $24,400.70 (including GST)</td>
<td>Australian Survey Research Group Pty Ltd PO Box 340 Ormond VIC 3204</td>
</tr>
<tr>
<td>Undertook a survey to define a basis for the Workforce Planning Strategy for Business Solutions Group.</td>
<td>$17,296.70 (including GST)</td>
<td>Alliance Consulting Group PO Box 3180 Manuka ACT 2603</td>
</tr>
</tbody>
</table>
A survey to gain data for determining the economic and social outcomes of onshore recipients of skill stream visas who were formerly overseas students. $162,000 (including GST) McGregor Tan Research 259 Glen Osmond Road Frewville SA 5063

Two separate surveys to gain social and economic data on migrants who arrived under The Skilled Designated Area Sponsored Scheme, and the Regional Skilled Migration Scheme. $62,386 (excluding GST) TNS AustP/L 48 Pyrmont Bridge Road Pyrmont NSW 2099

Satisfaction survey of individuals who have complained to the Migration Agents Registration Authority about their migration agent commissioned and conducted. $19,250.00 (including GST) The Leadership Factor Unit 3, 33 Ryde Road Pymble NSW 2073

Satisfaction survey of migration agents with the Migration Agents Registration Authority commissioned. $10,139.25 (including GST) The Leadership Factor Unit 3, 33 Ryde Road Pymble, NSW 2073

Consultancy Services (Question No. 1091)

Mr Bowen asked the Minister for Health and Ageing, 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 Abbott—The answer to the honourable member’s question is as follows:

(1) (a) and (b) Details of public relations, public affairs or media management consultancies engaged in 2004 are provided at Attachment A.

(2) Names and postal addresses of each company engaged are also provided at Attachment A.

Attachment A

DEPARTMENTAL

<table>
<thead>
<tr>
<th>Company name and postal address</th>
<th>Purpose of engagement</th>
<th>Cost (incl GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fenton Communications Level 10 423 Bourke Street MELBOURNE VIC 3000</td>
<td>Development of overarching stakeholder engagement strategy for the national implementation of HealthConnect.</td>
<td>$85,800</td>
</tr>
</tbody>
</table>
AGENCY

Consultancy Services
(Question No. 1092)

Mr Bowen asked the Attorney-General, 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 Ruddock—The answer to the honourable member’s question is as follows:

Attorney-General’s Department:

(1) No

(2) Not applicable

Administrative Appeals Tribunal:

(1) No

(2) Not applicable

QUESTIONS IN WRITING
Australian Federal Police:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Cost</th>
<th>Name and Postal Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenny Koala Crime Prevention Initiative</td>
<td>$92,142</td>
<td>National Promotions Australia Pty Ltd</td>
</tr>
<tr>
<td></td>
<td></td>
<td>86 Wentworth Ave Kingston ACT 2604.</td>
</tr>
<tr>
<td>Event/Media planning for the first anniversary celebrations of the Regional Assistance Mission Solomon Islands.</td>
<td>$52,756</td>
<td>Barclay Consulting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2 Lambie Place</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Oxley ACT 2903</td>
</tr>
</tbody>
</table>

Australian Government Solicitor:
(1) No
(2) Not applicable

Australian Institute of Criminology:
(1) No
(2) Not applicable

Australian Law Reform Commission:
(1) No
(2) Not applicable

AUSTRAC:
(1) No
(2) Not applicable

Australian Crime Commission:
(1) No
(2) Not applicable

ASIO:
(1) No
(2) Not applicable

CrimTrac:
(1) No
(2) Not applicable

Australian Customs Service:
(1) No
(2) Not applicable

Commonwealth Director of Public Prosecutions:
(1) No
(2) Not applicable

Family Court of Australia:
(1) No
(2) Not applicable
Federal Court of Australia:
(1) No
(2) Not applicable

Federal Magistrates Court of Australia
(1) No
(2) Not applicable

High Court of Australia:
(1) No
(2) Not applicable

Human Rights and Equal Opportunity Commission:
(1) No
(2) Not applicable

Insolvency and Trustee Service Australia:
(1) No
(2) Not applicable

National Native Title Tribunal:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Cost</th>
<th>Name and Postal Address</th>
</tr>
</thead>
</table>
| To provide support in the development of a communication strategy for the Tribunal. | $2072 | Cox Inall Communications  
Level 2, 44 Mountain St  
Ultimo NSW 2007 |

Office of Film and Literature Classification:
(1) No
(2) Not applicable

Office of Parliamentary Counsel:
(1) No
(2) Not applicable

Office of the Privacy Commissioner:
(1) No
(2) Not applicable

Consultancy Services
(Question No. 1094)

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 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 McGauran—The answer to the honourable member’s question is as follows:
(1) Yes, the answer to part (a) and (b) is attached.
<table>
<thead>
<tr>
<th>Department / Agency</th>
<th>Company Engaged (2):</th>
<th>Purpose (1a):</th>
<th>Cost (1b):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Government Department of Agriculture, Fisheries and Forestry</td>
<td>Cox Inall Communications Level 1 44 Mountain Street Ultimo NSW 2007</td>
<td>Production of an interactive CD-Rom and video ‘Future Options’ for the Agriculture Advancing Australia program.</td>
<td>Production of CD-Rom and video masters $55,000.00 DUplication $10,460.25 $149,820.00</td>
</tr>
<tr>
<td></td>
<td>Cox Inall Communications Level 1 44 Mountain Street Ultimo NSW 2007</td>
<td>‘Innovation in Irrigation Forum’. Project management for one-day event incl. publicity, media liaison, preparation of video, audio and print materials.</td>
<td>$300,000.00</td>
</tr>
<tr>
<td></td>
<td>Multicultural Marketing and Management, PO Box 436 Broadway NSW 2007</td>
<td>Biosecurity education and awareness campaign.</td>
<td>$18,425.00</td>
</tr>
<tr>
<td></td>
<td>Cox Inall Communications Level 1 44 Mountain St Ultimo NSW 2007</td>
<td>Developed a stakeholder engagement strategy for the ‘National Landcare Program’.</td>
<td>$1,650.00</td>
</tr>
<tr>
<td>Wheat Export Authority</td>
<td>Professional Public Relations Pty Ltd 27 Murray Cres Manuka ACT 2603</td>
<td>Preparation of Wheat Export Authority annual report presentation for Grains Week 2004 conference.</td>
<td>$5,925.00</td>
</tr>
<tr>
<td></td>
<td>Professional Public Relations Pty Ltd 27 Murray Cres Manuka ACT 2603</td>
<td>Assistance with production of Wheat Export Authority 2003-04 Annual Report.</td>
<td>$1,760.00</td>
</tr>
<tr>
<td></td>
<td>Professional Public Relations Pty Ltd 27 Murray Crescent Manuka ACT 2603</td>
<td>Stakeholder/media management plan for release of the 2004 Wheat Marketing Review</td>
<td>$60,215.00</td>
</tr>
<tr>
<td>Australian Wine and Brandy Corporation (AWBC)</td>
<td>Fuller Communications 58 Rundle Street Kent Town SA 5071</td>
<td>General PR consultancy, media relations, speech writing, strategic communications planning.</td>
<td>$199,706.00</td>
</tr>
<tr>
<td></td>
<td>Growth solution Group Level 7 395 Collins Street Melbourne VIC 3000 Michels Warren Valenta Suite 102, Level 1 St Kilda Road Melbourne VIC 3004</td>
<td>Consultancy work in relation to refreshment of Wine Brand Australia.</td>
<td>$80,000.00</td>
</tr>
<tr>
<td>Forest and Wood Products Research and Development Corporation</td>
<td></td>
<td>Leading Edge, Research Results Press Releases</td>
<td></td>
</tr>
<tr>
<td>Department / Agency</td>
<td>Company Engaged (2):</td>
<td>Purpose (1a):</td>
<td>Cost (1b):</td>
</tr>
<tr>
<td>--------------------</td>
<td>---------------------</td>
<td>--------------</td>
<td>----------</td>
</tr>
<tr>
<td>Grains Research &amp; Development Corporation</td>
<td>Porter Novelli Level 1 56 Greenhill Road Wayville SA 5034 Brendan Cant &amp; Associates 114 Branksome Gardens City Beach WA 6015 Bernie Reppel 496 Texas Road Stanthorpe QLD 4380 Jon Lamb Communications 81 Fourth Avenue St Peters SA 5069</td>
<td>Regional communications program – southern region</td>
<td>$199,326.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regional communications program – western region</td>
<td>$94,837.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regional communications program – northern region</td>
<td>$74,320.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Communication Strategy for Branched Broomrape</td>
<td>$33,000.00</td>
</tr>
<tr>
<td></td>
<td>Ican Pty Ltd Suite 1A 43 Florence Street Hornsby NSW 2077</td>
<td>Grains Research Updates – northern region</td>
<td>$171,062.00</td>
</tr>
<tr>
<td>Grains Research &amp; Development Corporation</td>
<td>Wendy Parsons 10 Bromell Circuit Wanniassa ACT 2903 BRI Australia Ltd 1 Rivett Road Riverside Corporate Park North Ryde NSW 2113</td>
<td>Good news stories &amp; Single Vision communication</td>
<td>$2,140.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Go Grains - Grains Nutrition &amp; Awareness Program</td>
<td>$66,000.00</td>
</tr>
<tr>
<td>Land &amp; Water Australia</td>
<td>Currie Communications Level 4 180 Albert Street South Melbourne Vic 3205</td>
<td>Consultation to National Dryland Salinity Program</td>
<td>$786.50</td>
</tr>
<tr>
<td></td>
<td>Sefton &amp; Associates Suite 7, 344 Conadilly Street Gunnedah NSW 2380</td>
<td>Consultation to the Managing Climate Variability Program</td>
<td>$13,366.65</td>
</tr>
<tr>
<td></td>
<td>Cox Inall Level 2 44 Mountain St Ultimo NSW 2007 Great Sandy Publication 70 Chalfont Street Salisbury Qld 4107</td>
<td>Consultation to Sustainable Wool Advisory Group in Land Water &amp; Wool Program Consultation to Grain &amp; Graze Program</td>
<td>$2,942.12 $23,894.08</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Consultation and preparation of prospectus for Social &amp; Institutional Program Consultation for Native Vegetation Program</td>
<td></td>
</tr>
<tr>
<td>Department / Agency:</td>
<td>Company Engaged (2):</td>
<td>Purpose (1a):</td>
<td>Cost (1b):</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------</td>
<td>--------------</td>
<td>------------</td>
</tr>
<tr>
<td>Rural Industries Research and Development Corporation</td>
<td>AgriMedia Pty Ltd</td>
<td>Communications Plan</td>
<td>$48,000.00</td>
</tr>
</tbody>
</table>

Consultancy Services
(Question No. 1095)

Mr Bowen asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, 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 John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) and (2) The table below details public relations, public affairs or media management consultancy in 2004; including the purpose, cost and address of each.

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
<th>Purpose</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Citizenship Promotion Campaign 2004</td>
<td>$179,000 &amp; $61,000 (GST Exc)</td>
<td>Printed material and products for the Australian Citizenship Promotion Campaign 2004 and the development and delivery of a communications strategy for persons of non English speaking background</td>
<td>Mary Dickie Issues Management trading as Quay Connection Cultural Perspectives, Level 1, 43 Booth Street, Annandale NSW 2038</td>
</tr>
<tr>
<td>Assistance with media and public relations</td>
<td>$20,745 (GST Exc)</td>
<td>Provide assistance with a media and promotional strategy</td>
<td>Gavin Anderson &amp; Co, 161 La Trobe Street, Melbourne Vic 3001</td>
</tr>
</tbody>
</table>

Consultancy Services
(Question No. 1096)

Mr Bowen asked the Minister for Education, Science and Training, 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.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1) Yes. Refer to Attachment A for the (a) purpose and (b) cost of each engagement.

(2) Refer to Attachment A for the name and postal address of each company engaged.
### Attachment A

<table>
<thead>
<tr>
<th>Department / Agency</th>
<th>Purpose</th>
<th>Cost</th>
<th>Name / Postal Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Education, Science and Training (DEST)</td>
<td>Public relations and event management for the 2004 Minister’s Awards for Excellence for Employers of New Apprentices. To promote the importance of, and of the recipients of, the Prime Minister's Prizes for Science 2004. To provide an expert opinion on the Australian Education International Promotional Advisory Committee media release summaries service project proposal.</td>
<td>$171,715.00</td>
<td>Horizon Public Relations P/L PO Box 37 PYRMONT NSW 2009</td>
</tr>
<tr>
<td></td>
<td>To assist AIATSIS staff to deal with the media.</td>
<td>$1,782.00</td>
<td>Mr Crispin Hull RED HILL ACT 2603</td>
</tr>
<tr>
<td>Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)</td>
<td>To advise on product quality issues.</td>
<td>$2,492.60</td>
<td>Rowland Communication Group GPO Box 1430 BRISBANE QLD 4001</td>
</tr>
<tr>
<td>Australian Nuclear Science and Technology Organisation (ANSTO)</td>
<td>Media promotion of 2004 Australian Training Awards.</td>
<td>$39,000.00</td>
<td>Red Agency Level 14, 190 Queen Street MELBOURNE VIC 3000</td>
</tr>
<tr>
<td>Australian National Training Authority (ANTA)</td>
<td>Event management of 2004 Australian Training Awards.</td>
<td>$458,182.00</td>
<td>Mills Wilson Suite 2/642 Newcastle Street LEEDERVILLE WA 6007</td>
</tr>
<tr>
<td></td>
<td>Evaluation of integrated communications project for information for vocational education and training planning working group. Strategies for branding and positioning vocational education and training.</td>
<td>$26,975.00</td>
<td>Buchan Consulting Level 3, 499 St Kilda Road, MELBOURNE VIC 3000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$8,000.00</td>
<td>Quay Connection Level 1, 43 Booth Street ANNANDALE NSW 2038</td>
</tr>
</tbody>
</table>

**QUESTIONS IN WRITING**
Department / Agency | Purpose                                                                                                                                  | Cost         | Name / Postal Address
--- | --- | --- | ---
Development and implementation of a communications plan to promote the benefits to businesses and industries of employing vocational education and training graduates with a disability. | $14,921.00 | Jacoby Reis Public Relations PO Box 411 CLAYFIELD QLD 4011
Development and implementation of a communications plan to promote the benefits to businesses and industries of employing indigenous vocational education and training graduates. | $9,545.00 | Jacoby Reis Public Relations PO Box 411 CLAYFIELD QLD 4011

Governor-General
(Question No. 1186 supplementary)

Mr Melham asked the Prime Minister, in writing, on 10 May 2005:
Does the Governor-General receive regular oral or written briefings on (a) intelligence, (b) security and (c) counter-terrorism issues by the (i) Office of National Assessments and (ii) Australian Security Intelligence Organisation.

Mr Howard—The answer to the honourable member’s question is as follows:
On 31 October 2005 (Hansard, 31 October 2005, page 92) in response to part (c)(i) of question in writing number 1186, I advised the House that, where appropriate, the Office of National Assessments (ONA) provides to the Governor-General written ONA assessments on a range of strategic, economic and counter-terrorism issues.
I have now been advised that under revised arrangements, the Governor-General has since July 2005 been placed on the standard distribution for all ONA written assessments.

Governor-General: China Visit
(Question No. 1263)

Mr Melham asked the Prime Minister, in writing, on 11 May 2005:
Further to the answer to question No. 149 (Hansard, 17 February 2005, page 160), has the timing of a visit by the Governor-General to China been mutually agreed between the Governments of the People’s Republic of China and Australia; if not, why has the Governor-General’s website revealed that his visit to China is scheduled for October 2005.

Mr Howard—The answer to the honourable member’s question is as follows:
As advised in my response to the Honourable Member’s Question on Notice No. 149 (Hansard 17 February 2005 page 160) the Governor-General received an invitation from the President of the People’s Republic of China to visit China and, consistent with well-established practice, the Governor-General discussed the possibility of such a visit with me, along with visits to other overseas countries.
The Governor-General visited the People’s Republic of China, between 12 October and 21 October 2005.
The Official Secretary to the Governor-General has advised that, at the time of the Honourable Member’s question, there was no reference on the Governor-General’s website to a visit to China being scheduled for October 2005.

Commonwealth Games
(Question No. 1267)

Mr Melham asked the Prime Minister, in writing, on 11 May 2005:

(1) When did Her Majesty the Queen indicate to the Government that she has accepted the invitation to officially open the Commonwealth Games on 15 March 2006.

(2) Did Her Majesty convey this advice to him or to the Governor-General in the first instance.

(3) In respect of his press release on 7 May 2005 announcing the visit to Australia by Her Majesty the Queen and His Royal Highness the Duke of Edinburgh, why did he rather than Her Majesty’s constitutional representative in Australia, the Governor-General, make the announcement.

Mr Howard—I am advised that the answer to the honourable member’s question is as follows:

(1) - (3) The invitation and announcement of the visit were made in accordance with usual procedure.

Airport Security
(Question No. 1320)

Mr Murphy asked the Minister for Transport and Regional Services, in writing, on 11 May 2005:

(1) Can the Minister guarantee that passengers’ luggage is safe from interference at Australia’s airports and, in particular, that persons in the cargo handling areas cannot place illegal drugs in luggage; if not, why not; if so, how.

(2) Can he confirm that security cameras in the cargo handling areas of Sydney Airport have been stolen or interfered with; if not, why not; if so, what are the details.

Mr Truss—The answer to the honourable member’s question is as follows:

(1) The Australian Government announced on 7 June 2005 a number of additional measures to further strengthen security at Australia’s major airports.

For example, the Australian Government is introducing requirements at major airports to intensify the inspection of persons, vehicles and goods entering and leaving secure airside areas.

The Australian Government is removing the legal obstacles to increased use of video surveillance in all areas of airports, including baggage holds of aircraft.

The Australian Government commenced an independent review of law enforcement and aviation security at airports by the Rt Hon Sir John Wheeler JP, DL. The report was released on 21 September 2005 and made a number of recommendations to improve policing and security to better combat criminal and terrorist activity.

The Prime Minister announced a range of initiatives on 21 September 2005 as the Australian Government’s initial response to the Report. These initiatives will further tighten security at Australia’s major airports, by providing enhanced CCTV capabilities at major airports, establishing Joint Airport Investigation Teams, increasing airside Customs border patrols, and strengthening air cargo security arrangements.

(2) The Department of Transport and Regional Services does not operate cameras at Sydney Airport. A number of entities do maintain security cameras at Sydney Airport. Responsibility for the operation
and maintenance of the cameras rests with those who have installed and operate them, including aviation industry participants and border control agencies.

Financial Sector Advisory Council
(Question No. 1333)

Mr Bowen asked the Treasurer, in writing, on 12 May 2005:

(1) Who are the members of the Financial Sector Advisory Council.
(2) What was the date of appointment of each member.
(3) What is the remuneration of each member.
(4) How many times in 2004 did the Financial Sector Advisory Council meet.

Mr Costello—The answer to the honourable member’s question is as follows:

(1) Members of the Financial Sector Advisory Council (FSAC) are:

Mr Maurice Newman AC, Chairman of the Australian Stock Exchange;
Mr Charles Curran AO, Director, QBE Insurance Group;
Mr Jeremy Duffield, Managing Director, Vanguard Investments Australia;
Mr Barry Fitzpatrick, Chief Executive Officer, Adelaide Bank;
Mr Michael Hawker, Chief Executive Officer, Insurance Australia Group
Mrs Gail Kelly, Chief Executive Officer, St George Bank (term commences 20/02/2006);
Mr Chris Mackay, Chairman, UBS Australia;
Ms Linda Nicholls, Chairman, Australia Post;
Mr Les Owen, Group Chief Executive, AXA Asia Pacific Holdings;
Mr Richard Sheppard, Deputy Managing Director, Macquarie Bank; and
Mr Alastair Walton, Vice-Chairman and Managing Director, Goldman Sachs JBWere (term commences 20/02/2006).

(2) The date of initial appointment of each member is as below. Appointments are for two years so some members have been reappointed for additional terms.

Mr Newman – 17/03/1998;
Mr Curran – 22/08/2002;
Mr Duffield – 15/11/2005;
Mr Fitzpatrick – 08/03/2005;
Mr Hawker – 08/03/2005;
Mrs Kelly – 15/11/2005;
Mr Mackay – 22/08/2005;
Ms Nicholls – 08/03/2005;
Mr Owen – 06/11/2003;
Mr Sheppard – 17/03/1998; and

(3) The members receive no remuneration but are reimbursed for any out of pocket expenses, such as travel to the meetings.

(4) Five.
Government Advertising
(Question No. 1389)

Mr Bowen asked the Treasurer, in writing, on 23 May 2005:

1. What sum has been spent on advertising relating to the taxation debate with the Western Australian Government.
2. In which newspapers and on which television and radio stations have advertisements been placed.
3. Have any consultancies been engaged by his department on the advertising campaign; if so, (a) what was the name and postal address of each consultancy involved and what sum was it paid or is it owed.

Mr Costello—The answer to the honourable member’s question is as follows:

1. The Australian Government placed advertisements in The Australian, The West Australian and the Sunday Times in response to advertisements authorised by the Western Australian Government which contained misleading information. The cost of the Australian Government advertisements was $122,715.05 (GST inclusive).
2. No television and radio advertisements were placed.
3. No.

Broadband Services
(Question No. 1661)

Ms Annette Ellis asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 2 June 2005:

1. What is the take-up rate of ADSL services in the electoral division of Adelaide.
2. Is the demand for ADSL service in the electoral division of Adelaide being met.
3. What resources are in place to meet anticipated demand for ADSL services in the electoral division of Adelaide.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

1. I have been advised by the Department of Communications, Information Technology and the Arts that the telecommunications industry does not report on the take-up of ADSL services by electoral division.
2. Telstra has advised that all of its telephone exchanges in the electoral division of Adelaide have spare capacity to provide additional ADSL services. A number of other carriers have also installed infrastructure that allows them to provide ADSL services to customers in the electoral division of Adelaide.
3. Telstra has advised that it has processes in place to augment its capacity to deliver ADSL services as demand increases where it is commercially viable to do so. In situations where ADSL is not available, Telstra and other Internet service providers have invested in alternative broadband access platforms such as Hybrid Fibre Co-axial Cable, wireless and satellite to service the demand for broadband.

Telecommunications Services
(Question No. 1696)

Mr Georganas asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 15 June 2005:
(1) Will the Minister explain why phone lines have to be physically disconnected when an account name is changed.

(2) Why are customers not given a contact person during such a transition to ensure things progress smoothly.

(3) Why are additional accounts sent to customers after the final accounts have been sent.

(4) Is the Minister able to say what sum businesses lose in Australia each year as the result of delays in phone reconnections and new connections.

(5) What sum for compensation is paid to businesses each year by telecommunications companies as a result of delays in phone reconnections, new connections and poor service.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Phone lines are not physically disconnected when an account name is changed.

(2) Providing customers with a ‘contact officer’ for phone transitions is not necessarily the most efficient or effective approach from the customer’s perspective. To provide the customer with contact details for a dedicated staff member may potentially delay assistance to customers as help would be subject to that person’s availability at the time of contact. Telstra advised that customers who telephone for assistance are attended to by the first available consultant. Telstra further advised that its customer databases have the capacity to store historical notes in relation to customer requests or queries, so that its staff have relevant information at hand.

(3) Telstra has advised that there are some circumstances where a customer may receive an additional account or reminder notice for a service that has been cancelled. As customers pay their line rental in advance, they may receive a bill that was in the process of being distributed at the time of cancellation, and receive a subsequent bill reconciling any outstanding or pre-paid amounts on the account. Customers may also receive a reminder notice if they fail to pay their account on time. Customers with more than one service packaged onto a single bill who cancel a fixed line service would subsequently receive accounts for the services not cancelled.

(4) No.

(5) Compensation paid by various telecommunications companies under the Customer Service Guarantee (CSG) for connection delays is reported annually by the Australian Communications and Media Authority in its Telecommunications Performance Report. Compensation paid to small business and residential consumers in aggregate is reported. Compensation paid to small business and residential consumers for not meeting CSG requirements in relation to fault rectification times and the meeting of appointments is also reported.

In addition to compensation paid under the CSG, businesses also may receive compensation from telecommunications companies that is not expressly intended to meet CSG requirements. This includes compensation paid pursuant to a determination made by the Telecommunications Industry Ombudsman or as a result of legal action taken by a business.

Mr Chen Yonglin
(Question No. 1708)

Mr Bowen asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 16 June 2005:

(1) Can the Minister confirm that officers of the Department of Immigration and Multicultural and Indigenous Affairs contacted the Chinese Consulate in Sydney on 26 May 2005 after having received an application for asylum from Mr Chen Yonglin; if so, why.
(2) Did Mr Chen Yonglin request a meeting with the NSW Director of the Department of Immigration and Multicultural and Indigenous Affairs; if so, was this request for a meeting declined and, if it was declined, why.

(3) Was Mr Chen Yonglin told by Ms Louise Lindsay, a departmental officer, that it was not possible to meet at a location other than at the department’s offices; if so, why.

(4) Did any departmental officers recommend Mr Chen Yonglin return to the Chinese consulate; if so, why.

(5) Did Ms Louise Lindsay agree to meet Mr Yonglin on Monday 30 May 2005 but cancel the meeting when Mr Yonglin arrived; if so, why.

(6) Did any departmental officer at any stage advise Mr Yonglin to apply for a tourist or business visa rather than a protection visa.

Mr John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

Officers of the Department of Immigration and Multicultural and Indigenous Affairs have given evidence in detail on these matters before the Senate Foreign Affairs, Defence and Trade References Committee on 25 July and 8 August 2005.

(1) No. Officers of the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) did not contact the Chinese Consulate after having received an application for a protection visa on 3 June 2005. On 26 May 2005, when Mr Chen first contacted DIMIA, a DIMIA officer telephoned the Chinese Consulate to confirm Mr Chen’s claim to being a diplomatic official. Mr Chen was advised beforehand of the Department’s intention to confirm his identity with the Chinese Consulate and did not indicate a problem with his identity being confirmed in this manner.

(2) Mr Chen asked to speak with the State Director, with whom he had no appointment. The State Director was not available at that time.

(3) Mr Chen was asked to attend the NSW DIMIA city offices, as is the normal practice for individuals seeking to meet with the Department to discuss potential immigration issues.

(4) No.

(5) No.

(6) These visas were amongst the various visa options leading to permanent residence explained to Mr Chen. He decided to apply for a Protection visa.

Consultancy Services
(Question No. 1744)

Mr Bowen asked the Minister for Health and Ageing, 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 Abbott—The answer to the honourable member’s question is as follows:

(1) An examination of the department and portfolio agencies records, covering the financial years (a) 2002-2003, (b) 2003-2004, and (c) 2004-2005 has determined that Crosby Textor Research Strategies has not been engaged for any purpose.

(2) Not applicable.
Consultancy Services
(Question No. 1746)

Mr Bowen asked the Minister representing the Minister for Finance and Administration, 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 Costello—The Minister for Finance and Administration has supplied the following answer to the honourable member’s question:

(1) (a)-(c) No.

(2) Not applicable.

Consultancy Services
(Question No. 1747)

Mr Bowen asked the Minister for Agriculture, Fisheries and Forestry, 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 McGauran—The answer to the honourable member’s question is as follows:

(1) No.

(2) Not applicable.

Consultancy Services
(Question No. 1748)

Mr Bowen asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, 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 tender issued.

Mr John Cobb—The answer to the honourable senator’s question is as follows:

(1) and (2) Neither the Department nor any agency within the portfolio has any record of having entered into contracts with Crosby Textor Research Strategies in these years.

Consultancy Services
(Question No. 1749)

Mr Bowen asked the Minister for Education, Science and Training, 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.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1) The Department of Education, Science and Training has a NIL response.

Response from agencies:
- Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)
  Nil response
- Australian National Training Authority (ANTA)
  Nil response
- Australian Research Council (ARC)
  Nil response
- Australian Institute of Marine Science (AIMS)
  Nil Response
- Commonwealth Scientific and Industrial Research Organisation (CSIRO)
  Nil Response
- Australian Nuclear Science and Technology Organisation (ANSTO)
  Nil Response

(2) Not Applicable

Consultancy Services
(Question No. 1750)

Mr Bowen asked the Minister representing the Minister for Family and Community 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 Hockey—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

The Department of Family and Community Services (FaCS) and its portfolio agencies did not engage Crosby Textor Research Strategies in the 2002-2003, 2003-2004, and 2004-2005 financial years.

Consultancy Services
(Question No. 1751)

Mr Bowen asked the Minister for Industry, Tourism and Resources, 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 Ian Macfarlane—The answer to the honourable member’s question is as follows:

Records held indicate that no payments have been made to Crosby Textor Research Strategies by the Department of Industry, Tourism and Resources or by agencies within the Industry, Tourism and Resources portfolio during 2002-03, 2003-04 and 2004-05.

Religious Organisations: Funding
(Question No. 1897)

Dr Lawrence asked the Minister for Health and Ageing, 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 Abbott—The answer to the honourable member’s question is as follows:

(1) Organisations funded by my department are not required to provide such information but are required to meet their legal obligations around human resources as set out in legislation.

(2) No funding provided by my department is specifically for religious instruction or faith-based counselling.

(3) All organisations receiving funding through my department are required to expend the said funding to achieve agreed outputs as set out in their funding agreement, contract or other legal agreement entered into. No funding provided by my department is for religious or evangelical purposes.

(4) All funded organisations are subject to an accountability framework as set out in their funding agreement. This would generally include delivery of reports on progress against agreed outputs, audited financial statements and providing the department with a copy of their organisation’s annual report.

Religious Organisations: Funding
(Question No. 1900)

Dr Lawrence asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 9 August, 2005:

(1) Is the Minister’s department providing 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 John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) The Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) is not aware of any organisation funded to deliver services on our behalf that requires their employees to meet certain religious requirements as a condition of employment.

Organisations delivering DIMIA services are required to comply with all laws of the state or territory in which they are incorporated and/or operating. They must also comply with any relevant statutes, regulations, by-laws and requirements of the Commonwealth and any State, Territory or local authority.

(2) DIMIA does not provide funding to any organisations for programs that include the provision of religious instruction or faith-based counselling.

Some Living in Harmony community grants do address inter-faith issues which seek to promote understanding of religious diversity rather than to promote religion or particular faiths.

(3) Organisations funded by DIMIA to deliver services have contracts or service agreements that specify the range of services to be delivered, regardless of the character or nature of the organisation, rather than activities not to be undertaken.

Consistent with the Charter of a Public Service in a Culturally Diverse Society, funded organisations are expected to deliver services that are sensitive and responsive to the religious values, cultural and linguistic needs of our clients.

(4) State and Territory-based departmental officers monitor the delivery of contracts and service agreements closely. Organisations receive payment for services on a milestone basis once agreed work outputs have been achieved.

DIMIA also has extensive relationships with community organisations that provide a vehicle for feedback on issues such as this.

Religious Organisations: Funding

(Question No. 1903)

Dr Lawrence asked the Minister for Industry, Tourism and Resources, 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 Ian Macfarlane—The answer to the honourable member’s question is as follows:

1. A large number of organisations receive funding under programs administered by the Department of Industry, Tourism and Resources. The Department is not aware that any of these organisations require their employees to meet certain religious requirements as a condition of their employment.

2. No.

3. The Department of Industry, Tourism and Resources administers a range of programs which provide funds for specific purposes and activities. Funding agreements for programs specify the purposes for which funds may be used and clearly state that funds are not to be used for any other purpose. None of the Department’s programs specify religious or evangelical purposes.

4. Organisations that enter into a funding agreement under a Department of Industry, Tourism and Resources program are required to report against the activities set out in their funding agreements, which are consistent with the program objectives, and to provide audited statements to acquit the expenditure of funds.

Religious Organisations: Funding
(Question No. 1905)

Dr Lawrence asked the Minister representing the Minister for Communications, Information Technology and the Arts, 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 McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

1. The Department of Communications, Information Technology and the Arts is not providing any funds to organisations which require their employees to meet certain religious requirements.

2. The Department of Communications, Information Technology and the Arts is not providing any funds to organisations for programs which include religious instructions, or faith-based counselling.

3. There is no clause in the standard funding agreements precluding spending on religious purposes as such. However the standard terms of all funding agreements require that funds only be expended on the purposes specified in the agreement.

4. The standard terms of all funding agreements require that funds only be expended on the purposes specified in the agreement.

Religious Organisations: Funding
(Question No. 1907)

Dr Lawrence asked the Minister for Agriculture, Fisheries and Forestry, 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 McGauran — The answer to the honourable member’s question is as follows:

(1) The details of employment conditions for organisations which are provided funds are not kept by the Department of Agriculture, Fisheries and Forestry (the Department).

(2) No.

(3) All organisations that receive funds are bound to Funding Agreements which specify the activities that can be performed.*

(4) The organisation must abide by the Funding Agreement, which includes providing evidence that the grant was used for the purpose for which it was provided.*

* A number of programme payments are made through the states and the detail that is being sought in the question is not held by the Department for these payments. The answer relates only to programme payments that the Department holds relevant information on.

**Community Pharmacies**

(Question No. 1923)

Mr Gibbons asked the Minister for Health and Ageing, in writing, on 9 August 2005:

(1) In respect of the funding announced on 18 April 2005 which marked the formal start of the negotiations between the Commonwealth and the Pharmacy Guild of Australia, can he explain how the claim that (a) it represents a 30% increase in real terms was calculated and (b) the Government is “spending $11.75 billion on payments to pharmacy” is not misleading.

(2) Is he aware of the serious plight facing community pharmacy, with costs having risen by a greater amount than the PBS payments received every year of the current five-year agreement.

(3) Is he aware that pharmacists provide a range of diagnostic and other services to their clients free of charge and that they stock a large range of pharmaceuticals that are considered essential for a limited number of clients, usually at substantial costs to the individual pharmacy.

(4) Can he guarantee that supermarket-based pharmacies will be required to provide at least the same level of services as are currently provided by existing pharmacists; if not, will he rule out granting licences for supermarkets to operate pharmacies.

Mr Abbott — The answer to the honourable member’s question is as follows:

(1) (a) In April 2005, I announced that pharmacies could expect to receive total payments of $11.75 billion over the life of the Fourth Community Pharmacy Agreement, as compared with total payments of $8.4 billion made under the Third Community Pharmacy Agreement.

This amount was based on the official, Australian Government 2004-05 Estimates of PBS prescription volumes and average price, and included $500 million in funding for pharmacy development and other professional programs.
At the time, this represented a nominal increase in total payments of 40%. When adjusted for inflation over the five years of the Fourth Agreement, real growth in total payments represented 30%.

The Forward Estimates for the PBS were revised in August 2005. As a result of this revision, and the negotiations with the Pharmacy Guild of Australia, payments to pharmacists and pharmaceutical wholesalers over the life of the Fourth Community Pharmacy Agreement, are now estimated to be $11.1 billion. The additional $500 million for professional pharmacy programs and services remains unchanged, bringing the estimated total payments to $11.6 billion over the life of the Fourth Agreement.

This represents real growth in payments to pharmacists of 28%, over the Third Agreement.

(b) Payments to pharmacies over the life of the Fourth Community Pharmacy Agreement include funding for:
- wholesale margin, for the supply and distribution of PBS prescription medicines;
- pharmacy retail mark-up, for the storage and handling of PBS medicines; and
- a dispensing fee, to cover professional pharmacy services.

These arrangements are consistent with existing payment arrangements under the Third Community Pharmacy Agreement. Pharmacies use these payments to negotiate the purchase, distribution and supply of PBS medicines with pharmaceutical manufacturers and wholesalers, under normal commercial arrangements.

(2) The wholesale margin and pharmacy retail mark-up paid to pharmacists is based on the cost of each PBS item. Pharmacist remuneration therefore rises with the cost and volume of PBS medicines dispensed.

The cost of PBS medicines has been rising at an average rate of 12% per year, well above inflation. Pharmacy expenses as a percentage of sales have decreased by 4% over the last four years. While expenses have increased, sales have increased at a faster rate.

(3) Community pharmacists play an important role in providing a range of professional, diagnostic and other services. These services are funded by a combination of government and consumer payments to pharmacies, and retail mark-ups included in the price of goods sold. Funding provided by the government includes remuneration for both the distribution and supply of PBS medicines (wholesale margin), and for storage and handling (retail mark-up).

Pharmacists also receive a fee for every PBS medicine dispensed. The dispensing fee pays the pharmacist for the professional attention and care given to patients at the time of dispensing, including counselling on the proper use of medicines, side effects and self management of the condition being treated.

(4) Negotiations for a Fourth Community Pharmacy Agreement between the Australian Government and the Pharmacy Guild of Australia have now concluded.

As part of these negotiations, the government and the Pharmacy Guild undertook a joint review of the existing pharmacy location arrangements. This review has informed the revised location arrangements that form part of the Fourth Agreement. As part of the Agreement, the Government has agreed to extend existing restrictions on pharmacies located within supermarkets, for the period of the Fourth Agreement.

Mr Chen Yonglin
(Question No. 1985)

Mr Kelvin Thomson asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 10 August 2005:
(1) Was the Minister’s department contacted by Mr Chen Yonglin, First Secretary at the Chinese Consulate in Sydney, seeking permission to remain in Australia; if so, did the department then contact the Chinese Consulate in Sydney to confirm that Mr Chen Yonglin was who he claimed to be thereby alerting the Chinese Government to his intended defection.

(2) Can the Minister explain why this application for political asylum was treated this way.

(3) Is it Government policy to deal with requests for political asylum by contacting representatives of the country from which asylum is being sought.

Mr John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

Officers of the Department of Immigration and Multicultural and Indigenous Affairs have given evidence in detail on these matters before the Senate Foreign Affairs, Defence and Trade References Committee on 25 July and 8 August 2005.

(1) and (2) When Mr Chen contacted the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) on 26 May 2005 to seek a meeting with the DIMIA NSW State Director, a DIMIA officer telephoned the Chinese Consulate to confirm Mr Chen’s claim to being a diplomatic official. Mr Chen was advised of the department’s intention to confirm his identity with the Chinese Consulate and did not indicate a problem with his identity being confirmed in this manner. Mr Chen had not sought political asylum at the time the department spoke to the Chinese Consulate. His intentions in this regard were not known to the department at that time.

(3) The policy of the Department of Immigration and Multicultural and Indigenous Affairs is to carefully protect the privacy of persons seeking asylum in Australia. Care is taken to ensure that the details of any claims for asylum are not disclosed to the authorities of the asylum claimant’s home country.

Commonwealth Property
(Question No. 2002)

Mr Bowen asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 10 August 2005:

(1) What is the name and address of each property under control of the department and each agency in the Minister’s portfolio (ie properties not actively used by the agency and not leased out).

(2) In respect of each vacant property, (a) why it is not being actively used and (b) what action plans are in place to have it actively used.

Mr John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) As a general approach, the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) and the Office of Indigenous Policy Coordination (OIPC), does not have responsibility for Commonwealth-owned buildings in its property portfolio, but leases accommodation holdings. The exceptions are a number of staff residential properties.

The following list contains portfolio office tenancies that are leased, but are currently unoccupied:

- Unit 6, 47-59 Wingewarra Street, Dubbo – lease end date 31.1.2006. The site was acquired by OIPC as a result of the cessation of Aboriginal and Torres Strait Islander Commission (ATSIC) and Aboriginal and Torres Strait Islander Service (ATSIS) in June 2005. The site is surplus to OIPC needs and an early lease surrender date is presently being negotiated.

- Level 94-104 Grafton Street, Cairns – lease end date 4.4.2006. The site was acquired by OIPC as a result of the cessation of ATSIC and ATSIS in June 2005. The site is surplus to OIPC needs and is advertised for sub-letting.
• 4 Victoria Parade, Thursday Island – lease end date 30.4.2006. The site was acquired by OIPC as a result of the cessation of ATSIC and ATSIS in June 2005. The site is surplus to OIPC needs and is advertised for sub-letting.

• 111 Foster Street, Sale – lease end date 31.12.2005. The site was acquired by OIPC as a result of the cessation of ATSIC and ATSIS in June 2005. The site is surplus to OIPC needs and is advertised for sub-letting.

(2) There are a number of Commonwealth-owned properties which are managed by the portfolio, all of which are staff residences.

The following is a list of vacant, owned properties, all of which are awaiting sale.

• 4 Myrtle Street, Darwin
• Unit 1/12 Weaving Court, Alice Springs
• 1 Amara Court, Alice Springs
• 41 Flynn Drive, Alice Springs
• 5A Short Street, Bourke
• 1A Glen Street, Bourke
• 23 Tarcoon Street, Bourke
• 1/6 Wortumertie Street, Bourke
• 2/6 Wortumertie Street, Bourke
• 24 Fong Way, Broome
• 18 George Street, Ceduna
• 11 Day Terrace, Ceduna
• 135 Graeme Street, Kalgoorlie
• 191 Bourke Street, Kalgoorlie
• 25 Hampden Street, Kalgoorlie
• 13B Warman Way, Kalgoorlie
• 2/83 Acacia Avenue, Katherine
• 24 Acacia Drive, Katherine
• 2 Raymond Place, Katherine
• 51 Coolibah Circuit, Katherine
• 3/35 Rowan Street, Kimberley (Derby)
• 2 Reid Court, Kimberley (Derby)
• 7 Hakea Place, Kimberley (Derby)
• 2 Hakea Place, Kimberley (Derby)
• 12 Neville Street, Kimberley (Derby)
• 3 Boobialla Way, Kununurra
• 2/14 Eucalyptus Close, Kununurra

**Commonwealth Property**

**(Question No. 2005)**

Mr Bowen asked the Minister for Industry, Tourism and Resources, in writing, on 10 August 2005:

QUESTIONS IN WRITING
(1) What is the name and address of each vacant property under the control of the department and each agency in the Minister’s portfolio (ie properties not actively used by the agency and not leased out).

(2) In respect of each vacant property, (a) why is it not being actively used and (b) what action plans are in place to have it actively used.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:

(1) The department and its agencies have no vacant property under their control.

(2) No property has been identified in part (1) as being vacant.

Child Support Agency
(Question No. 2055)

Mr Jenkins asked the Minister for Human Services, in writing, on 16 August 2005:

How many Child Support Agency clients reside in (a) Victoria and the postcode area (b) 3074, (c) 3075, (d) 3076, (e) 3082, (f) 3083, (g) 3087, (h) 3088, (i) 3089, (j) 3090, (k) 3091, and (l) 3752.

Mr Hockey—The answer to the honourable member’s question is as follows:


Appointments
(Question No. 2070)

Mr Melham asked the Prime Minister, in writing, on 17 August 2005:

(1) For the financial year 2004-2005, how many appointments were brought to the Prime Minister’s attention in accordance with the requirements of the Cabinet Handbook which were for (a) significant full-time or part-time appointments to boards, commissions or statutory offices, (b) full-time Chief Executive Officer (CEO) positions in government agencies, (c) first time acting appointments to boards, commissions, statutory offices or full-time CEO positions where the acting appointment is for three months or more, (d) appointments to significant non-statutory tribunals, advisory bodies and commissions of inquiry, (e) appointments as heads of missions other than Aus-trade managed posts, and (f) other significant appointments.

(2) For each category in part (1)(a) and (1)(b), how many recommendations for appointments were (a) approved, and (b) not approved by (i) him, and (ii) Cabinet.

Mr Howard—I am advised that the answer to the honourable member’s question is as follows:

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Treaties Council
(Question No. 2072)

Mr Melham asked the Prime Minister, in writing, on 17 August 2005:

(1) Does he recall the decision of the Council of Australian Governments at its meeting on 14 June 1996 to establish a Treaties Council comprised of himself and all Premiers and Chief Ministers to consider "treaties and other international instruments of sensitivity or importance to the States and Territories".

(2) Can he explain why the Treaties Council has met only once, in November 1997.

(3) Did he give any consideration to convening a meeting of the Treaties Council to consider any of the negotiations leading to the (a) the Singapore–Australia Free Trade Agreement, (b) the Australia–Thailand Free Trade Agreement, and (c) the Australia–United States Free Trade Agreement; if so, what were his reasons for not proposing any meeting of the Council to consider these negotiations.

(4) Has he considered convening a meeting of the Treaties Council to consider (a) the Australia–China Free Trade Agreement negotiations, (b) the Australia–ASEAN–New Zealand Free Trade Agreement negotiations; (c) the Australia–Malaysia Free Trade Agreement negotiations, and (d) the Australia–United Arab Emirates Free Trade Agreement negotiations; if not, why not.

Mr Howard—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) The Treaties Council has met only once because the government considers that the existing range of forums for state and territory consultations on treaty matters has been effective and that a proper consideration of the issues has taken place without the need to convene a further meeting.

(3) The Treaties Council is only one mechanism for Commonwealth-State consultation on treaty matters. A range of both standing and ad hoc consultative processes have been used to inform negotiations on the Australia–United States Free Trade Agreement, Singapore–Australia Free Trade Agreement and Australia–Thailand Free Trade Agreement.

(4) The government will consult with states and territories on all these negotiations and will use appropriate mechanisms to do so.

Visits by Heads of State
(Question No. 2076)

Mr Melham asked the Prime Minister, in writing, on 17 August 2005:

For each visit to Australia by a foreign Head of State since August 2003, (a) when did the Head of State visit Australia, (b) what were the points of arrival and departure, (c) was the Head of State greeted on arrival by (i) the Governor-General, (ii) a representative of the Governor-General; if so, who, (iii) the Prime Minister, or (iv) a Minister or Ministers; if so, who, and (d) was the Head of State farewelled on departure by (i) the Governor-General, (ii) a representative of the Governor-General; if so, who, (iii) the Prime Minister, or (iv) a Minister or Ministers; if so, who.

Mr Howard—I am advised that the answer to the honourable member’s question is as follows:
Tuesday, 7 February 2006

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Date: 22/10/2003 – 23/10/2003
Head of State: Working Visit by the Honourable George W Bush, President of the United States of America and Mrs Bush
Arrival Point: Canberra
Greeted by: Prime Minister
Head of State: State Visit by His Excellency Mr Hu Jintao, President of the People’s Republic of China and Madame Liu Yongqing
Arrival Point: Sydney
Greeted by: (Sydney Ceremonial Arrival)
The Governor-General and the Prime Minister
(Canberra Informal Arrival)
The Governor-General and the Honourable Alexander Downer MP, representing the Prime Minister
Departure Point: Canberra (transit Cairns, 27/10/03)
Farewelled by: The Governor-General and the Honourable Mark Vaile MP, representing the Prime Minister
Date: 15/02/2005 – 20/02/2005
Head of State: State Visit by His Majesty Sultan Haji Hassanal Bolkiah, Sultan of Brunei Darussalam
Arrival Point: Canberra
Greeted by: The Governor-General and the Honourable John Anderson MP, representing the Prime Minister
Departure Point: Perth
Farewelled by: Mr Malcolm Hazell CVO, representing the Governor-General, and the Honourable John Anderson MP, representing the Prime Minister
(Sydney Departure)
Squadron Leader Geoff Roberts ADC, representing the Governor-General
Date: 28/02/2005 – 06/03/2005
Head of State: State Visit by His Excellency Mr Moshe Katsav, President of the State of Israel and Mrs Gila Katsav
Arrival Point: Sydney
Greeted by: Colonel Bill Monfries ADC, representing the Governor-General
(Canberra Ceremonial Arrival)
The Governor-General and the Honourable John Anderson MP, representing the Prime Minister
(Perth Departure)
Group Captain Keith Brackenbury ADC, representing the Governor-General

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Centrelink  
(Question No. 2110)

Ms Hoare asked the Minister for Human Services, in writing, on 18 August 2005:

(1) Is he aware Centrelink issues Assurance of Support (AoS) certificates to individuals at the request of the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) as proof an individual is legally committed to repay any recoverable payments made by Centrelink to successful visa applicants covered by the assurance.

(2) Is he aware that (a) an AoS will be issued if individuals can show they have sufficient income and (b) the proof of income required is a tax assessment issued by the Australian Taxation Office (ATO).

(3) Is he aware that individuals who do not receive a taxable income and thereby do not receive a tax assessment cannot be issued with an AoS even if their non-taxable income exceeds the required income for the issue of an AoS.

(4) Can he explain why other forms of proof of income are not allowed where there is sufficient non-taxable income to qualify otherwise.

(5) Will he consider expanding the allowable forms of proof of income; if not, why not.

Mr Hockey—The answer to the honourable member’s question is as follows:

Centrelink has administered the Assurance of Support scheme, on behalf of the Department of Family and Community Services, since July 2004.

(1) Yes.

(2) Yes.

(3) Yes.

(4) The legislation specifies documents that are acceptable as evidence of an assurer’s income. The proof of income required demonstrates that the assurer has the means to support the migrant and repay any recoverable social security payment made during the Assurance of Support period. This is consistent with other government policy, is a transparent process and protects government outlays.

(5) This is a policy matter. Policy responsibility for Assurance of Support belongs to the Department of Family and Community Services, not the Department of Human Services.

Broadband Services  
(Question No. 2139)

Mr Brendan O’Connor asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 18 August 2005:

(1) How many households currently have access to internet broadband in (a) Australia (b), Victoria and the post code area (c) 3337, (d) 3338, (e) 3435, (f) 3437, (g) 3438, (h) 3440, (i) 3441, and (j) 3442.

(2) What proportion of households in (a) Australia (b) Victoria and the post code area (c) 3337, (d) 3338, (e) 3435, (f) 3437, (g) 3438, (h) 3440, (i) 3441, and (j) 3442 are unable to access ADSL or cable broadband services.

(3) Is the Government committed to ensuring equal access to broadband for (a) all households in the electoral division of Gorton (b) all households in Australia.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question, which is based partly on information provided by Telstra:
(1) (a) to (j) Broadband services are available in all areas of Australia via one or more access technologies through more than 230 broadband Internet service providers.

(2) (a) to (j) Broadband services are available in all areas of Australia via one or more access technologies through more than 230 broadband Internet service providers.

The Department has advised that it is unable to obtain information relating to the supply of ADSL or cable services by post code area.

(3) (a) to (b) The Government is committed to equitable access to broadband services across the country.

In-Home Care Program

(Question No. 2147)

Mr Byrne asked the Minister representing the Minister for Family and Community Services, in writing, on 18 August 2005:

(1) When will the findings of the review into the In-Home (Child) Care Program be released.

(2) Since the establishment of the program, how many families (a) in total and (b) in the electoral division of Holt have accessed places in the program.

(3) What sum was allocated for the review and what proportion was spent on independent consultants.

(4) Is there a waiting list for In-Home (Child) Care places; if so, how many families are on waiting lists to access places.

Mr Hockey—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

(1) The Department of Family and Community Services is currently considering the findings from the review and no decision has yet been taken about a release date for the review findings.

(2) In the December quarter 2004 there were around 1,400 families using the In Home Care programme. In Home Care places are not allocated to electorates but to a coordinating service.

(3) The cost of the review was $208,290.00 (inc GST) and comprised two projects both undertaken by external independent consultants.

(4) There are currently no outstanding expressions of interest for In Home Care places.

Trade

(Question No. 2159)

Mr Rudd asked the Minister for Trade, in writing, on 18 August 2005:

(1) What progress is being made to meet the Government’s target of doubling the number of exporters by 2006.

(2) Have any additional resources been provided to assist Austrade to double the number of exporters.

(3) What initiatives have been adopted to double the number of exporters.

(4) Will the Government meet its commitment to double the number of exporters by 2006.

Mr Vaile—The answer to the honourable member’s question is as follows:

(1) Since 1995-96 the value of Australia’s annual goods and services exports has increased from $99.2 billion to $163.2 billion in 2004-05.

In 2002/03, as part of the Government’s trade policy agenda an ambitious program to broaden and diversify Australia’s export base was developed by introducing a new generation of businesses to exporting. Austrade has taken the lead role in co-ordinating the whole of government approach to the ambitious, aspirational goal of doubling the number of Australian exporters by 2006-07.
The international environment for Australian exporters has been challenging and affected by a number of events, including the appreciation of the Australian currency, the impact of the prolonged drought on our rural communities, SARS, terrorism and oil prices. However, some major gains have been achieved. There are now more small and medium sized enterprises (SMEs) joining the exporter community. In fact, ABS figures show such businesses now make up 87 per cent of all exporters.

Austrade’s results so far suggest the goal has helped it to become increasingly proactive in its outlook. In 2004-05, Austrade assisted 1,717 new and irregular exporters achieve export success. This represents an increase of nearly 400 per cent in the number of successful new and irregular exporters since 2002-03.

In aggregate, Austrade helped 4,358 clients achieve export success in 2004-05, which is a threefold increase on the 1,506 clients assisted in 2001-02. Exporter sustainability, as shown in ABS figures, is increasing with 68 per cent of exporters now considered ‘regular’ exporters, compared to 55 per cent in the mid-1990s.

(2) The Government has provided $21.5 million from 2002-03 to 2005-06 to fund the TradeStart network. TradeStart is a national network of 50 offices that provides resources, advice and expertise necessary to help Australian businesses export successfully with a particular focus on new and irregular exporters and SMEs, especially in regional and rural Australia.

Austrade also received funding of $6.4 million over 5 years from 1 July 2005 to establish 8 Export Hubs aimed at enhancing access to services for businesses in regional areas - the Export Hubs will offer the services of both TradeStart and AusIndustry to assist companies commercialise and grow through internationalisation.

Funding for the Austrade-administered Export Market Development Grants (EMDG) scheme has been boosted by $30 million up until 2007 which will allow Austrade to assist more small and medium sized Australian businesses to enter export, and become sustainable exporters. The EMDG scheme concentrates on assisting smaller businesses and less-experienced exporters. In 2004-05, 77% of recipients had $5 million or less in annual income and 31% received their first grant under the scheme.

Austrade’s current export promotion programs and initiatives all seek to maximise the number of new exporters assisted to win international business. Two programs that have received specific funding this year and which are expected to contribute to Austrade’s goal of doubling the number of exporters are:

- New Exporters – New Opportunities - $13.5 million has been allocated over 4 years from 2004-05 to deliver programs that enable Australian exporters to capitalise on emerging trade opportunities in the FTA markets of Singapore, Thailand and the US, as well as opportunities in growth markets such as China
- US FTA - $25 million over 3 years has been provided to help Australian businesses take advantage of opportunities arising from the US free trade agreement through the creation of 30 new export facilitator positions.

(3) Austrade has been actively building its links with potential new exporters through enhanced marketing activities, export awareness seminars and working closely with allies. These efforts include establishing professional development programs for a broad range of large professional service providers, for example, accounting and legal firms, who can work with Austrade to provide information and activities to promote export options and opportunities to their own client base.

Since 1 July 2002, Austrade has developed and delivered two programs specifically focussed on growing the number of exporters - the New Exporter Development Program (NEDP) and TradeStart.
NEDP is a package of “free of charge” export services delivered by Austrade and TradeStart that are designed to assist small and medium-sized Australian companies develop their businesses overseas and make their first export sale.

- The aim is to provide Australian businesses with the best possible start to exporting, by providing a wide range of services including advice and information about getting into exporting, market selection, export coaching and some free assistance on the ground in foreign markets.

- As at 30 June 2005, the total number of active clients on the NEDP was 4,825, with 1,826 additional clients signed onto the program in 2004-05.

Since 1 July 2002 the TradeStart Network has generated the following outcomes:

- 836 new exporters making an export sale (965 export successes);
- $213.3 million worth of export sales;
- 50 offices across Australia involving 29 TradeStart partners representing Austrade and promoting the Government’s trade facilitation services across regional development groups, industry associations and state governments.

These programs are additional to Austrade’s core business activities that also seek to identify and win export business for new exporters. In 2005/06, Austrade will particularly promote opportunities in FTA markets, growth markets such as India and China and in industry sectors where significant gains can be achieved in terms of exporter numbers and/or export dollars.

(4) The Government has a comprehensive trade policy, including WTO and FTA negotiations to encourage the success of Australian businesses in international markets and thereby increase national prosperity.

Australia’s export success is, however, also dependent on external events – such as business confidence in security conditions, the impact of the continuing drought in Australia and the exchange rate movements affecting the competitiveness of our products and services. The Government’s comprehensive trade policy framework gives Australian exporters the greatest opportunity to achieve future export success.

The Government remains committed to encouraging and supporting an increasing number of new exporters while also focusing on assisting established exporters to consolidate their export position, expand into new markets and increase their export value.

Austrade is working more closely with industry, corporate allies and other Australian government agencies and the States and Territories to help realise the short term, and longer term, export potential for Australian businesses.

In 2004-05, Austrade assisted 4,358 businesses to achieve export success, a 32% increase on the 2003-04 results of 3,315 businesses. The dollar value of exports over the same period grew by 36% from $13,476 billion to $18,364 billion. Within the context of the Government’s comprehensive trade policy, Austrade will assist more Australian businesses to achieve export success in 2005-06.

Attorney-General

(Question No. 2167)

Mr Bowen asked the Attorney-General, in writing, on 18 August 2005:

(1) Has the Minister received any training, coaching or assistance in public speaking or voice projection at public expense since the Minister took office; if so, what was the cost of this training.

(2) What is the name and postal address of the individual or organisation(s) which provided the training.

Mr Ruddock—The answer to the honourable member’s question is as follows:

QUESTIONS IN WRITING
(1) No.
(2) Not applicable.

Minister for Education, Science and Training
(Question No. 2170)

Mr Bowen asked the Minister for Education, Science and Training, in writing, on 18 August 2005:

(1) Has the Minister received any training, coaching or assistance in public speaking or voice projection at public expense since the Minister took office; if so, what was the cost of this training.

(2) What is the name and postal address of the individual or organisation(s) which provided the training.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1) No.
(2) Not applicable.

Minister for Agriculture, Fisheries and Forestry
(Question No. 2176)

Mr Bowen asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 18 August 2005:

(1) Has the Minister received any training, coaching or assistance in public speaking or voice projection at public expense since the Minister took office; if so, what was the cost of this training.

(2) What is the name and postal address of the individual or organisation(s) which provided the training.

Mr McGauran—The answer to the honourable member’s question is as follows:

(1) No.
(2) Not applicable.

Minister for Vocational and Technical Education
(Question No. 2183)

Mr Bowen asked the Minister for Vocational and Technical Education, in writing, on 18 August 2005:

(1) Has the Minister received any training, coaching or assistance in public speaking or voice projection at public expense since the Minister took office; if so, what was the cost of this training.

(2) What is the name and postal address of the individual or organisation(s) which provided the training.

Mr Hardgrave—The answer to the honourable member’s question is as follows:

(1) No.
(2) Not applicable.
Departmental Expenditure
(Question Nos 2193 to 2211)

Ms Burke asked all portfolio ministers, in writing, on 5 September 2005:


(2) What was the base and top (including performance pay) salaries of APS 1, 2, 3, 4, 5, 6 (or equivalent), Executive Level 1 and 2 (or equivalent), and SES Band 1, Band 2 and Band 3 (or equivalent) in the Minister’s department in (a) 1996-1997, (b) 1997-1998, (c) 1998-1999, (d) 1999-2000, (e) 2000-2001, (f) 2001-2002, (g) 2002-2003, (h) 2003-2004, and (i) 2004-2005.


(7) What are the details of all management retreats or training programs conducted by the Minister’s department which were attended by employees during (a) 1996-1997, (b) 1997-1998, (c) 1998-1999, (d) 1999-2000, (e) 2000-2001, (f) 2001-2002, (g) 2002-2003, (h) 2003-2004, and (i) 2004-2005, indicating (i) the location and venue for each, (ii) the date each was held, (iii) the reason for the training, (iv) what sum was spent in total on each program, (v) what sum was spent on accommodation, (vi) what sum was spent on food, (vii) what sum was spent on alcohol/drinks, (viii) what sum was spent on transport, and (ix) what sum was claimed in travel allowances for each.


(10) In respect of each overseas trip by staff of the Minister’s department in (a) 1996-1997, (b) 1997-1998, (c) 1998-1999, (d) 1999-2000, (e) 2000-2001, (f) 2001-2002, (g) 2002-2003, (h) 2003-2004, and (i) 2004-2005, what was (i) the date and duration, (ii) the reason, (iii) the class of travel, (iv) the name and location of the hotel/s or motel/s where the employee(s) stayed, (v) the position(s) of the employee(s) who made the journey, and (vi) the departmental section in which the employee was based at that time.

(12) In respect of each domestic journey by staff of the Minister’s department in (a) 1996-1997, (b) 1997-1998, (c) 1998-1999, (d) 1999-2000, (e) 2000-2001, (f) 2001-2002, (g) 2002-2003, (h) 2003-2004, and (i) 2004-2005, what was (i) the date and duration, (ii) the reason, (iii) the class of travel, (iv) the name and location of the hotel/s or motel/s where the employee(s) stayed, (v) the position(s) of the employee(s) who made the journey, and (v) the departmental section in which the employee was based at that time.


(17) Did the Minister’s department conduct any surveys of attitudes towards programs for which it was responsible in (a) 1996-1997, (b) 1997-1998, (c) 1998-1999, (d) 1999-2000, (e) 2000-2001, (f) 2001-2002, (g) 2002-2003, (h) 2003-2004, and (i) 2004-2005; if so, (i) on which programs were the surveys conducted, (ii) what was the total cost of conducting each survey, and (iii) what were the findings.


(21) What are the details of each Cabcharge transaction in (a) 1996-1997, (b) 1997-1998, (c) 1998-1999, (d) 1999-2000, (e) 2000-2001, (f) 2001-2002, (g) 2002-2003, (h) 2003-2004, and (i) 2004-2005, for the Minister’s department and departmental staff, including the (i) departure and destination points, (ii) date and time of each transaction, (iii) location of each journey, and (iv) total cost of each transaction.

Mr Howard—I provide the following answer, on behalf of all portfolio ministers, to the honourable member’s question:

This question seeks a large amount of information, much of which is already on the public record. For example, details about SES remuneration levels and expenditure on consultancies have been contained in each department’s annual report for several years.

Many parts of the question seek information that is not readily available, the compilation of which would require a significant diversion of resources which no minister acting reasonably would authorise.
Other parts seek information that is no longer retained in accordance with established (and/or longstanding) archival practice.

The efficient and effective use of Australian government resources is in the public interest.

The diversion of resources required, for instance, to itemise the date, time, cost, departure and destination of each Cabcharge transaction since 1 July 1996 is neither a good use of those resources nor of any substantial public interest.

In these circumstances, the government has instructed each department not to prepare an answer to any part of the honourable member’s question.

**Broadband Services**

(Question No. 2247)

**Ms Grierson** asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 6 September 2005:

1. Is the Minister aware that the speed of ISDN internet connections to premises with existing pair gain services is considerably slower than ISDN internet connections to premises with an existing full phone line service.

2. What is Telstra’s policy in relation to upgrading existing pair gain services through the transposition to an Alternative Copper Path.

3. Which telecommunications service providers currently offer ADSL broadband services to premises in the electoral division of Newcastle.

4. Which telecommunications service providers currently refuse to offer ADSL broadband services to premises with an incompatible pair gain service in the electoral division of Newcastle.

5. For premises with an incompatible pair gain service, what is Telstra’s policy in relation to the processing of ADSL broadband applications, including the transposition to an Alternative Copper Path, when that application is made to (a) Telstra and (b) other service providers.

6. For premises with an incompatible pair gain service, what is the average time taken for the transposition to an Alternative Copper Path to allow ADSL broadband services to be established when that application is made to (a) Telstra and (b) other service providers.

**Mr McGauran**—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

1. Telstra has advised that, where available, ISDN provides a service comprising two data channels, each capable of delivering data at a rate of 64 kilobits per second (kbit/s). Telstra has advised that all pair gain systems currently in use in its network, which have an ISDN capability, allow customers with appropriate premises equipment to link the two data channels in order to access the Internet at a speed of 128 kbit/s.

   For those customers who are able to access ISDN, the connection may be slowed down if they choose to access the Internet by using an analogue rather than a digital modem. The use of an analogue modem with an ISDN connection will prevent the customer from receiving standard ISDN speeds regardless of whether a pair gain system is in use in the network.

2. Telstra has advised that it uses a path compatible with the provision of ADSL to support the requested service if such a path is available for use.

3. There are a number of telecommunications service providers currently offering ADSL services to premises in the electoral division of Newcastle. They include but are not limited to Telstra, aaNet, Optus, Exetel, Westnet, Internode, TPG Internet, Netspace, iiNet, Datafast and Swiftel.
(4) It is not possible to offer ADSL services to premises where the telephone service is provided via an incompatible pair gain service. As a result, no telecommunications service provider can offer ADSL services to premises such as these in the electoral division of Newcastle.

(5) (a) and (b) Telstra has advised that Telstra Infrastructure Services will attempt to provide an economically viable ADSL capable path for orders for ADSL from Telstra Retail and from other ISPs through Telstra Wholesale. The Telstra Infrastructure Services’ process is the same for all applications regardless of the source.

(6) Telstra has advised that for the month of August 2005, the average time for an ADSL service provisioning order that included a transposition to be completed was: (a) 13.24 working days when the application was made through Telstra Retail, and (b) 14.02 working days when the application was made through Telstra Wholesale.

Austrade
(Question No. 2272)

Mr Martin Ferguson asked the Minister for Trade, in writing, on 6 September 2005:

Further to the answer to question No. 1415 (Hansard, 10 August 2005, page 139) concerning Austrade expenditure on the 2005 Australian Fashion week, what is the breakdown of the expenditure by (a) Austrade Sydney of $24,888, (b) Austrade Toronto of $19,395, (c) Austrade London of $17,400, (d) Austrade Milan of $17,298, (e) Austrade New York of $14,575, (f) Austrade Stockholm of $12,200, (g) Austrade Tokyo of $8,156, (h) Austrade Paris of $6,273, (i) Austrade Hong Kong of $5,410, (j) Austrade Seoul of $4,900, (k) Austrade Jakarta of $2,620, (l) Austrade Singapore of $2,335, and (m) Austrade Taipei of $225 to support the 53 international buyers who attended the 2005 Australian Fashion week.

Mr Vaile—The answer to the honourable member’s question is as follows:

Detail of the breakdown of expenditure requested is:

(a) Austrade Sydney - $24 888
   (i) Contribution to airfares and accommodation for visiting New York, London and Tokyo buyers - $20 000
   (ii) Meals and other representational costs (including buyers, media and Austrade officials) - $4 255
   (iii) Taxis for client visits - $663
(b) Austrade Toronto - $19 395
   Travel and accommodation costs for 2 buyers
(c) Austrade London - $17 392
   (i) Travel and accommodation costs for 2 buyers - $16 482
   (ii) Meals and representational expenses - $560
   (iii) Taxis for client visits - $350
(d) Austrade Milan - $17 298
   Travel and accommodation costs for 2 buyers
(e) Austrade New York - $14 575
   Travel and accommodation costs for buyer
(f) Austrade Stockholm - $12 200
   Travel costs for 2 buyers
(g) Austrade Tokyo - $8 156
Travel cost for 1 buyer; accommodation costs for 4 buyers - $7,801
Meals and representational expenses - $355

(h) Austrade Paris - $6,273
Travel costs for buyer

(i) Austrade Hong Kong - $5,410
Travel costs for 2 buyers

(j) Austrade Seoul - $4,900
Travel costs for 3 buyers

(k) Austrade Jakarta - $2,620
Travel costs for 2 buyers.

(l) Austrade Singapore - $4,422 (showing additional expenditure of $2,087 over sum of $2,335 provided in 10 August advice)
   (i) Travel and accommodation costs for buyer $3,248
   (ii) Meals and representational costs - $1,174

(m) Austrade Taipei - $225
Meals and representational costs.

Unlawful Dismissal
(Question No. 2273)

Ms Bird asked the Minister for Employment and Workplace Relations, in writing, on 6 September 2005:

(1) What is the average length of time for unlawful dismissal cases to be considered by the (a) Australian Federal Court and (b) Australian Industrial Relations Commission.

(2) How many unlawful dismissal cases have been lodged with the (a) Australian Federal Court and (b) Australian Industrial Relations Commission for each year since 1996.

(3) What is the average cost incurred by (a) employees and (b) employers involved in unlawful dismissal cases in the (i) Australian Federal Court and (ii) Australian Industrial Relations Commission.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) (a) The Australian Federal Court has advised that 75 per cent of unlawful termination cases are finalised within six months of commencement.

   (b) The Australian Industrial Relations Commission (AIRC) does not distinguish between unfair dismissal and unlawful dismissal cases in its case tracking system. However, the AIRC has advised that the median time for a termination of employment case is 39 days. This includes unfair and unlawful dismissal cases.

(2) (a) The number of unlawful dismissal cases lodged with the Australian Federal Court in 2004 - 05 period is approximately 30. The Australian Federal Court has advised that data from the years 1996 - 2003 is unavailable.

   (b) The number of termination of employment cases lodged with the AIRC for the years 1996 - 2004 is provided below. Data collected by the AIRC on federal termination of employment applications does not differentiate between unfair dismissal and unlawful termination.
(3) Data pertaining to the average cost incurred by employees and employers involved in unlawful dismissal cases is unavailable from the Australian Federal Court and the AIRC.

**Australian Heritage Council**

(Question No. 2341)

Mr Albanese asked the Minister representing the Minister for the Environment and Heritage, in writing, on 12 September 2005:

(1) Since 1 January 2002 what are the details of travel at Commonwealth expense undertaken by the Commissioners of the former Australian Heritage Commission and members of the Australian Heritage Council (AHC), in particular, what were the dates, destination, purpose and total cost of travel (including airfares, travel allowances and expenses paid) in respect of each trip.

(2) For 2004-2005, what (a) remuneration (salary only) and (b) sum of travel and other allowances were paid to each member of the AHC.

(3) Since 1 January 2004, have any members of the AHC disclosed a direct or indirect pecuniary interest in relation to a matter that has been, or will be, considered by the AHC as required under s.19 of the Australian Heritage Council Act 2003; if so, (a) what was the name of the relevant member, (b) what was the date of the disclosure, (c) what are the details of the matter that was, or will be, considered, (d) what was the nature of the interest that was disclosed, and (e) in respect of each member disclosing a pecuniary interest, was the member present during any deliberation by the Council on the matter and did they take part in any decision of the Council on the matter.

(4) What were the dates and locations of all AHC meetings in 2004 and 2005.

(5) What is the experience and expertise of each member of the AHC, including details of relevant qualifications (including the major/s studied) and, where appropriate, whether they were appointed for their experience or expertise concerning natural, historic or indigenous heritage.

(6) Which member of the AHC has been appointed under paragraph 7(3)(c) of the Australian Heritage Council Act 2003 to represent the interests of indigenous people.

(7) Have any associate member appointments to the AHC been made under subsection 7(4) of the Australian Heritage Council Act 2003; if so, who and were they appointed for their natural, indigenous or historic experience or expertise.

(8) How many ministerial requests for assessments of the national heritage values of a place have been made under subsection 324G(1) of the Environment Protection and Biodiversity Conservation Act 1999; if so, what places were the subject of the request and when was the request made.

(9) Prior to the introduction of the new heritage regime on 1 January 2004, had the Australian Heritage Commission or the Department of the Environment and Heritage, or anyone acting on behalf of either the Commission or the Department, started work on the assessment of places for inclusion on the National Heritage List (NHL); if so, what are the details of the relevant places.

(10) Since the new heritage regime commenced, (a) how many places have been nominated for inclusion on the NHL under the normal listing process (ie, not emergency listings) and (b) how many places (i) are still being assessed by the AHC, (ii) are with the Minister awaiting a decision (includ-
ing those that are subject to the Ministerial consultation process), and (iii) have had a decision made in relation to them.

(11) In respect of each place listed, or the subject of a current nomination for listing, on the NHL, when was it nominated.

(12) In respect of each assessment sent by the AHC to the Minister concerning places nominated for inclusion on the NHL or the Commonwealth Heritage List, what was the (a) name of the place, (b) date the assessment was sent by the AHC, and (c) date on which the assessment was received by the Minister.

(13) In respect of each place for which the AHC has, at its own initiative, commissioned an assessment of its national heritage values, (a) what is the name of the place or area, (b) what is the current status of the assessment, and (c) when will the assessment be completed.

Mr Truss—The Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:


(2)

<table>
<thead>
<tr>
<th>Name</th>
<th>Remuneration 04/05</th>
<th>Travel 04/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Tom Harley (Chair)</td>
<td>$45,930</td>
<td>$6,708.07</td>
</tr>
<tr>
<td>Dr Richard Walley OAM</td>
<td>$20,080</td>
<td>$9,249.56</td>
</tr>
<tr>
<td>Mr Roger Beale AM</td>
<td>$20,080</td>
<td>$4,286.74</td>
</tr>
<tr>
<td>Dr Gaye Sculthorpe</td>
<td>$20,080</td>
<td>$4,173.25</td>
</tr>
<tr>
<td>Dr Jane Lennon AM</td>
<td>$20,080</td>
<td>$21,851.52</td>
</tr>
<tr>
<td>Mr Michael Kennedy</td>
<td>$20,080</td>
<td>$7,303.11</td>
</tr>
<tr>
<td>Dr Denis Saunders</td>
<td>$20,080</td>
<td>$4,327.90</td>
</tr>
<tr>
<td>Mr Jonathan Mills</td>
<td>$20,080</td>
<td>$4,408.16</td>
</tr>
</tbody>
</table>

(3) Yes. Details are provided in the following table.

<table>
<thead>
<tr>
<th>(a) Name of member</th>
<th>(b) Date of disclosure</th>
<th>(c) Details of the Matter</th>
<th>(d) Nature of the interest disclosed*</th>
<th>(e) Member’s attendance &amp; participation in decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Tom Harley &amp; Dr Jane Lennon</td>
<td>19.9.2005</td>
<td>National &amp; Commonwealth heritage lists – assessment of various places</td>
<td>Mr Harley is an employee and shareholder of BHP which has an interest in Barrow Island [nominated to the National Heritage List] (WA). Dr Lennon did previous work in Kosciuszko National Park [nominated to the National Heritage List], at Recherche Bay [nominated to the National Heritage List] and was on a Victorian</td>
<td>Yes &amp; Yes</td>
</tr>
<tr>
<td>(a) Name of member</td>
<td>(b) Date of disclosure</td>
<td>(c) Details of the Matter</td>
<td>(d) Nature of the interest disclosed*</td>
<td>(e) Member’s attendance &amp; participation in decisions</td>
</tr>
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<td>-------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Mr Tom Harley &amp; Dr Jane Lennon</td>
<td>1.8.2005 National &amp; Commonwealth heritage lists – assessment of various places</td>
<td>Government Committee, in 1990, concerning HMVS Cerberus [nominated to the National Heritage List]. Dr Lennon is also a member of the Governing Council for Old Parliament House [nominated to the National Heritage List]. Mr Harley is an employee and shareholder of BHP Billiton, which has an interest in Wollongong [Wara-Nhayara Plateau - nominated to the National Heritage List] coal mining and the Burrup Peninsula [nominated to the National Heritage List]. He is also a Trustee of the Point Nepean [nominated to the National Heritage List] Community Trust. Dr Lennon did previous work for Point Nepean Quarantine Station and Surrounds [nominated to the National Heritage List], and the Victorian Alpine National Park [nominated to the National Heritage List].</td>
<td>Yes &amp; Yes</td>
<td></td>
</tr>
<tr>
<td>Dr Jane Lennon and Mr Jonathan Mills</td>
<td>14.7.2005 National &amp; Commonwealth heritage lists – assessment of various places</td>
<td>Dr Lennon is a member of the Governing Council for Old Parliament House [nominated to the National Heritage List] and has done some work on the Alpine National Park</td>
<td>Yes &amp; Yes</td>
<td></td>
</tr>
<tr>
<td>(a) Name of member</td>
<td>(b) Date of disclosure</td>
<td>(c) Details of the Matter</td>
<td>(d) Nature of the interest disclosed*</td>
<td>(e) Member’s attendance &amp; participation in decisions</td>
</tr>
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<td>---------------------------</td>
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<td>---------------------------------------------</td>
</tr>
<tr>
<td>Mr Tom Harley, Mr Michael Kennedy and Dr Gaye Sculthorpe</td>
<td>18.5.2005</td>
<td>National &amp; Commonwealth heritage lists – assessment of various places</td>
<td>[nominated to the National Heritage List], and is included in the references for the place. Mr Mills’s family company may have an interest in BMA House [nominated to the National Heritage List]. Mr Harley declared his interest in item 2.2.1 and 2.1 on the basis that he is an employee and shareholder of BHP, which has an interest in Burrup Peninsula [nominated to the National Heritage List] and Wara-Nhayara Plateau [nominated to the National Heritage List]. Mr Harley also advised Council that he had been accused of apprehended bias on the Recherche Bay nomination [to the National Heritage List] by the Tasmanian Forest Association (TFA). Council noted that the comments to which the TFA are referring were made prior to the passage of the heritage amendments to the EPBC Act or the establishment of the Council. Dr Sculthorpe declared an interest in item 2.3.5 as she has a family link to the Recherche Bay [nominated to the National Heritage List].</td>
<td>Yes &amp; Yes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Mr Kennedy left the room whilst the discussion was taking place.</td>
</tr>
<tr>
<td>(a) Name of member</td>
<td>(b) Date of disclosure</td>
<td>(c) Details of the Matter</td>
<td>(d) Nature of the interest disclosed*</td>
<td>(e) Member’s attendance &amp; participation in decisions</td>
</tr>
<tr>
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<td>------------------------------------------------</td>
</tr>
<tr>
<td>Mr Tom Harley</td>
<td>6.4.2005</td>
<td>National &amp; Commonwealth heritage lists – assessment of various places</td>
<td>Mr Harley declared that his employer had an interest in the Wara-Nhayara Plateau [nominated to the National Heritage List] area.</td>
<td>Yes &amp; Yes</td>
</tr>
<tr>
<td>Mr Tom Harley</td>
<td>3.12.2004</td>
<td>National &amp; Commonwealth heritage lists – assessment of various places</td>
<td>Mr Harley noted that his employer, BHP Billiton, has an interest in the Burrup Peninsula [nominated to the National Heritage List] and, as the Chairman of the Australian Heritage Council, has been appointed to the Point Nepean [nominated to the National Heritage List] Community Trust.</td>
<td>Yes &amp; Yes</td>
</tr>
<tr>
<td>Mr Tom Harley</td>
<td>16.9.2004</td>
<td>National &amp; Commonwealth heritage lists – assessment of various places</td>
<td>Mr Harley declared that BHP Billiton has an operation on the Burrup Peninsula [nominated to the National Heritage List].</td>
<td>Yes &amp; Yes</td>
</tr>
<tr>
<td>Mr Tom Harley and Mr Roger Beale</td>
<td>22-23.7.2004</td>
<td>National &amp; Commonwealth heritage lists – assessment of various places</td>
<td>Mr Harley declared that BHP Billiton has an operation on the Burrup Peninsula [nominated to the National Heritage List], and that the Minister would like to appoint Mr Harley to Point Nepean [nominated to the National Heritage List] Community Trust.</td>
<td>Yes &amp; Yes</td>
</tr>
</tbody>
</table>

*Mr Kennedy declared his interest in item 2.3.7 on the basis that he is the nominator of the Tasmanian Sea Mounts [nominated to the National Heritage List] nomination.
(a) Name of member  (b) Date of disclosure  (c) Details of the Matter  (d) Nature of the interest disclosed*  (e) Member’s attendance & participation in decisions

Mr Roger Beale and Mr Tom Harley  28.5.2004  National & Commonwealth heritage lists – assessment of various places

Mr Beale declared that he is a Board member of the Lane Cove Roadway Tunnel.

Mr Beale declared that he is a Board member of the Lane Cove Roadway Tunnel.

Mr Harley declared that BHP Billiton has an interest in the Dampier Archipelago [nominated to the National Heritage List].

Yes & Yes

Yes & Yes

Yes & Yes

* extracts from minutes.

(4) The AHC meeting dates and locations for 2004 and 2005 were as follows:

<table>
<thead>
<tr>
<th>Meeting No.</th>
<th>Place</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Melbourne</td>
<td>19 March 2004</td>
</tr>
<tr>
<td>2</td>
<td>Canberra</td>
<td>28 May 2004</td>
</tr>
<tr>
<td>3</td>
<td>Not applicable¹</td>
<td>5 July 2004</td>
</tr>
<tr>
<td>4</td>
<td>Adelaide</td>
<td>22 &amp; 23 July 2004</td>
</tr>
<tr>
<td>5</td>
<td>Canberra</td>
<td>16 September 2004</td>
</tr>
<tr>
<td>6</td>
<td>Not applicable</td>
<td>22 October 2004</td>
</tr>
<tr>
<td>7</td>
<td>Not applicable</td>
<td>12 November 2004</td>
</tr>
<tr>
<td>8</td>
<td>Not applicable</td>
<td>18 November 2004</td>
</tr>
<tr>
<td>9</td>
<td>Melbourne</td>
<td>3 December 2004</td>
</tr>
<tr>
<td>10</td>
<td>Not applicable</td>
<td>27 January 2005</td>
</tr>
<tr>
<td>11</td>
<td>Not applicable</td>
<td>11 February 2005</td>
</tr>
<tr>
<td>12</td>
<td>Not applicable</td>
<td>23 February 2005</td>
</tr>
<tr>
<td>13</td>
<td>Not applicable</td>
<td>7 March 2005</td>
</tr>
<tr>
<td>14</td>
<td>Woodend (Vic)</td>
<td>9-10 March 2005</td>
</tr>
<tr>
<td>15</td>
<td>Not applicable</td>
<td>23 March 2005</td>
</tr>
<tr>
<td>16</td>
<td>Not applicable</td>
<td>6 April 2005</td>
</tr>
<tr>
<td>17</td>
<td>Not applicable</td>
<td>28 April 2005</td>
</tr>
<tr>
<td>18</td>
<td>Canberra</td>
<td>18 May 2005</td>
</tr>
<tr>
<td>19</td>
<td>Not applicable</td>
<td>27 May 2005</td>
</tr>
<tr>
<td>20</td>
<td>Not applicable</td>
<td>17 June 2005</td>
</tr>
<tr>
<td>21</td>
<td>Not applicable</td>
<td>23 June 2005</td>
</tr>
<tr>
<td>22</td>
<td>Not applicable</td>
<td>27 June 2005</td>
</tr>
<tr>
<td>23</td>
<td>Not applicable</td>
<td>14 July 2005</td>
</tr>
<tr>
<td>24</td>
<td>Not applicable</td>
<td>21 July 2005</td>
</tr>
<tr>
<td>25</td>
<td>Fremantle</td>
<td>1 August 2005</td>
</tr>
<tr>
<td>26</td>
<td>Canberra</td>
<td>19 September 2005</td>
</tr>
</tbody>
</table>

¹ - meeting not conducted face to face
(5) See Attachment B.

(6) Dr Gaye Sculthorpe and Dr Richard Walley OAM.

(7) Yes, Mr Jonathan Mills was appointed as a co-opted Council member for his experience in relation to the presentation of natural, Indigenous and historic heritage.

(8) To 30 September 2005, 2: Royal Exhibition Building (request made 17 March 2004) and Anzac Cove, Turkey (request made 2 March 2004).

(9) Yes, Anzac Cove, Turkey.

(10) (a) To 30 September 2005, 115.

(b) (i) As at 30 September 2005, 65.

(ii) As at 30 September 2005, 5.

(iii) As at 30 September 2005, 34.

Note: 11 nominations, three of which are overseas and eight of which are subject to requests for additional information, are yet to be forwarded to the Australian Heritage Council for assessment.

(11) See Attachment C.

(12) See Attachments C and D.

(13) Nil.

**Attachment A**

<table>
<thead>
<tr>
<th>Last name</th>
<th>First name</th>
<th>Destination</th>
<th>From date</th>
<th>End date</th>
<th>Amount</th>
<th>Reason for trip</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beale</td>
<td>Roger</td>
<td>Melbourne</td>
<td>09.03.2005</td>
<td>11.03.2005</td>
<td>973.08</td>
<td>Attend AHC Strategy Meeting</td>
</tr>
<tr>
<td>Beale</td>
<td>Roger</td>
<td>Melbourne</td>
<td>02.12.2004</td>
<td>03.12.2004</td>
<td>1,188.42</td>
<td>Attend AHC9 Meeting</td>
</tr>
<tr>
<td>Beale</td>
<td>Roger</td>
<td>Adelaide</td>
<td>21.07.2004</td>
<td>22.07.2004</td>
<td>1,503.91</td>
<td>Attend AHC4 Meeting</td>
</tr>
<tr>
<td>Beale</td>
<td>Roger</td>
<td>Ballarat</td>
<td>15.07.2004</td>
<td>17.07.2004</td>
<td>621.33</td>
<td>Attend National Heritage List Launch</td>
</tr>
<tr>
<td>Beale</td>
<td>Roger</td>
<td>Melbourne</td>
<td>19.03.2004</td>
<td>19.03.2004</td>
<td>399.03</td>
<td>Represent AHC at meeting</td>
</tr>
<tr>
<td>Behenna</td>
<td>Rodney</td>
<td>Canberra</td>
<td>10.09.2003</td>
<td>12.09.2003</td>
<td>1,516.02</td>
<td>Attend AHC 166 meeting</td>
</tr>
<tr>
<td>Behenna</td>
<td>Rodney</td>
<td>Canberra</td>
<td>15.08.2002</td>
<td>15.08.2002</td>
<td>943.30</td>
<td>Attend AHC Sub-committee meeting</td>
</tr>
<tr>
<td>Behenna</td>
<td>Rodney</td>
<td>Canberra</td>
<td>11.04.2002</td>
<td>16.04.2002</td>
<td>1,350.95</td>
<td>Attend AHC 161 meeting</td>
</tr>
<tr>
<td>Chatfield</td>
<td>Jos</td>
<td>Canberra</td>
<td>10.09.2003</td>
<td>13.09.2003</td>
<td>2,583.70</td>
<td>Attend AHC 166 meeting</td>
</tr>
<tr>
<td>Chatfield</td>
<td>Jos</td>
<td>Canberra</td>
<td>14.08.2002</td>
<td>16.08.2002</td>
<td>2,945.33</td>
<td>Attend AHC 162 meeting</td>
</tr>
<tr>
<td>Chatfield</td>
<td>Jos</td>
<td>Perth</td>
<td>17.03.2002</td>
<td>18.03.2002</td>
<td>324.23</td>
<td>Attend launch of Tracking the Dragon project</td>
</tr>
<tr>
<td>Chatfield</td>
<td>Jos</td>
<td>Canberra</td>
<td>10.04.2002</td>
<td>13.04.2002</td>
<td>2,933.69</td>
<td>Attend AHC 161 meeting</td>
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<td>16.09.2004</td>
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<td>Jonathan Mills</td>
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**Attachment B**

Experience and expertise of Australian Heritage Council members

Mr Tom Harley (Chairman)

Mr Harley is an executive with BHP Billiton’s Petroleum Group in Melbourne. He is a Director and past President of UNICEF Australia, previously a member of the National Environment Education Council and a member of the Advisory Board for the Centre for Arab and Islamic Studies at the Australian National University.
Mr Harley is a trustee and past chair of the Alfred Deakin Lecture Trust and was a trustee of the Old Treasury Building in Melbourne. He is a graduate of RMIT and Oxford University. He has written on Australia’s history, business and politics. Mr Harley was formerly the Chairman of the Australian Heritage Commission.

Mr Roger Beale AM

Mr Beale is the former Secretary of the Department of the Environment and Heritage. Prior to that he was the Secretary of the Department of the Environment, Sport and Territories. He was formerly Associate Secretary of the Departments of the Prime Minister and Cabinet and Transport and Communications and a Commissioner of the Public Service Board.

Mr Beale holds a Bachelor of Arts degree with majors in history, politics and law from the University of Queensland and a Masters in Industrial Relations (Economics) from Cornell University in the United States. He is a former Australian Heritage Commissioner. He was awarded a Centenary Medal in 2003.

Dr Jane Lennon AM

Dr Lennon is a heritage consultant in Brisbane. She has a long involvement with heritage conservation in national parks, forests, coasts, goldfields, inner urban areas and museums through her work in the Victorian public service (1973-93) and as a member of numerous professional and community associations. Dr Lennon has an MA (Hons) from the University of Melbourne and has achieved a PhD from Deakin University.

Dr Lennon is a former Australian Heritage Commissioner, a former member of the Council of the International Centre for the Study of the Preservation and Restoration of Cultural Property in Rome (ICCROM), and currently an adjunct professor in Cultural Heritage Studies at Deakin University. Dr Lennon’s most recent work has involved rural places heritage strategies and cultural landscape management guidelines.

Dr Gaye Sculthorpe

Dr Sculthorpe is a full-time Member of the National Native Title Tribunal and former head of the Department of Indigenous Cultures at Museum Victoria. She holds a PhD in Aboriginal Studies from La Trobe University and has worked extensively with Indigenous cultural heritage at local, state and national levels.

Dr Sculthorpe is also a former Australian Heritage Commissioner. She was an inaugural member of the History Council of Victoria, and is a member of the National Alternative Dispute Resolution Advisory Committee and the Australian Institute of Aboriginal and Torres Strait Islander Studies.

Dr Sculthorpe is a descendant of the Pyemmairrener people of northeast Tasmania and has a particular interest in promoting community involvement in heritage management.

Mr Michael Kennedy

Mr Kennedy is the Founding and Campaign Director of the Australian office of Humane Society International. He was previously the Sydney Director of Friends of the Earth & The Fund for Animals Ltd Australia - two global NGOs; the National Threatened Species Network Coordinator & Senior Policy Advisor for WWF; and the International Coordinator of the Antarctic and Southern Ocean Coalition.

Mr Kennedy has been advising consecutive Australian Governments on biodiversity conservation policy, including as a member of the Biological Diversity Advisory Council, developing the National Biodiversity Strategy; the Biological Diversity Advisory Committee, advising on its implementation; the first National State of the Environment Reporting Council; the Commonwealth’s Endangered Species Advisory Committee; the Regional National Heritage (biodiversity hotspots) Program; and the Commonwealth’s Expert Advisory Committee on Biodiversity Hotspots. Mr Kennedy was previously a senior adviser to a Federal Minister for the Environment, and in 2003 was awarded the Centenary Medal for “services to Australian society through the conservation movement”.

QUESTIONS IN WRITING
Dr Denis Saunders

Dr Denis Saunders is a respected authority on nature conservation, biological diversity and landscape ecology. His research interests include the integration of nature conservation with agricultural production in a total landscape management approach and the conservation and management of remnant native vegetation and associated fauna. He has specific experience in state of the environment reporting.

Dr Saunders, a former Australian Heritage Commissioner, has a strong commitment to communicating landscape ecology and conservation to all members of the community. He has received awards for contributions to conservation biology and for landscape ecology, and has written and edited numerous papers, books, reports and other scientific publications.

Dr Richard Walley OAM

Dr Richard Walley is a leading Aboriginal didgeridoo performer and writer. He is the Chair of the Aboriginal and Torres Strait Islander Arts Board and a member of the Australia Council.

Dr Walley has chaired the Aboriginal Advisory Board and the ATSIA fund and was actively involved in the formation or operation of the Aboriginal Housing Board, Aboriginal Medical Service, Aboriginal Legal Service, Aboriginal Alcoholism Committee, Aboriginal Sports Foundation and the New Era Aboriginal Fellowship. He is Director of Aboriginal Productions and Promotions and a lecturer on Noongar culture. In 1993 he was awarded the Order of Australia for his contribution to the Performing Arts and Noongar culture.

Mr Jonathan Mills - co-opted Council Member

Mr Mills is a prominent festival director and artist. He completed a Bachelor of Music at the University of Sydney, a Master of Architecture at RMIT University and is a Fellow of the Royal Society of Arts.

Mr Mills served as a co-opted Commissioner for the Australian Heritage Commission in 2002 and 2003. Other positions held include artist-in-residence for the Bundanoon Trust, member of the Synergy Board, member of the Australian International Cultural Council, Artistic Director for the Melbourne International Festival of the Arts 2000 and 2001 and Adjunct Professor in the Faculty of the Constructed Environment, RMIT University.

Attachment C

National List Nominations and Assessments* –30/09/2005

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<th>Place Name</th>
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QUESTIONS IN WRITING
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<td>Nomination</td>
<td>11/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Millthorpe and Immediate Environ, NSW</td>
<td>Nomination</td>
<td>16/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Bloody Bridge Landscape Area, Norfolk Island</td>
<td>Nomination</td>
<td>16/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Duncombe Bay Landscape Area, Norfolk Island</td>
<td>Nomination</td>
<td>16/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Red Road Cascade Area, Norfolk Island</td>
<td>Nomination</td>
<td>16/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Place Name</td>
<td>Source</td>
<td>Date of Receipt of Nomination</td>
<td>Date AHC Report sent to Minister</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------</td>
<td>-------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>Norfolk Island National Park and Norfolk Island Botanic Garden</td>
<td>Nomination</td>
<td>16/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Mission Road Landscape Area, Norfolk Island</td>
<td>Nomination</td>
<td>16/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Norfolk Island Coastal Land</td>
<td>Nomination</td>
<td>16/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Myall Creek Memorial and Site, NSW</td>
<td>Nomination</td>
<td>23/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Australian Antarctic Territory</td>
<td>Nomination</td>
<td>24/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Fremantle Inner Harbour</td>
<td>Nomination</td>
<td>24/08/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Great Ocean Road and its Rural Environs, Vic</td>
<td>Nomination</td>
<td>14/09/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Chauvel Park, Tabulam, NSW</td>
<td>Nomination</td>
<td>14/09/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Australian Antarctic Territory and Whale Sanctuary</td>
<td>Nomination</td>
<td>16/09/2005</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Castlemaine Market Building, Vic</td>
<td>Nomination</td>
<td>19/09/2005</td>
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<tr>
<td>South East Forests NP and Egan Peaks NR, NSW</td>
<td>Nomination</td>
<td>23/09/2005</td>
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<tr>
<td>Bendigo Pottery, Vic</td>
<td>Nomination</td>
<td>27/09/2005</td>
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</tr>
<tr>
<td>* 5 overseas places not included.</td>
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</table>

Attachment D

Commonwealth List Nominations and Assessments –30/09/2005

<table>
<thead>
<tr>
<th>Place Name</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Tasmanian Seamounts</td>
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<tr>
<td>Jezzine Barracks, Townsville</td>
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<tr>
<td>Low Islets Lightstation, Qld</td>
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</tr>
<tr>
<td>Middenbury, Toowong, Qld</td>
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</tr>
<tr>
<td>Victoria Barracks, Petrie Tce, Brisbane</td>
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<td>Archerfield Airport Admin Building, Qld</td>
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<tr>
<td>ABC Studios, Rockhampton</td>
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<tr>
<td>Green Hill Fort, Thursday Island</td>
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</tr>
<tr>
<td>Cocos Island Catalina Wreck</td>
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</tr>
<tr>
<td>Tighnabruaich Barracks and Associated Buildings, Indooroopilly, Brisbane</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Gods Acre Historic Cemetery, Archerfield, Qld</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Training Depot Drill Hall (former), Rockhampton</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>Canberra School of Art</td>
<td>Yet to be sent</td>
</tr>
<tr>
<td>USA Chancery Residence and Precinct, Yarralumla, ACT</td>
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</tr>
<tr>
<td>Royal Swedish Embassy, Yarralumla, ACT</td>
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</tr>
<tr>
<td>Parliament House, Parkes, ACT</td>
<td>21/06/2005</td>
</tr>
<tr>
<td>Cameron Offices, Belconnen, ACT (Wings 3,4 and 5 and Bridge)</td>
<td>21/06/2005</td>
</tr>
<tr>
<td>Blundells Cottage, Parkes, ACT</td>
<td>21/06/2005</td>
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<tr>
<td>RG Menzies Library, Acton, ACT</td>
<td>21/06/2005</td>
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<tr>
<td>Edmund Barton Building, Barton, ACT</td>
<td>05/05/2005</td>
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<tr>
<td>State Circle Cutting, Parkes, ACT</td>
<td>05/05/2005</td>
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<tr>
<td>Bindoon Military Training Area, WA</td>
<td>05/10/2004</td>
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<tr>
<td>Point Cook Airbase, Vic</td>
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</tr>
<tr>
<td>Aboriginal Tent Embassy, Parkes, ACT</td>
<td>21/06/2005</td>
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<tr>
<td>High flux Australian Reactor, Lucas Heights, NSW</td>
<td>23/05/2005</td>
</tr>
<tr>
<td>Research School of Biological Sciences, Acton, ACT</td>
<td>21/06/2005</td>
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<tr>
<td>Red Road Cascade Area, Norfolk Island</td>
<td>26/05/2005</td>
</tr>
<tr>
<td>Bloody Bridge Landscape Area, Norfolk Island</td>
<td>26/05/2005</td>
</tr>
</tbody>
</table>

QUESTIONS IN WRITING
Fuel Prices
(Question No. 2343)

Mr Murphy asked the Prime Minister, in writing, on 12 September 2005:

Is there anything the Government can do to reduce the price of petrol; if so, what are the details; if not, why not.

Mr Howard—The answer to the honourable member’s question is as follows:

The Government’s ability to directly influence the price of petrol is limited, but there are steps that can and are being taken to ensure the Australian petroleum industry operates effectively.

As internationally traded commodities the price of crude oil and refined petroleum (for example petrol and diesel) are subject to changes in supply and demand on a global scale. Accordingly, the Australian petroleum industry and subsequently the domestic retail petrol price are directly influenced by international factors. The closure of United States’ refineries due to the devastating impact of Hurricanes Katrina and Rita and the petroleum export embargo by China have resulted in international shortages and driven up the global price of petrol. The Australian Government has no control over these events and subsequently no control over the effect on international prices.

This view has in fact been supported by the Member for Rankin who writing in The Age on 20 July 2005 said “Australia’s record petrol prices have one cause and one cause only – high world oil prices.”

The Australian price of both crude oil and refined petroleum are directly related to the relative prices in the Asia-Pacific. More specifically, the relevant benchmark for crude oil is Tapis Crude Oil (produced in Malaysia) and for refined petroleum, the spot price of petrol in Singapore (Mogas 95 Octane Unleaded) is used. As the closest trading region Australian producers and refiners use Asia-Pacific as the benchmark. Approximately twenty per cent of refined petroleum sold in Australia is imported from the Asia-Pacific region and this would also be the alternative sales market. If the price available in Australia was significantly less than in Singapore the importation of petroleum would not be viable and Australian refiners would have an incentive to shift supply to that region, which may result in shortages in Australia.

As a general principle the government tries to avoid becoming involved in the pricing considerations and market factors in any industry, including the petroleum sector. On this basis and despite calls for increased powers for the Australian Competition and Consumer Commission (ACCC), changes to the taxation regime, and use of the government’s surplus to alleviate hardship, the government is reluctant to intervene to force the price of petrol down through legislation or other means.

That said, the ACCC already undertakes extensive informal monitoring of petrol, diesel and auto LPG prices at over 4,000 sites across Australia, as well as the international crude oil, refined petroleum, and wholesale prices. The ACCC publishes much of this information on its website and recently announced that retailer margins will also be published in order to further inform and educate consumers. Informed consumers, both individuals and businesses, can exert downward pressure on prices and increase understanding of the operation of the petrol market. In addition, the ACCC has and will continue to investigate complaints of price fixing, predatory pricing and other anti-competitive conduct in the petroleum industry and take legal action where appropriate.
In relation to the debate about taxation and revenue received by the Australian Government from higher petrol prices, it is the case that fuel excise is levied on a volumetric basis at a fixed rate, 38.143 cents per litre. As petrol prices rise, the Australian Government receives no more or no less revenue from the fuel excise. While GST revenue from petrol sales may increase as prices rise, all revenue from GST goes to the states and may not result in increased aggregate GST collections because increases in expenditure by households on fuel may be offset by reduced expenditure on other goods and services.

However, the government has in the past and continues to make changes to the tax system where appropriate to benefit the public, including reducing the fuel excise with the introduction of GST in 2000 by 6.7 cents per litre, removing automatic indexation of the fuel excise and further cutting excise by 1.5 cents per litre in 2001 and the recently announced decision not to proceed with a previously planned increase in the excise of petrol to provide grants to refineries to produce low sulphur fuels. In addition the government is continuing to progress a major programme of reform to modernise and simplify the fuel tax system as well as long term reforms to the excise treatment of alternative fuels, establishing a fairer and more tax-neutral, transparent fuel excise system.

Furthermore, on 22 September 2005, I released the report of the Biofuels Taskforce, reaffirmed the government’s commitment to the 350 megalitre biofuel production target by 2010, and announced a package of measures designed to address the key market barriers. The Australian Government will work with oil companies, petrol retailers, consumer groups, the biofuels industry and car manufacturers to ensure achievement of the target. In particular the government will work with the major oil companies to develop Industry Action Plans to underpin the achievement of the 350 megalitre target.

In addition to the above the Australian Government is continuing to look at ways of improving the regulatory framework of the petroleum industry and in particular the implementation of the Downstream Petroleum Reform Package. The Australian Government considers repeal of the Petroleum Retail Marketing Franchise Act 1980 and the Petroleum Retail Marketing Sites Act 1980 and mandating an industry code, the Trade Practices (Industry Codes - Oilcode) Regulations 2005, under section 51AE of the Trade Practices Act 1974 will provide significant benefits to the industry.

In summary, as the Australian petroleum industry operates in a global environment there are a range of international factors that influence the domestic retail price of petrol. The Australian Government, like all governments around the world, is not able to influence or control those price fluctuations. But, I have outlined a range of measures that the government is undertaking in an attempt to improve the operation of the petroleum sector and provide a long-term sustainable industry.

Consultancy Services
(Question No. 2353)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 14 September 2005:

(1) Did the Office of the Employment Advocate engage Prime Focus Consulting to provide ‘business planning facilitation’ at a cost of $15,000; if so, what services were provided by Prime Focus Consulting under the terms of this contract.

(2) Why was it considered necessary to engage this company rather than having the services provided in house.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) The Office of the Employment Advocate (OEA) engaged Prime Focus Consulting under a contract capped at $15,000. The actual expenditure was $10,552.30 GST included. The services provided under the contract were a document and website review; pre-workshop consultations; facilitation of a two day planning workshop; and drafting and revision of a business plan.

(2) The OEA does not retain on its staff a specialist business planning facilitator.
Streetwise Communications
(Question No. 2356)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 14 September 2005:

(1) Did his department engage Streetwise Communications to develop and produce printed material at a cost of $18,500;
(2) If so, what printed material was developed and produced under the terms of this contract.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) Streetwise Communications was engaged to develop and produce the “Keep that Job” comic at a cost of $18,500.
(2) 20,000 copies of this A4 full colour comic were produced under this contract. This product aims to inform young Indigenous job seekers about effective job search and employment retention strategies.

Sebel Pier One
(Question No. 2357)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 14 September 2005:

(1) Did the Office of the Employment Advocate hire the Sebel Pier One on 22 June 2005 for a function at a cost of $10,408; if so, what was the function and who attended.
(2) What services/products were provided by the Sebel Pier One for the function.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) The Office of the Employment Advocate (OEA) hired Sebel Pier One on 22 June 2005 for the New South Wales launch of the OEA’s Small Business Program at a cost of $13,158 including GST. The launch was attended by 126 people. Ninety-six were representatives of industry and employer associations, OEA Industry Partners and AWA Ambassadors; and 30 were OEA staff.
   The figure of $10,408 quoted by Mr Bowen excluded a deposit that was prepaid to Sebel Pier One to secure the hire of the venue.
(2) Sebel Pier One provided the venue, catering, audio visual equipment hire, and accommodation for two OEA employees who do not reside in New South Wales.

Consultancy Services
(Question No. 2358)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 15 September 2005:

Did his department engage Kate Sullivan and Associates for management consulting at a cost of $90,500; if so, what services were provided under the terms of this contract.

Mr Andrews—The answer to the honourable member’s question is as follows:

Kate Sullivan and Associates were not engaged for management consulting.
Kate Sullivan and Associates were engaged to conduct qualitative research with Indigenous communities in Western Australia and the Northern Territory as part of an evaluation of the Fee for Service and Flexible Servicing Arrangements in Job Network.
The total cost of the contract was $90,500.
Push Productions  
(Question No. 2359)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 14 September 2005:

(1) Did his department engage Push Productions to provide animation for two comics for the department’s website at a cost of $17,600; if so, what do the comics depict and when will, or did, they appear on the website.

(2) Why was it considered necessary to spend $17,600 on two comics.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) Yes. Push Productions were engaged to provide Flash animation for two existing comics entitled Get Smart and Get that job. The total cost of this was $17,600 including GST.

The Get Smart comic depicts a group of young people who visit a Job Network member (JNM) to help them to find work. The comic outlines the type of assistance available and encourages young people to find work by signing up with a JNM.

The Get that job comic targets Indigenous youth. It depicts a young Indigenous male who uses JNM services to help him evaluate his job prospects and to tackle his difficulties with reading and writing.

The two animated comics were published on the redeveloped JobJuice website (www.jobjuice.gov.au) in July 2005.

(2) Market research conducted prior to the redevelopment of the JobJuice website indicated that youth audiences responded effectively to comics and to animated features on websites. When the comics were originally developed in hard copy the concepts were tested and proved an effective means of communicating with the target groups. The justification to spend money on animating these comics was based on this market research.

Exhibition Centre Pty Ltd  
(Question No. 2360)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 14 September 2005:

(1) Did his department engage The Exhibition Centre Pty Ltd to provide display materials for a roadshow at a cost of $33,567; if so, what are the details of the roadshow the materials were provided for, in particular, what was it for, where did it go and what was its total cost.

(2) What materials were provided under the terms of this contract.

Mr Andrews—The answer to the honourable member’s question is as follows:

In June 2005, the department engaged The Exhibition Centre Pty Ltd to produce display panels which were to replace materials rendered out of date due to programme changes. These were not associated with a particular roadshow.

New display frames and single pull-up display banners were also developed for each of DEWR’s state offices to provide standardised display materials across the Department’s promotional activities.

Media Training  
(Question No. 2361)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 14 September 2005:
Did the Office of the Employment Advocate engage Media Gurus to conduct media training at a cost of $65,700; if so, how many people received media training under the terms of this contract.

Mr Andrews—The answer to the honourable member’s question is as follows:
No. The Office of the Employment Advocate (OEA) engaged the Australian Public Service Commission (APSC) to conduct media training for OEA Workplace Relations Advisers at a cost of $65,700. The APSC engaged Media Gurus to conduct the training. Fifty-four staff were trained.

Impress Design
(Question No. 2364)
Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 14 September 2005:
Did the Office of the Employment Advocate engage Impress Design to provide services for a roadshow at a cost of $10,833; if so, what services were provided under the terms of this contract.

Mr Andrews—The answer to the honourable member’s question is as follows:
Yes. The services provided by Impress Design were the design and production of lectern banners and logo decals for the OEA’s Small Business Program launches.

Poverty
(Question No. 2366)
Mr Garrett asked the Prime Minister, in writing, on 14 September 2005:
How many postcards sent by Make Poverty History and Micah Challenge supporters urging him to attend the United Nations Summit in New York in September, to increase Australia’s aid to 0.5% of GNI and to target aid towards poverty reduction work for further debt cancellation and fairer international trading rules has he received, including those sent directly, those forwarded by other MPs and those presented to, and forwarded to him by, the Parliamentary Secretary—Foreign Affairs and Trade, Mr Bruce Billson, MP.

Mr Howard—The answer to the honourable member’s question is as follows:
I am advised by my department that as of 14 September 2005, I have received 37,296 postcards from Make Poverty History and Micah Challenge supporters.

Telecommunications Services
(Question No. 2373)
Mr Crean asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 14 September 2005:
(1) On what date did Telstra first inform the Minister that 14 in 100 of its telephone lines are faulty.
(2) On what date did the Australian Communications Authority or the Australian Communications and Media Authority first provide this fault information to the Minister.
(4) What proportion of Telstra lines were faulty in exchange service area in 2004-2005.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:
(1) Telstra has advised that information identifying the annual average fault rate affecting Telstra’s Customer Access Network (CAN) was provided to the Minister on 11 August 2005. The fault rate
for 2004-05 is 14.03 per cent. The media mistakenly reported that Telstra had advised the Government 14 in 100 of Telstra’s telephone lines were faulty.

(2) The Australian Communications and Media Authority (ACMA) advise it did not provide the fault information to the Minister. ACMA does not report fault information relating to Telstra’s CAN on this basis.

(3) The Network Reliability Framework (NRF) commenced in January 2003 and obliges Telstra to report to ACMA the percentage of services that have a fault in a month nationally and in each of Telstra’s 44 Field Service Areas (FSAs).

ACMA reports that for each month in:

(d) 2003–04, an average of 99.11 per cent of services in Australia did not have a fault;
(e) 2004–05, an average of 99.06 per cent of services in Australia did not have a fault.

Data from years preceding commencement of the NRF in January 2003 is not available from ACMA.

(4) There are 5,058 exchange service areas (ESAs) nationwide. Each supports a non-standard number of telecommunications services, including a large number with 100 or fewer services connected. Telstra advise that the information requested is unable to be supplied because of the volume of data required to be analysed and customer privacy considerations.

Drug and Alcohol Abuse
(Question No. 2375)

Mr Bevis asked the Minister representing the Minister for Defence, in writing, on 15 September 2005:

(1) What services are provided by the Department of Defence to assist personnel who may have alcohol or substance abuse problems.

(2) Are there any designated locations at which these services are provided; if so, since 2000 have any of these services been provided by outside organisations under contract to the ADF.

(3) In respect of services provided by outside organisations under contract to the ADF; (a) what services were provided in this manner; (b) which organisations or companies provided them; (c) are any of the contractors religious groups or companies owned by religious groups, if so, which religious groups are affiliated with which companies; and (d) what qualifications do the staff of the contractors have that qualify them to provide the services.

(4) For each year since 2000, has the Minister or the ADF received any complaints about these services; if so: (a) how many complaints were received each year; (b) what investigations were conducted into each complaint, and (c) what was the outcome of each investigation.

Mrs De-Anne Kelly—The Minister for Defence has provided the following answer to the honourable member’s question:

(1) Australian Defence Force (ADF) Mental Health Strategy aims to deliver a continuum of care on a number of different levels for the education and treatment of ADF personnel concerning problematic alcohol and substance use. Additionally, the Royal Australian Navy Alcohol and Drug Program (RAN ADP), which has been running since the early 1980s, is progressively integrating with the ADF Mental Health Strategy.

The first level focuses on improving literacy of all ADF members through presentations and the provision of information in the form of printed and electronic information. Targets include point of entry groups such as new entry officers and recruits as well as all other ADF personnel.
The next level involves the delivery of multi-faceted programs that aim to assist the ADF members in modifying their own behaviours so that they will not indulge in moderate-risk or high-risk consumption of alcohol. Two new programs, developed by the ADF Mental Health Strategy, called ‘Keep Your Mate Safe’ and the Outpatient Alcohol Treatment Program are currently being implemented within Defence by trained Defence mental health professions.

‘Keep Your Mate Safe’ is a one-day face-to-face facilitated course that utilises the social connectedness of the group and other resources to encourage responsible socialising and low-risk consumption of alcohol. The course is usually run following a formal request by a Commander.

The Outpatient Alcohol Treatment Program, a four-day program, aims to help participants by identifying those factors that affect their alcohol consumption, specifically their attitudes and motivations. The participants learn about various techniques and strategies that have been proven useful in modifying an individual’s behaviour towards low-risk consumption of alcohol. The program provides follow-up by an alcohol and other drugs professional to help the participant achieve the program objectives. The program is ideally delivered close to the participants’ unit so that they can attend as outpatients.

Treatment for problematic alcohol use is provided to ADF members through the existing comprehensive ADF health services including Defence health and allied health professionals. Agreements have also been made with most state and territory alcohol and other drug services for the provision of high-level clinical services (including detoxification when necessary) to ADF members when required. The ADF also operates an in-patient alcohol treatment facility, known as the Alcohol Rehabilitation and Education Program (AREP); this program does not treat personnel with dependencies on illicit substances.

Defence members who require treatment for problematic use of an illicit substance will be provided with health support and may be referred to a specialist agency outside of Defence if this is more appropriate. However, all members who are found to be using illicit substances will face administrative action and will be required to show cause why they should be retained in the ADF.

The RAN maintains a peer-based alcohol and drug program that has operated since the 1980s. The RAN ADP, as well as delivering the products of the ADF Mental Health Strategy to their members, also delivers the following:

- Preventative education through career training that includes entry and promotion courses.
- Supervisory level courses for members who want to gain more knowledge in alcohol and other drug management in the workplace.
- Alcohol and Drug Program Adviser courses have been important in providing support to members and command. The course is being upgraded and is soon to be co-presented with TAFE educators at certificate 4 level.
- Primary and tertiary intervention/treatment(s) are provided by RAN ADP peers and counsellors in conjunction with ADF alcohol tobacco and other drugs service trained personnel.

The provision of services for the treatment of problematic alcohol and other drug use occurs through all ADF health facilities by ADF-employed staff. Only AREP Richmond has contracted outside organisations, on behalf of Defence, since 2000 and it contracts these providers to maintain the delivery of the program. The RAN ADP provides services to RAN members across the ADF, however, full-time RAN ADP staff are located at:

- HMAS Stirling for delivery of RAN ADP counselling for ships and establishments in Western Australia and the Northern Territory;
- HMAS Cerberus for delivery of RAN ADP counselling for ships and establishments in South Australia and Tasmania;
• HMAS *Kuttabul* for delivery of RAN ADP counselling for ships and establishments in New South Wales (NSW), Queensland and the Australian Capital Territory; and
• the Alcohol Rehabilitation Program is delivered at Royal Australian Air Force (RAAF) Richmond, NSW.

(3) Since 2000, AREP at RAAF Richmond, NSW has contracted outside agencies for:
(a) Alcohol and other drug counseling, clinical supervision and medical officer support for Alcohol Rehabilitation Program.
(b) Australian Institute of Counselling in Addictions, StatLocum, Red Recruiting and Frontier Counselling Pty Ltd.
(c) No.
(d) The contractor staff at AREP have the following qualifications:
• Program Coordinator: Graduate Diploma in Addictions Counseling, Certificate IV in Alcohol and Other Drugs (AOD) studies, Graduate Certificate in Addictions Studies.
• Counsellor A: Certificate IV in AOD studies.
• Counsellor B: Master of Counselling, Bachelor of Arts (Social Welfare), Certificate IV in AOD studies.
• Clinical Supervisor: Certificate in Addictions Counselling, Graduate Diploma in Addictions, Certificate in Gestalt Psychotherapy (group and individual).
• Medical Officer: MB ChB, Psychiatry Registrar, Member of Australian College of Psychological Medicine, unconditional registration NSW Medical Board.

(4) (a), (b) and (c) Since 2000, there has been one formal complaint against treatment modalities used at AREP. This complaint was made to Defence Health Service. The matter was investigated initially by the Commanding Officer, No 3 Combat Support Hospital. A follow-up investigation by the Joint Health Support Agency and a Defence Health Services Investigating Officer was conducted. The allegations were not substantiated, and there was no case to answer.

The ADF has received several letters outlining concerns about the treatment services at AREP in the past, and these have been incorporated into the ongoing evaluation and development of the services provided by this establishment.

One formal complaint about the general direction taken by the ADF in the treatment of problematic substance use was raised with me in 2004. A response was provided, and a programmed evaluation of the ADF Alcohol Tobacco and Other Drugs Service is currently under way. The report for this was provided to the ADF in November 2005.

**Commonwealth Property**
*(Question Nos 2378 and 2381)*

*Mr Bowen* asked the Minister for Foreign Affairs and the Minister for Trade, 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 Downer*—On behalf of the Minister for Trade and myself, the answer to the honourable member’s question is as follows:

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**QUESTIONS IN WRITING**
The following table provides the information requested.

**DFAT**

<table>
<thead>
<tr>
<th>Property</th>
<th>Address</th>
<th>Post</th>
<th>Vacant Space Type and Location</th>
<th>Lettable Area m²</th>
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<tr>
<td>Residential Compound</td>
<td>Apartment 9, Mid Section, 21 Dongzhimenwai Dajie, San Li Tun</td>
<td>Beijing, China</td>
<td>Apartment – Ground Floor</td>
<td>134.52</td>
<td>30-Jun-05</td>
<td>Excess apartment with no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Residential Compound</td>
<td>Apartment 19, Mid Section, 22 Dongzhimenwai Dajie, San Li Tun</td>
<td>Beijing, China</td>
<td>Apartment – Ground Floor</td>
<td>103.62</td>
<td>30-Jun-05</td>
<td>Excess apartment with no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>13 Cijka Ljubina Street</td>
<td>Belgrade, Serbia</td>
<td>Office – Basement</td>
<td>37.80</td>
<td>Not known</td>
<td>This space is designated as office and workshop space to support the facilities management function. There is currently no facilities manager in Belgrade. Former car space for agency no longer represented at post – no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>Villanueva 1400 cnr Zabala &amp; Villanueva, Belgrano</td>
<td>Buenos Aires, Argentina</td>
<td>Parking – Uncovered</td>
<td>0.00</td>
<td>30-Jun-03</td>
<td></td>
</tr>
<tr>
<td>Chancery Building</td>
<td>Villanueva 1400 cnr Zabala &amp; Villanueva, Belgrano</td>
<td>Buenos Aires, Argentina</td>
<td>Office – Ground Floor</td>
<td>79.10</td>
<td>30-Jun-03</td>
<td>Former office space for agency no longer represented at post – no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>Cong VI, Ba Dinh District</td>
<td>Hanoi, Vietnam</td>
<td>Office – Ground Floor</td>
<td>29.40</td>
<td>30-Jun-03</td>
<td>Excess space with no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>Cong VI, Ba Dinh District</td>
<td>Hanoi, Vietnam</td>
<td>Storage – Second Floor</td>
<td>16.00</td>
<td>01-Mar-03</td>
<td>Excess space with no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>Diplomatic Enclave 1, Sector G-514, Constitution Avenue</td>
<td>Islamabad, Pakistan</td>
<td>Office – Second Floor</td>
<td>12.30</td>
<td>30-Jun-03</td>
<td>Former DEST space now excess to requirement - no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Residential Compound</td>
<td>Jalan Belimbing Compound, Jalan Kampung Pejaten Barat, Pejaten Barat</td>
<td>Jakarta, Indonesia</td>
<td>Staff Residences</td>
<td>Various</td>
<td></td>
<td>A compound of 13 town houses that no longer meet functional requirements and which will be offered for sale when the 3 remaining occupied town houses become vacant in January 2006.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>6 Jalan Yap Kwan Seng</td>
<td>Kuala Lumpur, Malaysia</td>
<td>Office – Second Floor</td>
<td>21.90</td>
<td>02-Jul-01</td>
<td>Excess space with no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>6 Jalan Yap Kwan Seng</td>
<td>Kuala Lumpur, Malaysia</td>
<td>Office – Third Floor</td>
<td>29.60</td>
<td>02-Jul-01</td>
<td>Excess space with no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Property</td>
<td>Address</td>
<td>Post</td>
<td>Vacant Space Type and Location</td>
<td>Lettable Area m²</td>
<td>Date Vacated</td>
<td>Comments</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------------------</td>
<td>---------------------------</td>
<td>--------------------------------</td>
<td>------------------</td>
<td>--------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>6 Jalan Yap Kwan Seng</td>
<td>Kuala Lumpur, Malaysia</td>
<td>Office - Third Floor</td>
<td>67.50</td>
<td>01-Jul-01</td>
<td>Excess space with no current interest from other agencies at post. One of two houses on the one site, one of which became vacant in July 2005. The other will become vacant in December 2005, after which both will be refurbished for future use or sold.</td>
</tr>
<tr>
<td>Staff Residence</td>
<td>26B Jalan U Thant</td>
<td>Kuala Lumpur, Malaysia</td>
<td>Single Residence</td>
<td>0.00</td>
<td>30-Jun-05</td>
<td></td>
</tr>
<tr>
<td>Residential Compound</td>
<td>Apartment 7, Port Road 1 Compound, 13 Port Road, Granville</td>
<td>Port Moresby, Papua New Guinea</td>
<td>Apartment – Ground Floor</td>
<td>195.00</td>
<td>16-Jan-05</td>
<td>Vacant apartment with no current interest from other agencies at post. This property has been vacant for some years. There is current interest from an agency to lease and costs to refurbish have been sought to enable a leasing proposal to be offered to the Agency.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>456 Godwit Road, Waigani</td>
<td>Port Moresby, Papua New Guinea</td>
<td>Office - Basement</td>
<td>39.20</td>
<td>01-Jul-02</td>
<td>Excess space with no current interest from other agencies at post. This property will become vacant in December 2005, after which it will be refurbished.</td>
</tr>
<tr>
<td>Staff Residence</td>
<td>Free standing house in Port Road 2 Compound, Airvos Ave</td>
<td>Port Moresby, Papua New Guinea</td>
<td>Single Residence</td>
<td>30-Jun-03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Residences</td>
<td>Townhouses 1,2 &amp; 3, Ellouk Dr</td>
<td>Port Vila, Vanaatu</td>
<td>Three Residences</td>
<td>Various</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chancery Building</td>
<td>Diplomatic Quarter Riyadh, Saudi Arabia</td>
<td>Riyadh, Saudi Arabia</td>
<td>Office – Ground Floor</td>
<td>9.00</td>
<td>01-Jul-03</td>
<td>Excess space with no current interest from other agencies at post. Possibly will be used as a common prayer room.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>25 Napier Road</td>
<td>Singapore</td>
<td>Storage - First Floor</td>
<td>39.80</td>
<td>01-Mar-03</td>
<td>Excess space formerly used by Austrade. This space will be rationalised as part of a mid-life upgrade of the chancery scheduled to begin this financial year.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>25 Napier Road</td>
<td>Singapore</td>
<td>Office – First Floor</td>
<td>131.10</td>
<td>01-Mar-03</td>
<td>Excess space formerly used by Austrade. This space will be rationalised as part of the mid-life upgrade of the chancery scheduled to begin this financial year.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>1-14, 2 Chome Mita, Minato-ku</td>
<td>Tokyo, Japan</td>
<td>Office – First Floor</td>
<td>81.40</td>
<td>30-Jun-03</td>
<td>Excess space with no current interest from other agencies at post.</td>
</tr>
</tbody>
</table>

**QUESTIONS IN WRITING**
<table>
<thead>
<tr>
<th>Property</th>
<th>Address</th>
<th>Post</th>
<th>Vacant Space Type and Location</th>
<th>Lettable Area m²</th>
<th>Date Vacated</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Compound</td>
<td>Apartment 222, Resident Tower - Bldg D,1-14, 2 Chome Mita, Minato-ku</td>
<td>Tokyo, Japan</td>
<td>Apartment – Ground Floor</td>
<td>107.00</td>
<td>11-Mar-05</td>
<td>Excess apartment in Australian Embassy residential compound with no current interest from other agencies at post.</td>
</tr>
<tr>
<td>Residential Compound</td>
<td>Apartment 310, Resident Tower - Bldg E,1-14, 2 Chome Mita, Minato-ku</td>
<td>Tokyo, Japan</td>
<td>Apartment – Ground Floor</td>
<td>154.29</td>
<td>01-Jul-05</td>
<td>As with preceding entry.</td>
</tr>
<tr>
<td>Residential Compound</td>
<td>Apartment 311, Resident Tower - Bldg E,1-14, 2 Chome Mita, Minato-ku</td>
<td>Tokyo, Japan</td>
<td>Apartment – Ground Floor</td>
<td>96.50</td>
<td>25-Jul-05</td>
<td>As with preceding entry.</td>
</tr>
<tr>
<td>Residential Compound</td>
<td>Apartment 421, Resident Tower - Bldg G,1-14, 2 Chome Mita, Minato-ku</td>
<td>Tokyo, Japan</td>
<td>Apartment – Ground Floor</td>
<td>165.24</td>
<td>01-Apr-05</td>
<td>As with preceding entry.</td>
</tr>
<tr>
<td>Residential Compound</td>
<td>Apartment 411, Resident Tower - Bldg G,1-14, 2 Chome Mita, Minato-ku</td>
<td>Tokyo, Japan</td>
<td>Apartment – Ground Floor</td>
<td>92.00</td>
<td>08-Jul-05</td>
<td>As with preceding entry.</td>
</tr>
<tr>
<td>Chancery Building</td>
<td>7-2,78 Hobson Street, Thorndon</td>
<td>Wellington, New Zealand</td>
<td>Storage - Basement</td>
<td>39.50</td>
<td>30-Jun-03</td>
<td>Excess space with no current interest from other agencies at post.</td>
</tr>
</tbody>
</table>

**AUSTRADE**

<table>
<thead>
<tr>
<th>Property</th>
<th>Address</th>
<th>Post</th>
<th>Vacant Space Type and Location</th>
<th>Lettable Area m²</th>
<th>Date Vacated</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>6, 38 Nassim Mansion, 33 Nassim Hill Unit 7 Bellimbing</td>
<td>Singapore</td>
<td>Residential unit</td>
<td>Early 2004</td>
<td>Work on a life cycle upgrade is due for completion in 2006. The property no longer meets functional and security requirements.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jakarta</td>
<td>Residential unit</td>
<td>Early 2005</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**EFIC**

<table>
<thead>
<tr>
<th>Property</th>
<th>Address</th>
<th>Post</th>
<th>Vacant Space Type and Location</th>
<th>Lettable Area m²</th>
<th>Date Vacated</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 Pitt Street</td>
<td>Sydney</td>
<td>Lettable floor area not utilised or let out</td>
<td>1,292.60</td>
<td>6-Mar-05</td>
<td>Despite an ongoing active lease marketing campaign, negotiations with prospective tenants are yet to reach finalisation.</td>
<td></td>
</tr>
</tbody>
</table>

**QUESTIONS IN WRITING**
AUSAID
No properties.
AJF
No properties.

Commonwealth Property
(Question No. 2383)
Mr Bowen asked the Minister for Health and Ageing, in writing, on 15 September 2005:
(1) What properties, or lettable floor areas at partially occupied properties, owned by the Common-wealth and in the possession of the department and each agency in the Minister’s portfolio, are cur-rently 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 Abbott—The answer to the honourable member’s question is as follows:
(1) Neither the department nor any of the agencies in the Minister’s portfolio have any unutilised prop-erties or lettable floor space.
(2) Not applicable.

Commonwealth Property
(Question No. 2386)
Mr Bowen asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, in writing, on 10 August 2005:
(1) What properties, or lettable floor areas at partially occupied properties, owned by the Common-wealth and in possession of the department and each agency in the Minister’s portfolio, are cur-rently 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 John Cobb—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:
(1) As a general approach, the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) and the Office of Indigenous Policy Coordination (OIPC), does not have responsibility for Commonwealth-owned buildings in its property portfolio, but leases accommodation holdings. The exceptions are a number of staff residential properties.
The following list contains portfolio office tenancies that are leased, but are currently unoccupied:
• Unit 6, 47-59 Wingewarra Street, Dubbo – lease end date 31.1.2006. The site was acquired by OIPC as a result of the cessation of Aboriginal and Torres Strait Islander Commission (ATSIC) and Aboriginal and Torres Strait Islander Service (ATSIS) in June 2005. The site is surplus to OIPC needs and an early lease surrender date is presently being negotiated.
• Level 94-104 Grafton Street, Cairns – lease end date 4.4.2006. The site was acquired by OIPC as a result of the cessation of ATSIC and ATSIS in June 2005. The site is surplus to OIPC needs and is advertised for sub-letting.
• 4 Victoria Parade, Thursday Island – lease end date 30.4.2006. The site was acquired by OIPC as a result of the cessation of ATSIC and ATSIS in June 2005. The site is surplus to OIPC needs and is advertised for sub-letting.
• 111 Foster Street, Sale – lease end date 31.12.2005. The site was acquired by OIPC as a result of the cessation of ATSIC and ATSIS in June 2005. The site is surplus to OIPC needs and is advertised for sub-letting.

(2) There are a number of Commonwealth-owned properties which are managed by the portfolio, all of which are staff residences.

The following is a list of vacant, owned properties, all of which are awaiting sale.
• 4 Myrtle Street, Darwin
• Unit 1/12 Weaving Court, Alice Springs
• 1 Amara Court, Alice Springs
• 41 Flynn Drive, Alice Springs
• 5A Short Street, Bourke
• 1A Glen Street, Bourke
• 23 Tarcoon Street, Bourke
• 1/6 Wortumertie Street, Bourke
• 2/6 Wortumertie Street, Bourke
• 24 Fong Way, Broome
• 18 George Street, Ceduna
• 11 Day Terrace, Ceduna
• 135 Graeme Street, Kalgoorlie
• 191 Bourke Street, Kalgoorlie
• 25 Hampden Street, Kalgoorlie
• 13B Warman Way, Kalgoorlie
• 2/83 Acacia Avenue, Katherine
• 24 Acacia Drive, Katherine
• 2 Raymond Place, Katherine
• 51 Coolibah Circuit, Katherine
• 3/35 Rowan Street, Kimberley (Derby)
• 2 Reid Court, Kimberley (Derby)
• 7 Hakea Place, Kimberley (Derby)
• 2 Hakea Place, Kimberley (Derby)
• 12 Neville Street, Kimberley (Derby)
• 3 Boobialla Way, Kununurra
• 2/14 Eucalyptus Close, Kununurra

Commonwealth Property
(Question No. 2389)

Mr Bowen asked the Minister for Industry, Tourism and Resources, 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 Ian Macfarlane—The answer to the honourable member’s question is as follows:

(1) The department and its agencies have no properties owned by the Commonwealth that are currently not utilised or let out.
(2) No property has been identified in part (1) as being vacant.

Commonwealth Property

(Question No. 2391)

Mr Bowen asked the Minister representing the Minister for Communications, Information Technology and the Arts, 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 McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

The Department of Communications, Information Technology and the Arts

(1) The Department of Communications, Information Technology and the Arts does not currently have any Commonwealth owned properties or lettable floor areas unoccupied or not utilised.
(2) Does not apply.

Portfolio Agencies

(1) The following portfolio agencies do not currently have any Commonwealth owned properties or lettable floor areas unoccupied or not utilised

Australian Business Arts Foundation Limited
Australia Council
Australian Film Commission
Australian Film Television and Radio School
Bundanon Trust
Film Finance Corporation Aust Ltd
National Archives of Australia
National Gallery of Australia
National Library of Australia
National Museum of Australia
Australian Sports Commission
Australian Sports Drug Agency
Australian Communications and Media Authority
NetAlert
Special Broadcasting Services (SBS)
Telstra

(2) Does not apply to the above listed agencies.
Film Australia Limited
(1) Film Australia Limited’s operations occupy a little less than two-thirds of its Lindfield site. The remaining third is let to 20 to 22 independent industry tenants on a short or long term basis. During the 2004-05 financial year, on average, only between three and eight per cent of the complex was vacant. As of the week beginning 10 October 2005, the site was fully occupied.

(2) Parts of the complex may be vacant for differing periods of time between tenancies.

Old Parliament House
(1) Old Parliament House is primarily a museum of social and political history, as well as a function venue. Although portions of the building are occupied by the Australian Electoral Commission’s Electoral Education Centre and a number of smaller tenants, it is not a function of Old Parliament House to provide rentable space for office accommodation or other purposes.

(2) Other than a small amount of office space which may be used for temporary overflow purposes by Old Parliament House/Department of Communications, Information Technology and the Arts, Old Parliament House currently does not contain any vacant space that is considered to be habitable or rentable by modern standards.

Australian Broadcasting Corporation (ABC)
(1) The ABC’s Adelaide Terrace site, 191 Adelaide Terrace Perth 6000, is currently being vacated by the ABC following the opening of new premises in late September.

(2) The Adelaide Terrace site has been vacated progressively since September 2005. Once fully vacant it is planned to sell the Adelaide Terrace site.

Australian Postal Corporation
(1) The following properties, or lettable floor areas at partially occupied properties, owned by the Commonwealth and in the possession of the Australian Postal Corporation, are currently not utilised by the Australian Postal Corporation, and are not let out.

Chatswood Delivery Centre 10 Smith Street NSW
Gosford Post Office 114 Erina Street NSW
Guildford Post Office 332 Guildford Road NSW
Orange Post Office 221 Summer Street NSW
Riverwood Post Office 260 Belmore Road NSW
Darwin GPO Shop 1&2 Cavenagh Street NT
Darwin GPO Shop 3 Cavenagh Street NT
Darwin GPO Shop 4 Cavenagh Street NT
Darwin GPO Shop 5 Cavenagh Street NT
Darwin GPO Shop 6 & 7 Cavenagh Street NT
Darwin GPO Shop 8 Cavenagh Street NT
Blackwood Post Office 262 Main Road SA
Bentleigh East Delivery Centre 651-661 Centre Road VIC
Noble Park Post Office 31-32 Douglas Street VIC
Gosnells Post Office 2244 Albany Highway WA
Kalgoorlie Delivery Centre 97 Forrest Street WA
Kalgoorlie Post Office 204 Hannan Street (Grd Flr) WA

QUESTIONS IN WRITING
(2) Each property, or part of a property, identified in part (1) has been vacant for the following periods and for the following reasons.

<table>
<thead>
<tr>
<th>Property</th>
<th>Period of Vacancy</th>
<th>Reason for Vacancy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chatswood Delivery Centre NSW</td>
<td>1yr 3mth</td>
<td>To be sold.</td>
</tr>
<tr>
<td>Gosford Post Office NSW</td>
<td>2yr 7mth</td>
<td>Creating tenancy.</td>
</tr>
<tr>
<td>Guildford Post Office NSW</td>
<td>2yr 7mth</td>
<td>Created two third party tenancies and on market to lease.</td>
</tr>
<tr>
<td>Orange Post Office NSW</td>
<td>2 yr 7mth</td>
<td>Negotiating with prospective tenant.</td>
</tr>
<tr>
<td>Riverwood Post Office NSW</td>
<td>1yr 5mth</td>
<td>Post Retail operations to relocate and property to be sold.</td>
</tr>
<tr>
<td>Darwin GPO Shop 1&amp;2 Cavenagh Street</td>
<td>1yr 6mth</td>
<td>On market to lease.</td>
</tr>
<tr>
<td>Darwin GPO Shop 3 Cavenagh Street</td>
<td>2yr 1mth</td>
<td>On market to lease.</td>
</tr>
<tr>
<td>Darwin GPO Shop 4 Cavenagh Street</td>
<td>4yr 1mth</td>
<td>On market to lease.</td>
</tr>
<tr>
<td>Darwin GPO Shop 5 Cavenagh Street</td>
<td>6yr</td>
<td>On market to lease.</td>
</tr>
<tr>
<td>Darwin GPO Shop 6 &amp; 7 Cavenagh Street</td>
<td>4yr 11mth</td>
<td>On market to lease.</td>
</tr>
<tr>
<td>Darwin GPO Shop 8 Cavenagh Street</td>
<td>4yr 11mth</td>
<td>On market to lease.</td>
</tr>
<tr>
<td>Blackwood Post Office SA</td>
<td>2yr</td>
<td>Awaiting approval to redevelop site into 3 retail shops.</td>
</tr>
<tr>
<td>Bentleigh East Delivery Centre VIC</td>
<td>2yr 7mth</td>
<td>Potential for redevelopment.</td>
</tr>
<tr>
<td>Noble Park Post Office VIC</td>
<td>2yr 7mth</td>
<td>Potential for redevelopment.</td>
</tr>
<tr>
<td>Gosnells Post Office WA</td>
<td>2yr 4mth</td>
<td>Retail shop being reconfigured.</td>
</tr>
<tr>
<td>Kalgoorlie Delivery Centre WA</td>
<td>2yr</td>
<td>On market to lease.</td>
</tr>
<tr>
<td>Kalgoorlie Post Office WA</td>
<td>3mth</td>
<td>On market to lease.</td>
</tr>
</tbody>
</table>

**Asbestos**

*(Question No. 2398)*

Mr Andren asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 15 September 2005:

(1) How much asbestos has been purchased by Telstra from James Hardies Industries and how much has been used.

(2) How many of Telstra’s underground installations and exchanges contain asbestos or products manufactured from asbestos.

(3) How frequently do Telstra employees or contractors come into contact with asbestos in the course of carrying out maintenance in exchanges or underground installations.

(4) What safety procedures are in place to protect Telstra’s employees and contractors against exposure to asbestos in the course of carrying out maintenance in exchanges or underground installations.

(5) How many cases of asbestosis amongst current and former Telstra employees and contractors have been reported to date.
Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer, based on advice provided by Telstra, to the honourable member’s question:

(1) Telstra and its predecessors, Post Master General and Telecom, have not purchased any asbestos from James Hardies Industries since approximately 1986.

Telstra’s predecessors purchased cement pits and pipes containing asbestos (approximately 5-15% asbestos content depending on the type of product) from Hardies from about 1955 until about 1986 when these products were replaced with plastic alternatives. This material was purchased by government tender and Telstra is unable to provide details of the exact quantities purchased or used.

Telstra has also noted that it is also likely that the vehicles used by Telstra’s predecessors contained asbestos friction products or brake linings purchased from Hardie Ferodo and Better Brakes, which was part of the James Hardie group of companies, as these were available in the public domain.

(2) The Telstra network still contains pits made of cement with some asbestos content. These pits and pipes are comprised of asbestos cement with the pits containing approximately 5-15% asbestos bonded in a cement and silica matrix and the pipes containing 15% asbestos bonded in a cement and silica matrix. As this asbestos is bound to the cement and in low concentrations it does not present a hazard, unless friable (where the fibres become loose and airborne). In the case of pits and pipes, (as they are bound in a cement matrix) the asbestos fibres are not likely to become friable unless ground by a powered machine such as an electric grinder.

Where exchange buildings contain in situ asbestos, these are documented and managed as per the processes outlined in the response to part (4). This is similar to other public and private buildings where in situ asbestos is present.

(3) Telstra employees and contractors will come into contact from time to time with material containing asbestos during maintenance of underground installations or buildings. All contact is regulated by the asbestos management processes referred to in the response to part (4).

(4) Telstra is required to – and does – comply with requirements of the National Occupational Health and Safety Commission (NOHSC) Code of Practice on Asbestos. Compliance is enforced by the Safety and Rehabilitation Commission (SRC) through its operational arm Comcare Australia.

Briefly, the processes for the management of asbestos in Telstra involves:

- The maintenance of an Asbestos Register at all exchanges that have asbestos;
- All pits and pipes which are not plastic are treated as containing asbestos;
- The regular inspection, maintenance or removal (if necessary) of the asbestos;
- All employees and contractors to observe strict guidelines for working in proximity to, handling or disposing of asbestos (eg. appropriate training and personal protective clothing such as gloves, respirators and disposal clothing are provided to carry out this work); and
- Final disposal to be managed by licensed asbestos removal contractors.

All other contractors are also required to provide evidence of compliance with the relevant State and Federal occupational health and safety legislation and contractors meet regularly with Telstra to review compliance with this legislation.

(5) Telstra has kept detailed records as to all asbestos related claims nationally from 2000. Since that time there have been 10 claims where asbestosis was alleged to have developed from exposure to asbestos during the employ of Telstra’s predecessors.