


**SITTING DAYS—2006**

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**RADIO BROADCASTS**

Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and News Network radio stations, in the areas identified.

- **Canberra**: 103.9FM
- **Sydney**: 630 AM
- **Newcastle**: 1458 AM
- **Gosford**: 98.1 FM
- **Brisbane**: 936 AM
- **Gold Coast**: 95.7 FM
- **Melbourne**: 1026 AM
- **Adelaide**: 972 AM
- **Perth**: 585 AM
- **Hobart**: 747 AM
- **Northern Tasmania**: 92.5 FM
- **Darwin**: 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—SIXTH PERIOD

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

House of Representatives Officeholders

Speaker—The Hon. David Peter Maxwell Hawker MP
Deputy Speaker—The Hon. Ian Raymond Causley MP
Second Deputy Speaker—Mr Henry Alfred Jenkins MP

Members of the Speaker’s Panel—The Hon. Dick Godfrey Harry Adams, Mr Phillip Anthony Barresi, 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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**PARTY ABBREVIATIONS**

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

### Heads of Parliamentary Departments

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

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

The Hon. John Winston Howard MP
The Hon. Mark Anthony James Vaile MP
The Hon. Peter Howard Costello MP
The Hon. Warren Errol Truss MP
The Hon. Dr Brendan John Nelson MP
The Hon. Alexander John Gosse Downer MP
The Hon. Anthony John Abbott MP
The Hon. Philip Maxwell Ruddock MP
Senator the Hon. Nicholas Hugh Minchin
The Hon. Peter John McGauran MP
Senator the Hon. Amanda Eloise Vanstone
The Hon. Julie Isabel Bishop MP
The Hon. Malcolm Thomas Brough MP
The Hon. Ian Elgin Macfarlane MP
The Hon. Kevin James Andrews MP
Senator the Hon. Helen Lloyd Coonan
Senator the Hon. Ian Gordon Campbell

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

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

Minister for Fisheries, Forestry and Conservation
Senator the Hon. Eric Abetz

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

Minister for Human Services
The Hon. Joseph Benedict Hockey MP

Minister for Community Affairs
The Hon. John Kenneth Cobb MP

Minister for Revenue and Assistant Treasurer
The Hon. Peter Craig Dutton MP

Special Minister of State
The Hon. Gary Roy Nairn MP

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

Minister for Ageing
Senator the Hon. Santo Santoro

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

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

Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence
The Hon. Bruce Frederick Billson MP

Minister for Workforce Participation
The Hon. Dr Sharman Nancy Stone MP

Parliamentary Secretary to the Minister for Finance and Administration
Senator the Hon. Richard Mansell Colbeck

Parliamentary Secretary to the Minister for Industry, Tourism and Resources
The Hon. Robert Charles Baldwin MP

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

Parliamentary Secretary to the Minister for Defence
Senator the Hon. John Alexander Lindsay (Sandy) Macdonald

Parliamentary Secretary (Trade)
The Hon. De-Anne Margaret Kelly MP

Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs
The Hon. Andrew John Robb MP

Parliamentary Secretary to the Prime Minister
The Hon. Malcolm Bligh Turnbull MP

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

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

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry
The Hon. Sussan Penelope Ley MP

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

Parliamentary Secretary (Foreign Affairs)
The Hon. Teresa Gambaro MP
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research
Leader of the Opposition in the Senate, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Shadow Minister for Health and Manager of Opposition Business in the House
Shadow Treasurer
Shadow Attorney-General
Shadow Minister for Industry, Infrastructure and Industrial Relations
Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security
Shadow Minister for Defence
Shadow Minister for Regional Development
Shadow Minister for Primary Industries, Resources, Forestry and Tourism
Shadow Minister for Environment and Heritage, Shadow Minister for Water and Deputy Manager of Opposition Business in the House
Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories
Shadow Minister for Public Accountability and Shadow Minister for Human Services
Shadow Minister for Finance
Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services
Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women
Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility

(The above are shadow cabinet ministers)
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<td>Gavan Michael O’Connor MP</td>
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<td>Shadow Minister for Agriculture and Fisheries</td>
<td>Joel Andrew Fitzgibbon MP</td>
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<td>Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow</td>
<td>Senator Kerry Williams Kelso O’Brien</td>
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<td>Shadow Minister for Small Business and Competition</td>
<td>Senator Kate Alexandra Lundy</td>
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<td>Shadow Minister for Transport</td>
<td>The Hon. Archibald Ronald Bevis MP</td>
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<td>Shadow Minister for Sport and Recreation</td>
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<td>Shadow Minister for Aviation and Transport Security</td>
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<td>Shadow Minister for Veterans’ Affairs and</td>
<td>Alan Peter Griffin MP</td>
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<td>Shadow Minister for Defence Industry, Procurement and Personnel</td>
<td>Senator Thomas Mark Bishop</td>
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<td>Shadow Minister for Ageing, Disabilities and Carers</td>
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Thursday, 11 May 2006

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

TAX LAWS AMENDMENT (PERSONAL TAX REDUCTION AND IMPROVED DEPRECIATION ARRANGEMENTS) BILL 2006

First Reading
Bill and explanatory memorandum presented by Mr Costello.

Bill read a first time.

Second Reading
Mr COSTELLO (Higgins—Treasurer) (9.01 am)—I move:

That this bill be now read a second time.

The measures contained in this bill will cut personal income tax for all Australian taxpayers from 1 July 2006. The tax cuts are another step in comprehensive tax reform that has seen income tax cut previously in 2000, 2003, 2004 and 2005.

From 1 July this year, the government will reduce the 47 and 42 per cent rates to 45 and 40 per cent respectively. This builds on reductions to lower income rates in earlier years.

In addition, the government will increase the thresholds so that the 15 per cent rate will apply up to $25,000 of income, the 30 per cent rate will apply up to $75,000 of income, the 40 per cent rate up to $150,000 of income and the 45 per cent rate will apply to income above that.

The government will cut the fringe benefits tax rate from 48.5 per cent to 46.5 per cent to ensure that the FBT rate aligns with the top marginal tax rate, including the Medicare levy.

The low-income tax offset will be enhanced by increasing it from $235 to $600. It will begin to phase out at $25,000 from 1 July 2006, compared to $21,600 currently. This means that those eligible for the full low-income tax offset will not pay tax until their annual income exceeds $10,000.

The Medicare levy-low income phase-in rate will be cut from 20 per cent to 10 per cent, ensuring more low-income taxpayers pay a reduced rate of Medicare levy.

Senior Australians who are eligible for the senior Australians tax offset will now pay no tax on their annual income up to $24,867 for singles and up to $41,360 for couples.

Overall, in percentage terms, the greatest tax cuts have been provided to low-income earners. These tax changes will ensure that more than 80 per cent of taxpayers face a top marginal tax rate of 30 per cent or less over the forward estimates period.

The increase in the 30 per cent threshold and the low-income tax offset will provide more incentive for those outside the workforce to re-enter it and those on part-time work to take additional hours.

Moreover, a taxpayer will need to earn $121,500 to pay an average tax rate of 30 per cent.

From 1 July 2006, the top marginal tax rate will apply to around two per cent of taxpayers. Taxpayers will not reach the highest marginal tax rate until they earn more than three times average weekly earnings.

Reducing the top marginal tax rate and significantly increasing the top threshold will improve the competitiveness of Australia’s tax system compared with other OECD countries. Australia’s top marginal tax rate will be in line with the OECD average and the increase in the top threshold will place Australia 10th highest in the OECD.

Six years ago, the threshold for the top marginal tax rate was $50,000. If the threshold for the top marginal tax rate had been indexed when this government came to office in 1996, it would have stood below
$64,000 by 1 July this year. Under the government’s reforms and this bill, by 1 July this year that threshold will be $150,000.

This package provides $36.7 billion of benefit to taxpayers over four years and reinforces Australia’s reputation as a low-tax country. These tax cuts significantly restructure the personal income tax system, to increase disposable incomes, to enhance incentives for participation and to improve Australia’s international competitiveness.

**Business tax**

Mr Speaker, this bill also implements the 2006-07 budget measure that will substantially improve Australia’s depreciation arrangements by increasing the diminishing value rate for determining depreciation deductions from 150 per cent to 200 per cent. This will cut business tax by $3.7 billion over the next four years.

The effect of the measure is to provide the equivalent of a 33 per cent increase in the allowable depreciation rate for all eligible assets.

This will increase incentives for Australian business to invest in new plant and equipment and make it easier for businesses to keep pace with new technology and remain competitive. Investment is a key element of productivity growth and, therefore, of economic growth.

The increased depreciation rates under the diminishing value method align depreciation deductions for tax purposes more closely with the actual decline in the economic value of an asset, which will lead to improved resource allocation in the economy. This is consistent with the government’s tax policy strategy of ensuring that the tax system has minimal effect on the allocation of resources in the economy.

The measure will apply to assets acquired on or after 10 May 2006 and includes appropriate integrity measures to ensure assets held prior to that date are not able to be brought into the new arrangements.

Full details of these measures in this bill are contained in the explanatory memorandum.

I commend the bill.

Debate (on motion by Mr Gavan O’Connor) adjourned.

**EXCISE LAWS AMENDMENT (FUEL TAX REFORM AND OTHER MEASURES) BILL 2006**

**First Reading**

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

**Second Reading**

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (9.08 am)—I move:

That this bill be now read a second time.

This bill, along with the Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006, the Customs Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 and the Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006, gives effect to the government’s announcement in its energy white paper *Securing Australia’s Energy Future* of 15 June 2004. The current complex system of fuel tax concessions will be replaced by a single fuel tax credit system from 1 July 2006. In particular, the decision to remove effective excise from burner fuels resulted in the need to amend the excise tariff and the customs tariff for imported equivalent products.

This bill makes changes to the Excise Act 1901 so that the mechanism of fuel tax relief for eligible users is through the fuel tax credit system legislated through the Fuel Tax
Bill 2006 and not through concessions within the excise system.

The companion bill, the Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006, removes the various rates that apply to fuel and replaces them with only two rates—one for aviation fuels, which are not part of the fuel tax credit system, and one for other fuels. The Customs Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 and Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006 make complementary changes to customs legislation so that the imported fuels receive the same treatment as locally produced fuel.

Both the excise and customs legislation are unlike other taxing legislation in that a fundamental principle of the legislation is the control of the revenue authority over goods that are in scope. Where possible and within this constraint, requirements that are redundant or inconsistent with modern business practice are removed. In certain other cases, this concept of control is drawn upon in measures to protect the revenue.

The bill clarifies the arrangements for using imported inputs to excise manufacture. In conjunction with complementary changes in the customs bills the import duty that would be payable on imported goods, that would be excisable if manufactured in Australia, is extinguished when the imported goods are used to manufacture, in Australia, excisable goods. The import duty is extinguished when an excise liability is created. This will provide a seamless transition from the customs regime to the excise regime for imported products used in excise manufacture while protecting the revenue.

The arrangements for concessional spirits—that is, spirits that are free of duty because they will be used for certain purposes (other than making excisable beverages)—are streamlined. The complex arrangements that are currently contained in the Excise Tariff Act 1921, the Excise Act 1901, the Spirits Act 1906 and the Distillation Act 1901 and the relevant regulations are replaced with simpler provisions in the Excise Tariff Act and the Excise Act. The new arrangements do not change the eligible uses of concessional spirit but streamline the administration and clarify the factors under which spirits do not attract excise duty.

Changes are made to the licensing regime so that all excise licences will now have an expiry date and application for renewal must be made. This means some licences that currently do not expire will now expire every three years and that current licences that expire every year will expire every three years. This is a balance between reducing the burden on business and protecting the revenue.

There are also changes to the factors that can be taken into account when deciding to grant or cancel a licence. These factors build on existing factors that are directed at ensuring persons who would be likely to pose a risk in terms of whether all excisable goods or tobacco leaf is correctly accounted for are kept out of the excise system. Tobacco plants, leaf and seed are not excisable but their production is directed towards producing excisable tobacco. Controls are necessary to ensure that tobacco does not enter the illicit market. Provisions ensuring that tobacco leaf is correctly accounted for have been amended to provide clarity and alignment with controls on excisable goods.

The bill also amends the Excise Act 1901 in a number of areas to reduce a number of prescriptive and interventionist requirements that are no longer in step with modern administration. For example, the current legislation contains complex rules for establishing the volume of beer. This is replaced by a provision that the CEO may make determin-
nations on rules for measuring quantities, weights and strengths of excisable goods. This will allow the ATO to recognise changes in commercial business operations and adopt industry standards for measuring excisable goods. The ATO will actively consult with affected industry in determining such rules.

The bill repeals the following acts: the Fuel (Penalty Surcharges) Administration Act 1997, the Fuel Blending (Penalty Surcharge) Act 1997, the Fuel Misuse (Penalty Surcharge) Act 1997 and the Fuel Sale (Penalty Surcharge) Act 1997. The introduction of the fuel tax credit system will mean that the penalty surcharges system is no longer required.

The Coal Excise Act 1949 is also repealed. Coal has attracted a free rate of excise since 1992 but coal producers have been required to be licensed and keep records and provide returns relating to coal production. The companion bill, the Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006, removes coal from the schedule of excisable goods and so it is no longer necessary to have the controls provided for in the Coal Excise Act 1949.

The Distillation Act 1901 and the Spirits Act 1906 are also repealed. These acts contain provisions relating to the manufacture of spirits. Many of the provisions are already adequately covered in the Excise Act as the manufacture of spirits also is the manufacture of excisable goods. Certain provisions required to protect the revenue or ensure product standards are inserted into the Excise Act 1901. These include provisions for the maturation of brandy, whisky and rum.

The bill also provides for a grant under the Energy Grants (Cleaner Fuels) Scheme Act 2004 for renewable diesel manufactured through a process of hydrogenating animal fats or vegetable oils. This will ensure that fuel produced by this process will receive the same effective tax treatment as biodiesel.

Full details of the measures in the bill are contained in the explanatory memorandum.

Debate (on motion by Mr Gavan O’Connor) adjourned.

EXCISE TARIFF AMENDMENT (FUEL TAX REFORM AND OTHER MEASURES) BILL 2006

First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (9.17 am)—I move:

That this bill be now read a second time.

This bill is a companion bill to the Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill 2006.

This bill makes changes to the Excise Tariff Act 1921 so that the mechanism of fuel tax relief for eligible users is through the fuel tax credit system, legislated through the Fuel Tax Bill 2006, and not through concessions within the excise system. In particular, the fuel items in the schedule to the Excise Tariff Act 1921 are amended so that there are only two rates of duty, one for aviation fuel and one for other fuels. In conjunction with the fuel tax credit system this will remove the effective excise on burner fuels and provide effective excise relief for a wide range of business users of fuel, including where fuel is used other than as a fuel.

The fuel items of the tariff are also amended to recognise that fuels can now be
manufactured from sources other than petroleum, oil shale or coal.

This bill streamlines the existing schedule by removing redundant provisions and also removes certain free items where the items are for use by certain third parties. These concessions will still be available to those third parties through changes to the Excise Regulations 1926. There will be no changes to the eligibility for these concessions except for a tightening of conditions under which tobacco can be used, free of excise duty, for research purposes. The changes are directed at simplifying the schedule and making it, as far as possible, concerned with classifying goods and not providing concessional rates in the schedule.

The excise rate for snuff tobacco is aligned with the rate for other tobacco. Snuff is not manufactured in Australia; however the complementary changes in the Customs Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 will ensure that importers of snuff tobacco pay the same duty as other tobacco users.

Full details of the measures in the bill are contained in the explanatory memorandum already presented.

Debate (on motion by Mr Gavan O’Connor) adjourned.

CUSTOMS AMENDMENT (FUEL TAX REFORM AND OTHER MEASURES) BILL 2006

First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (9.19 am)—I move:

That this bill be now read a second time.

The Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006 contains several amendments to the Customs Act 1901 (the act). This bill is part of a package of bills dealing with fuel tax and excise reform.

First, the bill will repeal provisions in the Customs Act designed to address fuel penalty surcharge legislation. These amendments will ensure that the act is consistent with the government’s proposals to replace all existing rebates and subsidies for fuel products, including concessional and free rates of duty, with a fuel tax credit scheme.

Secondly, the bill will amend the act to strengthen and clarify the compliance and other arrangements that apply to the use of imported excise equivalent goods in the manufacture of excisable goods. These amendments will ensure that the revenue is more adequately protected, and will bring existing practices into line with the conditions under the Excise Act 1901.

The bill will establish that the manufacture of excisable goods may occur in a customs warehouse and will provide that such manufacture using excise equivalent goods must occur at a place licensed under both customs and excise legislation. The bill will also establish that customs control of excise equivalent goods continues until such a time that an excisable liability has been created under the Excise Act, or the goods are entered into home consumption and relevant duties paid, or the goods are exported.

Other amendments will identify when liability is extinguished for customs duty on excise equivalent goods used in excise manufacture, and how owners of these goods will account for such goods to Customs.

The bill will include a provision that deals with the maturation period of certain imported spirits. This provision currently resides in the Spirits Act 1906, which will be repealed by the Excise Laws Amendment
Debate (on motion by Mr Gavan O’Connor) adjourned.

CUSTOMS TARIFF AMENDMENT (FUEL TAX REFORM AND OTHER MEASURES) BILL 2006

First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (9.22 am)—I move:

That this bill be now read a second time.

The Customs Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 contains amendments to the Customs Tariff Act 1995 (the customs tariff).

These amendments implement changes that are complementary to amendments contained in the Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006, and are part of a package of bills dealing with fuel tax and excise reform.

Schedule 1 of the bill contains amendments to the customs tariff to decrease the customs duty applied to aviation turbine fuel (kerosene) and aviation gasoline. These measures were previously tabled in the House of Representatives in Customs Tariff Proposal No. 5 of 2005 and took effect from 1 November 2005. They now require incorporation in the Customs Tariff Act 1995 (the customs tariff).

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The bill will also attach a rate of customs duty of $290.74 per kilogram to tobacco leaf (not stemmed or stripped) to ensure that if any leaf is not accounted for before excise manufacture, Customs has the legislative ability to recover the appropriate duties. The Australian Taxation Office already has that ability through section 105 of the Excise Act 1921.

Debate (on motion by Mr Griffin) adjourned.

THERAPEUTIC GOODS AMENDMENT BILL (No. 3) 2006

First Reading

Bill and explanatory memorandum presented by Mr Pyne.

Bill and read a first time.

Second Reading

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Health and Ageing) (9.26 am)—I move:

That this bill be now read a second time.

I am pleased to introduce the Therapeutic Goods Amendment Bill (No. 3) 2006.

It is a very straightforward bill. The amendments provided for in this bill are necessary to allow or require manufacturers of medicines, blood and tissues to apply for a manufacturing licence electronically using the TGA’s e-business system. As a result of the implementation of this amendment, manufacturers will be able to monitor progress with their licence applications and electronically submit requests for changes to their licences.

Paragraph 37(1)(a) of the Therapeutic Goods Act 1989 currently specifies that an application for a manufacturing licence must be made in writing in accordance with a form approved by the secretary. In October 2004, the TGA implemented a new comput- erised system for managing licence applications, the conduct of good manufacturing practice audits and other licence issues. This new Manufacturer Information System (MIS) was designed to allow for electronic licence application. This amendment is required to enable this function to be utilised. It is expected that the majority of applications for manufacturing licences will be lodged electronically.

The electronic licence application does not require any information beyond that already required by the approved paper application. The electronic application form is also designed to allow documentation requested to accompany the application to be submitted electronically.

Electronic applications for manufacturing licences will facilitate the speedy submission of applications by manufacturers and the efficient handling of applications by the TGA.

Debate (on motion by Mr Griffin) adjourned.

MIGRATION AMENDMENT (DESIGNATED UNAUTHORISED ARRIVALS) BILL 2006

First Reading

Bill and explanatory memorandum presented by Mr Robb.

Bill read a first time.

Second Reading

Mr ROBB (Goldstein—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs) (9.28 am)—I move:

That this bill be now read a second time.

On 13 April 2006 the Minister for Immigration and Multicultural Affairs announced the
government’s decision to introduce legisla-
tion as soon as possible to further strengthen
border control measures in relation to unau-
thorised boat arrivals. The amendments pro-
posed in this bill will give effect to that deci-
sion.

The offshore processing arrangements in-
troduced in October 2001 have been an out-
standing success in ensuring that the integ-
rity of Australia’s borders can be maintained,
while preserving Australia’s strong commit-
tment to refugee protection.

Under the existing arrangements, unau-
thorised arrivals at certain offshore parts of
Australia which have been identified as ‘ex-
cised offshore places’ are prevented from
making valid applications for visas, includ-
ing protection visas, in Australia, unless the
minister considers such an application to be
in the public interest. Such persons may be
removed to a declared country outside Aus-
tralia for processing of any claims that they
are owed refugee protection under the refu-
gees convention as amended by the refugees
protocol.

These arrangements have proven their
worth. However, it is important that Australia
continually review its policy and legislation in
this critical area to ensure that proper ar-
rangements are in place to deal with new
developments. Border protection requires
continued vigilance and the government has
formed the view that there should be some
redefining of the persons to whom the off-
shore processing arrangements will apply.

It seems incongruous that an unauthorised
boat arrival at an excised offshore place is
subject to offshore processing arrangements,
while an unauthorised boat arrival travelling,
in some cases, only a few kilometres further
to the Australian mainland is able to access
the onshore protection arrangements, with
the consequential opportunities for pro-
tracted merits review and litigation proc-
esses. The landing on mainland Australia of a
group of unauthorised boat arrivals from In-
donesia in January 2006 highlighted this in-
congruous outcome.

The essence of this bill therefore is to
broaden the group of people to whom off-
shore processing arrangements will apply.
This expanded group, referred to as ‘desig-
nated unauthorised arrivals’, will include the
existing group of people who arrive unau-
thorised at offshore entry places. It will also
include persons arriving unauthorised by
boat on the Australian mainland.

The introduction of the offshore process-
ing arrangements in 2001 was greeted in
some quarters with a degree of concern and
criticism. Some claimed the offshore proc-
essing arrangements were a sign of Australia
resiling from its international obligations.
Nothing can be further from the truth.

Since 2001, there have been 1,547 people
processed offshore under these arrange-
ments. All had access to reliable refugee as-
essment processes, undertaken either by the
United Nations High Commissioner for
Refugees (UNHCR) or by trained Australian
officers. Not one person found to be a refu-
gee in the offshore processes has been forced
to return to their homeland. This record has
demonstrated that the government has deliv-
ered on its obligations under the refugees
convention to all of the people processed
under those arrangements.

It is important to note that the key ele-
ments of the original offshore processing
arrangements which guarantee the proper
care and protection for asylum seekers, and
their access to a reliable refugee assessment
process, will continue for the new group of
designated unauthorised arrivals.

Such persons may only be sent for off-
shore processing to declared countries. The
minister may only declare a country where
satisfied that it will provide a place of safety

CHAMBER
for asylum seekers, where their refugee claims can be assessed, and from which resettlement or voluntary return of refugees can be arranged.

Arrangements have been put in place to ensure that the offshore processing centre on Nauru is available to house and care for any new groups being transferred offshore for processing under the proposed legislation. The Australian government will ensure the continued access by any such people to a reliable refugee assessment process. If necessary, Australian officers are available to conduct this work using arrangements originally developed in consultation with the UNHCR and modelled closely on the process used by UNHCR itself. In line with the existing offshore arrangements, any person found to be owed refugee protection will be able to remain safe in the offshore processing location while resettlement is arranged.

It is important to note that the refugees convention does not prescribe the processes which signatory states must follow to identify refugees. The convention also does not establish an entitlement for asylum seekers to choose the country in which their claims will be assessed or in which protection will be provided. These are issues for sovereign states to settle.

The existing provisions which allow a person being processed offshore to be brought to Australia for a temporary purpose, such as to receive medical treatment, will continue in respect of designated unauthorised arrivals. The right for such a person, if they have remained in Australia for more than six months, to request an assessment by the Refugee Review Tribunal of their refugee claims, will also continue.

The bill will introduce a requirement for the Secretary of the Department of Immigration and Multicultural Affairs to report annually on offshore processing arrangements and refugee assessment outcomes, and for these reports to be tabled in both houses of parliament.

Certain persons not intended to be caught by the offshore processing arrangements will be exempted from the definition of designated unauthorised arrivals. These include New Zealand citizens, permanent residents of Norfolk Island and persons brought to Australia purely for Customs Act purposes. The bill also allows the minister to declare that specified persons or classes of persons are exempt. This will provide flexibility to avoid the arrangements being extended to those not intended to be covered by the changes.

Sound border management requires such flexibility, recognising the range of complex circumstances that can apply to a person’s arrival in Australia without a visa. For example, a person who has been medically evacuated from a commercial vessel at sea, and who has inadvertently engaged these provisions by arriving in Australia without a visa, could be such a case. The person may have had no intention to come to Australia, and their circumstances may warrant a more flexible approach.

In announcing these changes on 13 April the Minister for Immigration and Multicultural Affairs made it clear that the new legislation would apply to people arriving from that date, and that any new boat arrivals from that date can expect to be processed offshore. If a person arrives unauthorised by boat on or after 13 April 2006 and has a visa application still on hand when the bill commences, that visa application will become invalid. In such cases, the individual will be liable for transfer offshore for processing of any asylum claims, as foreshadowed in the announcement.

The legislation will not affect the visa status of any person who has arrived in
mainland Australia before 13 April 2006. Any applications for visas lodged in Australia by such persons will continue to be processed in Australia in the normal manner.

This bill marks an important strengthening of Australia’s border control measures. It strengthens our capacity to deal sensibly and flexibly with unauthorised boat arrivals. The changes proposed in the legislation reflect the government’s continuing focus on ensuring that there are appropriate and effective capabilities in place to manage our borders and preserve Australia’s sovereignty.

Debate (on motion by Mr Gavan O’Connor) adjourned.

ELECTORAL AND REFERENDUM AMENDMENT (ELECTORAL INTEGRITY AND OTHER MEASURES) BILL 2005

Consideration in Detail

Consideration resumed from 10 May.

The DEPUTY SPEAKER (Mr Jenkins)—The question is that amendments (1) to (19) and (22) moved by the member for Calare be agreed to.

Mr Griffin (Bruce) (9.38 am)—Following on from some of the debate last night with respect to these particular amendments, which relate to the eligibility of prisoners to be able to cast a vote, and also the question of the closure of the electoral roll at the time of the issuing of the writs, I want to put on record our position on the issue of prisoner voting. Labor do not support the amendment proposed by the government, but we support the amendment proposed by the member for Calare. We believe the current arrangement, whereby prisoners serving a full-time sentence of three years or less retain the right to vote in federal elections, is adequate for the simple reason that, as these people may well re-enter society during a government’s term, they should have their democratic say in who will be in government at that time. We believe this is a logical approach and a far better one than the one proposed by the government. I note the Special Minister of State trotted out a number of examples which, allegedly, we are in line with by going down this particular track. There is also, as he knows, a range of other examples which are, in fact, contrary to that. It is a situation designed for a political outcome, just as this legislation’s entire basis has been from the very beginning. What we have seen with this legislation, as others have said, is an attempt to bring into place, because of the circumstances in the Senate, an agenda that this government has had for quite some time with regard to a range of issues.

I want to continue on from the question of the closure of the electoral roll and to pick up on a couple of points again that the Special Minister of State at the table made yesterday in response to the second reading debate. He gave a rather detailed, analytical series of figures—for a minute there I thought I was listening to Brendan Nelson—regarding the issue of enrolments and changes to enrolments et cetera. I do not accept all of his figures, as much as I have a good deal of respect for the minister, but the fact of the matter is that, even if we just go off his own figures, ‘the number of electors then that may have been affected under the proposed arrangements is close to 47,000’. That is 47,000 Australians, which is about half a federal electorate. That is the figure we are talking about here, if we accept the position of the minister and the government. They are happy to create a situation where the odds are that they will knock out half a federal electorate by these changes on the basis of concerns about what might happen but which the previous minister has said has not hap-
pened and that is any question of large-scale fraud.

My recollection is that only one group outside the government came forth to the Senate inquiry to defend the position of the government on some of these issues. That was that well-known expert on electoral matters, the Festival of Light. Let the light shine on them when it comes to their actually assisting a government to move down to a system which is less democratic. For that, they stand condemned.

A couple of other points I would like to make on the closure of the roll issue go beyond the question of some of the figures that the minister produced last night. I reiterate that numerous experts have made the point that young people will be seriously disadvantaged by these changes. The minister in his speech does not really refute that. He merely makes the point that it is not politically motivated because the electoral studies show that a significant percentage of young people—in fact, 41 per cent or so according to the study—actually voted for the conservatives. Again, this is legislation designed to ensure that when the coalition is not going so well it has that little bit of extra fuel in the tank to get over the line. Let us be really clear about that. In normal circumstances that same study shows that young people do not support the coalition, and have not supported the coalition historically, and that is why they have in this place.

Yesterday I quoted on a number of occasions Professor Brian Costar with regard to this issue. He makes a point on the need to involve young people. We have a problem, and it is not just an Australian problem but a problem internationally, of engagement in electoral systems—engagement in the politics of the day. That is particularly an issue for young people. If we move to a situation where we make it even more difficult for young people to be involved, it is going to create additional problems for the system. Professor Costar said:

Good reasons would need to be adduced to justify the denial of the vote to such a larger cohort of citizens; especially the new enrolees, most of whom would be young people, who need encouragement to become civically engaged.

(Time expired)

Mr NAIRN (Eden-Monaro—Special Minister of State) (9.43 am)—The government does oppose these amendments to the Electoral and Referendum Amendment (Electoral Integrity and Other Measures) Bill 2005 as outlined in the debate yesterday. I think it appropriate that I make a few additional comments, given some of the comments made by the member for Bruce and the member for Banks yesterday particularly in relation to young people. The member for Bruce just said that I did not refute the fact that young people might be disenfranchised. I did not say that at all. I certainly pointed out the facts and most of the facts that he seems to question come straight from the Australian Electoral Commission. But be that as it may.

I thought it would be appropriate to indicate that. The member for Banks seemed to be suggesting that young people are not engaged in the political process. I thought the House should understand what is happening in engaging young people in the political process. The AEC’s divisional returning officers and other staff in the divisions conduct educational activities for primary, secondary and tertiary students upon request. The sessions cover subjects such as levels of government, voting procedures, elections and enrolment. The School and Community Visits Program also targets specific audiences, including new citizens and Indigenous and non-English-speaking groups. The AEC provides professional development workshops.
for teachers as well as resources on electoral matters.

There are four electoral education centres—at Old Parliament House here in Canberra, in Melbourne, in Adelaide and in Perth. These centres are visited by thousands of students every year for education sessions. These include information on the history of voting, details on voting in Australia and conducting mock elections. The divisional officers have had 59,261 participants in their workshops to date in 2005-06, and there were 84,911 in 2004-05. In 2004-05 the electoral education centres had 108,493 students and accompanying adults participate in over 2,857 sessions. Information available for sessions conducted so far in 2005-06 at the Adelaide, Canberra and Melbourne centres is that 55,290 people participated in 1,661 sessions. The Electoral Commission is doing huge things to engage young people, and it is progressing to having them on the roll because young people get on the roll when they are at school. More and more students stay at school through to year 12. They get on the roll when they are 17, so they are automatically on the roll for voting purposes the day they turn 18 without their doing anything. It is interesting that at the close of the roll on 7 September 2004, before the last election, there were 65,139 provisionally enrolled 17-year-olds. Of the 65,139 provisionally enrolled 17-year-olds at the close of the roll, 13,803 turned 18 on or before 9 October 2004, so they automatically went on the roll. So much for the so-called disenfranchising that the Labor Party and others claim is happening.

It is also interesting to look at the figures of young people in the days leading up to the election. Like the facts that I gave yesterday, no matter whether you know the election is happening a week ahead, 10 days ahead or four years ahead—the states have fixed dates, so you know four years ahead—the bulk of the people getting on the roll towards election day get on in the last two days. No matter whether the election is 10 days, 20 days or four years ahead, the bulk of people do it in the last couple of days. There is a lot of speculation and a lot of advertising about elections and people leave it until the last minute. It does not matter if you close the roll well before or not, there will still be that rush and this bill allows people more than those couple of days to be able to get on the roll.

This is contrary to what the member for the Northern Territory, who did not understand the bill, said. He said that the roll was going to be closed on the day the election was called. That is not what is in the bill. The roll will be closed on the day the writs are issued. The writs are issued often several days after the announcement of the election. For young people, it is the same thing. The bulk of them enrol in the last two days. Something like 70 per cent of what goes on in the last week happens in the last couple of days. We continue to oppose these amendments. (Time expired)

Mr Griffin (Bruce) (9.49 am)—I want to pick up on a couple of points the Special Minister of State just made. He quoted a range of figures and details with respect to actions of the AEC. I suggest he goes back to the AEC web site and has a look at the Youth electoral study, an AEC publication, and at what that says about the involvement of young people in the electoral process and how they feel about the nature of their place in the political system in this country. I will give him a couple of quotes from that report just in case he does not have time to read it—I know he is a busy man. A key point is:

Young people don’t understand the voting system.

In addition, the report asserts:
Young people do not perceive themselves generally as well prepared to participate in voting. If he goes to that report, he will find a range of other points. One of the reasons the AEC is involved in education of the voting system, which I support wholeheartedly, is that there is a problem. That is why they are doing it—because it needs to be done—and the response of this government is to set up a situation where it becomes harder for those people to be part of the process.

The minister makes the point that a lot of people change their enrolment details late. Yes, that is true, because it is one of those things which people do when they feel they have to do it. The nature of having to do something like enrol, or ensure your enrolment is up to date, relates to the question of when you have to vote and when the roll closes. If you take time off that, people will miss out. The minister uses terms like ‘the bulk’. He is right about that—the bulk of people will be okay—but there will be a sizeable component who will not be. The further you close down those time lines the greater that number will be.

He makes the point that it does not even matter whether you have a fixed-term government there is still a late rush. There is, but with fixed terms there is a long period of time beforehand when you know when the election is going to be and you know when the roll will cut out, and your electoral system can adjust accordingly. You can through your electoral bodies advertise to ensure people are aware. You can ensure through newspapers, television and radio that people know the date and know they have to do it. But in these situations we are relying on the fact that the AEC is going to come up with a whiz-bang campaign. I would like the minister to point out to me where in the budget papers it shows this massive increase in funding for the AEC to provide for advertising campaigns to ensure that the electorate is aware, once the election is called, that the roll will close within a matter of days. I would like him to show me where that massive increase is in the AEC’s budget, because I could not find it. I challenge the minister to show us where that massive increase is in the AEC budget that will provide the information to ensure that people are aware that the roll is closing.

There is another point with respect to that. You can have a campaign ready to go, but you cannot go with that campaign until you are fairly confident that the election will be called. If the term is a three-year term, as we have, in normal circumstances once you get up to about two years and nine months you would say, ‘It’s not far off, you better start advertising.’ Of course, you still would not have the date. Let us have a look at the nature of election timing in this country. In recent times we have had a couple of governments that have run three years, but history indicates that not to be the case and that many elections are called early. This Prime Minister called the 1998, the 2001 and the 2004 elections. They are the three elections that he as Prime Minister has had responsibility for setting the dates. One of those was massively early; two were on time. So his record so far is one in three. That record would not have allowed—there is no way known—the AEC setting up an enrolment campaign 12 months out from an election due to be called. So it would not have worked in those circumstances.

Is the minister right that people overwhelmingly do these things late? Yes. It is like everything else. When do you tend to pay your bankcard bill? You tend to pay it close to the date when it is due. When do you pay other bills? You tend to pay them—or I do—close to when they are due because essentially that is when you have to do it. But, under this system, people will have less time
to be sure about what is going on. Again, it is not just my opinion on this. *(Time expired)*

Mr **WINDSOR** (New England) (9.54 am)—I raise a couple of points in this consideration in detail debate on the Electoral and Referendum Amendment (Electoral Integrity and Other Measures) Bill 2005. The member for Bruce commented a moment ago about elections being called at particular times. One thing that may well alleviate that problem would be to move to fixed terms in the federal parliament. I was involved in the early nineties in a hung parliament in New South Wales and the Independents in that parliament were instrumental in putting in place a four-year fixed term within the New South Wales jurisdiction. I do not think anybody on either side of the New South Wales parliament—it was a Liberal government in power at the time—would now argue that they revert to the old system. It addressed the uncertainty that the member for Bruce talked about of when an election could be held and a whole range of administrative problems with the Electoral Commission and people knowing when things are happening.

The Special Minister of State spoke earlier about young people. Minister, one of the problems that young people whom I am in contact with have with the political process is that they see failing transparency in the way in which particularly the executive of government is run. This bill adds to that problem, in my view. Donations will be able to be hidden away in various associated entities and other bodies. The transparency of the donation process in particular will be much greyer, and I think that disillusioned people who would like to engage in the political process. They really need to know who is paying the piper in terms of political donations.

My main purpose for rising at this stage of the debate is to put on the public record that I will not be supporting two of the amendments that the member for Calare has moved. It is a shame that they are bulked together. I do not believe that prisoners—people who have broken the law and are incarcerated—deserve the vote, but I place on the public record that I do support the seven-day rule that the member for Calare is arguing for. Arguments have been put in the last 10 minutes that actually support that, including an argument from the minister when he said that it is within the last few days that people become aware and then register. His argument is that, if you make it any two days, they will do it in the last few days. I think the seven-day rule deserves support—I know it will be defeated here—but I do feel strongly about the two issues, the prisoner issue and the seven-day rule, being bracketed together and I will not be supporting the member for Calare.

Mr **NAIRN** (Eden-Monaro—Special Minister of State) (9.57 am)—I move:

That the question be now put.

Question put.

The House divided. [10.02 am]

*(The Deputy Speaker—Mr Jenkins)*

Ayes.............. 76

Noes.............. 54

Majority......... 22

**AYES**

Abbott, A.J.  Andrews, K.J.  Anderson, J.D.

Bailey, F.E.  Baker, M.  Barresi, P.A.

Baldwin, R.C.  Bartlett, K.J.  Billson, B.F.

Bishop, B.K.  Bishop, J.I.  Cadman, A.G.

Broadbent, R.  Causley, I.R.  Ciobo, S.M.

Cobb, J.K.  Draper, P.  Downer, A.J.G.

Elsen, K.S.  Ferguson, P.F.  Dutton, P.C.

Fawcett, D.  Forrest, J.A.*
Question agreed to.

Original question put:

That the amendments (Mr Andren’s) be agreed to.

The House divided. [10.09 am]

(The Deputy Speaker—Mr Jenkins)

AYES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bird, S. Bowen, C.
Burke, A.E. Burke, A.S.
Byrne, A.M. Crean, S.F.
Danby, M. * Danby, M. *
Elliot, J. Edwards, G.J.
Ellis, K. Hatton, M.J.
Ferguson, L.D.T. Hoare, K.J.
Fitzgibbon, J.A. King, C.F.
Georganas, S. Lawrence, C.M.
Gibbons, S.W. McClendon, R.B.
Grierson, S.J. Melham, D.
Hall, J.G. * Merrimee, B.P.
Hayes, C.P. O’Connor, B.P.
King, C.F. Owens, J.
Macklin, J.L. Price, L.R.S.
McMullan, R.F. Ripoll, B.F.
Murphy, J.P. Rudd, K.M.
O’Connor, G.M. Smith, S.F.
Plibersek, T. Tanner, L.
Quick, H.V. Tumminia, M.
Roxon, N.L. Valentine, A.
Sawford, R.W. Vamvakou, M.
Snowdon, W.E. Wilkie, K.

VOTES

Ayes………… 54
Noes……….. 76
Majority………. 22

AYES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bird, S. Bowen, C.
Burke, A.E. Burke, A.S.
Byrne, A.M. Crean, S.F.
Danby, M. * Danby, M. *
Elliot, J. Edwards, G.J.
Ellis, K. Hatton, M.J.
Ferguson, L.D.T. Hoare, K.J.
Fitzgibbon, J.A. King, C.F.
Georganas, S. Lawrence, C.M.
Gibbons, S.W. McClendon, R.B.
Grierson, S.J. Melham, D.
Hall, J.G. * Merrimee, B.P.
Hayes, C.P. O’Connor, B.P.
King, C.F. Owens, J.
Macklin, J.L. Price, L.R.S.
McMullan, R.F. Ripoll, B.F.
Murphy, J.P. Rudd, K.M.
O’Connor, G.M. Smith, S.F.
Plibersek, T. Tanner, L.
Quick, H.V. Tumminia, M.
Roxon, N.L. Valentine, A.
Sawford, R.W. Vamvakou, M.
Snowdon, W.E. Wilkie, K.

NOES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baird, B.G. Baker, M.
Baldwin, R.C. Barresi, P.A.
Bartlett, K.J. Billson, B.F.
Bishop, B.K. Bishop, J.I.
16 HOUSE OF REPRESENTATIVES Thursday, 11 May 2006

Broadbent, R. Cadman, A.G.
Causley, I.R. Ciobo, S.M.
Cobb, J.K. Dutton, P.C.
Draper, P. Downs, A.J.G.
Elsen, K.S. Entsch, W.G.
Farmer, P.F. Fawcett, D.
Ferguson, M.D. Forrest, J.A. *
Gambaro, T. Gash, J.
Georgiou, P. Haase, B.W.
Hardgrave, G.D. Hartsuyker, L.
Henry, S. Hockey, J.B.
Hunt, G.A. Jull, D.F.
Johnson, M.A. Kelly, D.M.
Keenan, M. Kelly, D.M.
Laming, A. Ley, S.P.
Lindsay, P.J. Lloyd, J.E.
Macfarlane, I.E. Markus, L.
May, M.A. McGarvaun, P.J.
McGauran, P.J. Neville, P.C.
Pearce, C.J. Panopoulos, S.
Pyne, C. Prosser, G.D.
Richardson, K. Robb, A.
Ruddock, P.M. Schultz, A.
Scott, B.C. Smith, A.D.H.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Thompson, C.P.
Ticehurst, K.V. Truss, W.E.
Tuckey, C.W. Turnbull, M.
Vaile, M.A.J. Vale, D.S.
Vasta, R. Wakelin, B.H.
Washer, M.J. Wood, J.

* denotes teller

Question negatived.

The DEPUTY SPEAKER (Mr Jen-
kins)—I would ask the Chief Government Whip to use his newsletter to remind his members that they should be in their places by the time the tellers for divisions are appointed.

Mr ANDREN (Calare) (10.13 am)—by leave—I move amendments (20), (21) and (23) to (59) together:

(20) Schedule 1, after item 61, page 17 (after line 27), insert:

61A Section 211

Repeal the section, substitute:

211 Indication of preferences

In elections for the Senate, squares for the indication of preferences on each ballot paper shall appear only alongside the names of individual candidates.

(21) Schedule 1, after item 61, page 17 (after line 27) insert:

61B Section 211A

Repeal the section.

(23) Schedule 1, after item 72, page 19 (after line 26) insert:

72A Subsections 239(1),(2) and (3)

Repeal the subsections, substitute:

(1) In a Senate election a person:

(a) shall mark their vote on the ballot paper by placing consecutive whole numbers starting at ‘1’ in the number of candidate squares equal to the number of candidates to be elected so as to indicate preferences; and

(b) may place further consecutive whole numbers in additional candidate squares so as to indicate additional preferences.

(24) Schedule 1, after item 72, page 19 (after line 26) insert:

72B Subsection 268(1)

Repeal the subsection, substitute:

(1) A ballot paper shall be informal if

(a) subject to subsection (2), it is not authenticated by the initials of the presiding officer or by the presence of the official mark;

(b) in a Senate election, it has no vote indicated on it, or it does not indicate the voter’s first preference for 1 candidate;

(c) in a Senate election:

(i) if a ballot paper contains 2 or more squares in which the same number is written or marked — the numbers and any higher numbers written or marked in other squares are to be disregarded; and

CHAMBER
(ii) if there is a break in the order of the preferences indicated in writing or marks in the squares on a ballot paper — any preference after the break is to be disregarded

(d) it has upon it any mark or writing (not authorized by this Act or the regulations to be put upon it) by which, in the opinion of the Divisional Returning Officer, the voter can be identified:

(e) it has upon it any mark or writing (not authorized by this Act or the regulations to be put upon it) by which, in the opinion of the Divisional Returning Officer, the voter can be identified:

Provided that paragraph (e) shall not apply to any mark or writing placed upon the ballot-paper by an officer, notwithstanding that the placing of the mark or writing upon the ballot-paper is a contravention of this Act; or

(f) in the case of an absent vote — the ballot-paper is not contained in an envelope bearing a declaration made by the elector under subsection 222(1).

(25) Schedule 1, after item 72, page 19 (after line 26) insert:

72C Section 269
Repeal the section.

(26) Schedule 1, after item 72, page 19 (after line 26) insert:

72D Section 270
Repeal the section.

(27) Schedule 1, after item 72, page 19 (after line 26) insert:

72E Section 272
Repeal the section.

(28) Schedule 1, after item 72, page 19 (after line 26) insert:

72F Paragraph 273(5)(c)
Repeal the paragraph, substitute

(c) arrange the unrejected ballot-papers so scrutinized, together with the ballot-papers scrutinized pursuant to subsections (3) and (4), under the names of the respective candidates by placing in one parcel under the name of each candidate all the ballot-papers on which a first preference is indicated for that candidate;

(29) Schedule 1, after item 72, page 19 (after line 26) insert:

72G Subparagraph 273(5)(d)(i)
Repeal sub-sub paragraphs (A) and (B)

(30) Schedule 1, after item 72, page 19 (after line 26) insert:

72H Paragraph 273(5)(f)
Omit ‘marked otherwise than in accordance with subsection 239(2)’.

(31) Schedule 1, after item 72, page 19 (after line 26) insert:

72I Paragraph 273A(3)(a)
Repeal the paragraph.

(32) Schedule 1, after item 72, page 19 (after line 26) insert:

72J Subparagraph 273A(3)(c)(i)
Repeal the subparagraph.

(33) Schedule 1, after item 72, page 19 (after line 26) insert:

72K Subparagraph 273A(3)(f)(i)
Repeal the subparagraph.

(34) Schedule 1, after item 72, page 19 (after line 26) insert:

72L Subsection 273A(10)
Repeal the subsection.

(35) Schedule 1, after item 72, page 19 (after line 26) insert:

72M Subsection 282(4)
Repeal the subsection.

(36) Schedule 1, item 75, page 20 (lines 13-14) omit the item.

(37) Schedule 1, page 20, after item 77 (after line21) insert:
77A After section 294

Insert:

294A Payment not to exceed funding cap

(1) Subject to subsection (2), the sum of money payable for each first preference vote given for a candidate in a House of Representatives election or a Senate election must not exceed $50,000.

(2) If an electorate for the House of Representatives falls within the category of the largest electorates as determined by the Remuneration Tribunal in its most recent review before an election, the sum of money payable for each first preference vote given for a candidate in an election for the electorate must not exceed $72,500.

(38) Schedule 1, after item 77, page 20 (after line 21), insert:

77B After Division 3 of Part XX

Insert

Division 3A Limitation of electoral expenditure

302A Interpretation

(1) In this Division

electoral expenditure in relation to an election, means all expenses incurred by or on behalf of a candidate, and gifts or donations received by or on behalf of the candidate in connection with the election and includes expenditure incurred and gifts or donations received in connection with the election (whether or not incurred during the election period) on:

(a) the broadcasting, during the election period, of an advertisement relating to the election; or

(b) the publishing on the Internet or in a journal, during the election period, of an advertisement relating to the election; or

(c) the display, during the election period, at a theatre or other place of entertainment, of an advertisement relating to the election; or

(d) the production of an advertisement relating to the election, being an advertisement that is broadcast, published or displayed as mentioned in paragraph (a), (b) or (c); or

(e) the production of any material (not being material referred to in paragraph (a), (b) or (c)) that is required under section 328 or 332 to include the name and address of the author of the material or of the person authorizing the material and that is used during the election period; or

(f) the production and distribution of electoral matter that is addressed to particular persons or organisations and is distributed during the election period; or

(g) the carrying out, during the election period, of an opinion poll, or other research, relating to the election.

candidature includes the actions in connection with a candidate’s attempts to be elected as a Senator or as a Member of the House of Representatives.

(2) For the purposes of this Division, electoral expenditure incurred by or with the authority of a candidate shall be deemed to have been incurred by that candidate.

302B Limitation of electoral expenditure

Subject to sections 302C and 302F, a candidate must not, in respect of any candidature, incur or authorise electoral expenditure exceeding in the aggregate $50,000.

Note: The dollar amount mentioned in this section is indexed under section 302F.

302C Larger electorates

If an electorate for the House of Representatives falls within the category of the largest electorates as determined by the Remuneration Tribunal in its most recent review before an election, the
limitation on electoral expenditure is $72,500.

Note: The dollar amount mentioned in this section is indexed under section 302F.

302D Expenditure on behalf of candidates

Any person incurring or authorising any electoral expenditure on behalf of a candidate without the written authority of the candidate shall be guilty of a contravention of this Act.

302E Returns of electoral expenditure

(1) Within 15 weeks after the polling day in an election every candidate at the election shall sign and provide to the Electoral Commission a return of the electoral expenditure incurred or authorised by the candidate showing

(a) all electoral expenditure paid, and

(b) any disputed and unpaid claims for electoral expenditure, and

(c) the names of persons or organisations who have made gifts or donations to the candidate in connection with the election, and the details of the gifts or donations received.

(2) The return must be in accordance with a form set out in the regulations.

(3) The Electoral Commission must ensure that returns or certified copies of returns are available for public inspection at an office of the Electoral Commission for a period of 6 months after they have been received by the Commission.

302F Indexation of amounts

(1) This section applies to the dollar amounts mentioned in sections 302B and 302C.

(2) The dollar amount mentioned in the provision, for an indexation year whose indexation factor is greater than 1, is replaced by the amount worked out using the following formula (rounded to the nearest $100):

\[
\text{Dollar amount for the provision} = \text{Indexation factor} \times \text{Dollar amount for the previous financial year}
\]

(3) The dollar amount mentioned in the provision for an indexation year is not replaced in respect of a disclosure period in relation to an election if the indexation year begins between the issue of the writ for the election and the polling day for the election.

(4) The indexation factor for an indexation year is the number worked out using the following formula:

\[
\text{March index number for the previous financial year} \div \text{March index number for the year before the previous financial year}
\]

(5) The indexation factor is to be calculated to 3 decimal places, but increased by .001 if the fourth decimal place is more than 4.

(6) Calculations under subsection (4):

(a) are to be made using only the March index numbers published in terms of the most recently published reference base for the Consumer Price Index; and

(b) are to be made disregarding March index numbers that are published in substitution for previously published March index numbers (except where the substituted numbers are published to take account of changes in the reference base).

(7) In this section:

- indexation year means the financial year commencing on 1 July 2006, and each subsequent financial year.

- March index number means the All Groups Consumer Price Index number, being the weighted average of the 8 capital cities, published by the Australian Statistician in respect of the 3 months ending on 31 March.
(39) Schedule 1, item 79, page 20 (line 33), omit ‘$10,000’, substitute ‘$200’
(40) Schedule 1, item 79, page 21 (line 18), omit ‘$10,000’, substitute ‘$200’.
(41) Schedule 1, item 79, page 21 (line 32), omit ‘$10,000’, substitute ‘$200’
(42) Schedule 1, item 82, page 22 (lines 16-17), omit the item.
(43) Schedule 1, item 84, page 23 (line 14), omit “$10,000”, substitute “$200”.
(44) Schedule 1, item 84, page 24 (line 5), omit “$10,000”, substitute “$200”.
(45) Schedule 1, item 84, page 24 (line 17), omit “$10,000”, substitute “$200”.
(46) Schedule 1, item 128, page 35 (lines 12-13), omit the item.
(47) Schedule 1, item 130, page 36 (lines 13-14), omit the item.
(48) Schedule 2, item 1, page 38 (lines 5 and 6), omit the item.
(49) Schedule 2, item 2, page 38 (lines 7 and 8), omit item.
(50) Schedule 2, item 4, page 38 (lines 13 and 14), omit item.
(51) Schedule 2, item 5, page 38 (lines 15 and 16), omit item.
(52) Schedule 2, item 7, page 38 (lines 21-2), omit item.
(53) Schedule 2, item 9, page 38 (lines 27-28), omit item.
(54) Schedule 2, item 10, page 39 (lines 1-2), omit item.
(55) Schedule 2, item 12, page 39 (line 16), omit “$10,000”, substitute “$200”.
(56) Schedule 2, item 12, page 39 (line 33), omit “$10,000”, substitute “$200”.
(57) Schedule 2, item 13, page 40 (lines 9-10), omit item.
(58) Schedule 2, item 15, page 40 (lines 15-16), omit item.
(59) Schedule 2, item 17, page 40 (lines 21-22), omit item.

The remainder of my amendments focus on improving the integrity of our electoral system and removing the contradiction inherent in the title of the Electoral and Referendum Amendment (Electoral Integrity and Other Measures) Bill 2005, given its outrageous provisions. Amendments (20), (21) and (23) to (35) improve the transparency of the Senate voting system by re-empowering the voter by putting control of their preferences back into their hands by removing above-the-line voting and installing a partial preferential system of voting for Senate candidates.

I have proposed that, with the removal of the option to vote above the line, all Senate candidates are listed individually but the voter need only mark preferences for the candidates equal to the number of vacant Senate seats for a formal Senate vote. In the case of a half-Senate election, this will be six preferences for a formal vote. If the voter wants to indicate additional preferences, they may do so without invalidating their vote. The voter retains control of their preferences, and the disincentive of being compelled to vote for 73 candidates, as was the case in the 2004 election in New South Wales, is removed. The AEC’s figures confirm that the large fields of candidates in Senate elections are a disincentive for voters to direct their own preferences, with 96 per cent of voters voting above the line at the 2004 election. Using this system for electing the Senate will eliminate behind the scenes preference deals between parties and groups running above the line, which allows the harvesting of preferences to deliver seats to candidates with extremely low primary votes.

We have heard a lot in recent times and as recently as late yesterday about transparency, accountability and the disenchantment of people with the voting system. One of the primary causes of that disenchantment is a Senate voting process that most Australians do not understand. I believe that, after the last election, they were absolutely dismayed at the direction in which preferences that
they did not allocate but that were allocated on their behalf flowed and finished up. The obvious example is that of the Family First candidate’s election with just over two per cent of the primary vote. Preference voting above the line would have been at least an interim reform on the way to the fairer system I propose here, but that of course was rejected by the government because it had a hint of voter free choice about it—so much for integrity.

Amendment (37) inserts a new section, 294A, which imposes a cap on election campaign expenditure by or on behalf of a candidate for the House of Representatives or the Senate. This cap is set at $50,000 and will be indexed to the CPI. Consideration is given to larger electorates as determined by the Remuneration Tribunal in regard to the entitlements of office. These electorates will have a cap of $72,500. The Commonwealth Electoral Act did contain a campaign expenditure limit for individual candidates, which was repealed in 1980, ostensibly because spending by others—that is, political parties and other third party organisations—made the cap irrelevant.

My amendments include all expenditure in relation to a candidate’s campaign, regardless of who is spending the money. I must direct the attention of members of this House to overseas examples of the imposition of a spending cap, which is very basic to achieving a level playing field for all those who may wish to run for public office. All expenditure must be authorised under these amendments by the candidate—again, regardless of where the money is coming from—and it must be disclosed in election returns, with penalties for any contraventions.

Amendment (36) complements this cap. The public funding a candidate receives for their share of first preference votes will also be capped at $50,000 and at $72,500 for larger electorates to further discourage candidates from disregarding the campaign cap and avoid profiteering from elections. Not only will these amendments level the field for all candidates, party endorsed or not, but they will also halt the great waste of money, public and private, on election campaigns that is heading towards a US scenario where you are not even a starter without a multimillion dollar campaign fund, and the end result is heading towards the very best democracy money can buy.

Finally, my amendments (38) to (59) remove this government’s flagrant attempt to improve their fundraising capacity by increasing the disclosure threshold from its current $1,500 to $10,000. The then Special Minister of State, Senator Abetz, believed that with this new disclosure limit 80 per cent of donations will still be disclosed. (Extension of time granted). This, however, is only 80 per cent of those receipts described as donations by political parties, which is far from their total income. If 80 per cent of donations are above $10,000, it proves my point that fundraising is getting way out of hand and is way beyond the capacity of the ordinary would-be member of parliament trying to run as an Independent or with a smaller party or group, if that be the case.

The massive increase proposed in this bill will simply make it easier for individuals and organisations to contribute more money without having to tell anyone. Pure and simple, it means influence can be bought without anyone ever knowing, and it conveniently squeezes smaller parties and individual candidates out of the equation. Electoral integrity—what rot! Disclosure is not about convenience to donors or those that receive donations; it should be about transparency. It is essential for voters to be able to determine who a candidate represents—their constituents or their donors. My amendments install
a disclosure threshold of $200 on political donations to help achieve this aim. I commend them to the House, knowing what their outcome will be.

Mr NAIRN (Eden-Monaro—Special Minister of State) (10.21 am)—The government will oppose all of these amendments to the Electoral and Referendum Amendment (Electoral Integrity and Other Measures) Bill 2005. Amendments (20), (21) and (23) to (35) would repeal several sections of the Electoral Act, including section 211 and others, which would remove the capacity to allow group voting tickets. This would mean a return to pre-1983 style voting, with no above-the-line or below-the-line voting. The government is considering the recommendation for compulsory preferential above-the-line voting in Senate elections which was made by the Joint Standing Committee on Electoral Matters in its report on the 2004 federal election. The committee also recommended that the option of compulsory preferential below-the-line voting be retained. Consideration of these amendments would pre-empt the government’s response to the joint standing committee’s recommendations.

Amendment (37) appears to contradict the original objective of the scheme, which sought to provide public funding to cover the costs of contesting an election and to reduce the need for parties and candidates to rely on donations to participate in elections. Amendment (38) is likely to increase the administrative burden on candidates and parties. Sections 304 and 309 of the Commonwealth Electoral Act currently place a disclosure obligation on candidates and allow endorsed candidates to submit a nil return as their donations and expenditure are disclosed in the party’s annual return. This amendment would impose a second disclosure obligation on candidates so that candidates would effectively have to lodge two disclosure returns for a single disclosure period. The disclosure returns would largely report the same expenditure except that the proposed amendment does not contain a disclosure threshold.

The requirement that all expenditure on behalf of, or gifts or donations to, a candidate must be with the written authority of the candidate may place a cumbersome administrative burden on both candidates and donors. The requirement may also result in fewer gifts being made directly to candidates if donors are unable to acquire written authority in advance to make a gift. Much electoral expenditure—for example, advertising—is undertaken by a party as a whole or by campaign committees and benefits more than one candidate. This amendment would place an administrative burden on candidates and parties to apportion expenditure to individual candidates and ensure written authority from all affected candidates. The proposed amendment would also reduce transparency as returns would only be required to be publicly available for a period of six months after being received by the Australian Electoral Commission. There is no limit on the public availability of candidate returns under the existing section 304.

We oppose amendments (39) to (41) and (43) to (45). Similarly, we oppose amendments (42), (46) and (47). The government considers that the current provisions place an unnecessary administrative burden on publishing and broadcasting businesses. Expenditure on electoral advertising is already disclosed by individuals and organisations that authorise the advertisements, as required by other provisions of the Commonwealth Electoral Act. The government obviously does not support amendments (48), (50) and (63). It considers that the proposed threshold is appropriate on the basis that the current threshold was too low when it was originally set and has since been eroded by inflation. The government is of the view that the sup-
port and contribution of political parties is critical to the health of Australian democracy and merits some recognition at a significantly greater level than currently.

Statistics provided by the Australian Electoral Commission show that 10 per cent of the donations reported by donors for 2004-05 were under $10,000 and 62 per cent were over $10,000. The member for Calare talked about 80 per cent of donations, but the figure of 81 per cent that I used in summing up was in fact for all other parties, including Independents et cetera. All private funding would be disclosed under these provisions. Disclosure is an interesting aspect. I should point out that these disclosure provisions are a minimum requirement and anybody will be free to disclose donations below $10,000 if they so choose. The opposition have been against this as well so, come the next election, it will be interesting to see whether they will disclose donations under $10,000 or accept the threshold of $10,000. (Time expired)

Mr WINDSOR (New England) (10.27 am)—I rise to support the member for Calare. The very reasons why these amendments to the Electoral and Referendum Amendment (Electoral Integrity and Other Measures) Bill 2005 should be supported have just been articulated by the Special Minister of State. The minister talks about transparency; the amendments deliver a degree of transparency. The minister talks about the accountability of the process; the amendments deliver that, particularly in relation to the disclosure of donations but also through the simplification of the Senate voting process and through the cap on expenditure. I think these amendments deliver positively in terms of the integrity of the electoral process.

The minister has just said he believes the current bill and the government’s amendments will give greater disclosure—and I am pleased to note that the Attorney-General is in the chamber. I am not sure whether the Attorney-General was listening last night when I spent some time talking about the Australian Electoral Commission currently investigating Mr Greg Maguire, a businessman from Tamworth who was involved in the allegations of bribery involving the member for Gwydir and Senator Sandy Macdonald, but he ought to be aware of that. The Australian Electoral Commission is investigating claims made under oath by Mr Maguire in terms of political donations. I would ask the Attorney-General to look very closely at the integrity of the processes the minister has talked about—the integrity of the Senate and the integrity of the legal process involved in being sworn under oath and committing to provide certain information under oath in terms of the Electoral Commission. If the minister at the table, Minister Nairn, is serious about honesty in terms of disclosure, we have to make sure the Electoral Commission looks seriously at these issues.

Mr NAIRN (Eden-Monaro—Special Minister of State) (10.29 am)—I move: That the question be now put.

Question put.
The House divided. [10.34 am]

(Ayes: 75; Noes: 51; Majority: 24)

AYES


Question agreed to.

The DEPUTY SPEAKER (Mr Jenkins)—The question now is that amendments (20), (21) and (23) to (59) moved by the member for Calare be agreed to.

A division having been called and the bells having been rung—

The DEPUTY SPEAKER—As there are fewer than five members on the side for the ayes in this division, I declare the question resolved in the negative in accordance with standing order 127. The names of those members who are in the minority will be recorded in the Votes and Proceedings.

Question negatived, Mr Andren, Mr Katter and Mr Windsor voting aye.

Mr NAIRN (Eden-Monaro—Special Minister of State) (10.42 am)—by leave—I present a supplementary explanatory memorandum to the bill, and I move government amendments (1) to (17) together:

(1) Schedule 1, item 84, page 22 (lines 29 and 30), omit subparagraph 314AEB(1)(a)(i), substitute:

(i) the public expression of views on a political party, a candidate in an election or a member of the House of Representatives or the Senate by any means;

(2) Schedule 1, item 84, page 23 (lines 8 and 9), omit subparagraph 314AEB(1)(a)(iv), substitute:

(iv) the broadcast of political matter in relation to which particulars are required to be announced under subclause 4(2) of Schedule 2 to the Broadcasting Services Act 1992;
(3) Schedule 1, item 84, page 23 (line 18), omit subparagraph 314AEB(1)(c)(iii), substitute:

(iii) the Commonwealth (including a Department of the Commonwealth, an Executive Agency or a Statutory Agency (within the meaning of the Public Service Act 1999)); or

(iii) a member of the House of Representatives or the Senate; or

(4) Schedule 1, item 84, page 24 (lines 5 and 6), omit “$10,000; and”, substitute “$10,000.”.

(5) Schedule 1, item 84, page 24 (lines 7 to 12), omit paragraph 314AEC(1)(d).

(6) Schedule 3, item 5, page 47 (lines 7 and 8), omit “the name of a new registered officer for a political party for the purposes of paragraph 134(1)(g)”, substitute “a different name or address for the registered officer of a political party for the purposes of paragraph 134(1)(g) or subsection 134(1A)”.

(7) Schedule 3, item 6, page 47 (line 15), at the end of the item, add “However, that Register may be changed to substitute a different name or address for the registered officer of a political party for the purposes of paragraph 134(1)(g) or subsection 134(1A) of the Commonwealth Electoral Act 1918.”.

(8) Schedule 4, item 1, page 48 (lines 12 and 13), omit “contributions to political parties and gifts to”, substitute “contributions and gifts to political parties.”.

(9) Schedule 4, item 1, page 49 (line 1), after “a contribution”, insert “or gift”.

(10) Schedule 4, item 1, page 49 (line 4), omit “a gift”, substitute “a contribution or gift”.

(11) Schedule 4, item 1, page 49 (line 7), omit “a gift”, substitute “a contribution or gift”.

(12) Schedule 4, item 1, page 49 (line 19), omit “A gift”, substitute “A contribution or gift”.

(13) Schedule 4, item 1, page 50 (line 8), after “contributions”, insert “and gifts”.

(14) Schedule 4, item 1, page 50 (line 10), omit “gifts”, substitute “contributions and gifts”.

(15) Schedule 4, item 2, page 52 (lines 5 and 6), omit “to a political party, a gift to an independent candidate or member or”, substitute “or gift to a political party, independent candidate or member, or”.

(16) Schedule 4, item 3, page 52 (lines 11 and 12), omit “to political parties and gifts to”, substitute “and gifts to political parties.”.

(17) Schedule 4, item 5, page 52 (lines 17 and 18), omit “to political parties and gifts to”, substitute “and gifts to political parties.”.

As honourable members will be aware, the Electoral and Referendum Amendment (Electoral Integrity and Other Measures) Bill 2005 contains measures relating to third-party disclosure of political expenditure, registration of political parties and tax deductibility for donations to political parties and Independent candidates and members. The amendments I have moved relate to these three measures. Turning to amendments (1) to (3), item 84 of schedule 1 to the bill currently provides for third parties to lodge annual disclosure returns if they incurred expenditure for a political purpose or received gifts over the disclosure threshold which enabled them to incur expenditure for a political purpose during a financial year.

These provisions give effect to the recommendation of the Joint Standing Committee on Electoral Matters in its report on the 2004 federal election that third parties should be required to meet the same financial reporting requirements as political parties, associated entities and donors. Following introduction of the legislation, I received representations from the non-profit sector, including World Vision Australia, the Australian Council for International Development and the National Roundtable of Nonprofit Organisations about the possible impact of the proposed third-party disclosure obligations on the work of this sector.

The issue was also raised with the Senate Finance and Public Administration Legislation Committee at its inquiry into the bill on 7 March 2006. The government has listened
to their concerns and has taken action to remove the unintended administrative burden that would otherwise be faced by non-profit and similar organisations in lodging annual returns as a result of the application of the broad definition of ‘electoral matter’ in section 4 of the Commonwealth Electoral Act 1918. The amendments I present were developed in consultation with the not-for-profit sector and the response has been very positive. In an email to my office on 23 March 2006, Paul O’Callaghan of the National Roundtable of Nonprofit Organisations wrote: ‘The minister’s proposal will be welcomed by the non-profit sector as demonstrating a serious effort to address our organisational concerns.’ I would like to thank Mr O’Callaghan and his colleagues for their constructive contribution.

As a result of the amendments, third parties will be required to lodge an annual return on expenditure incurred for the purpose of expressing public views by any means on specified participants in the political process—namely, a political party, a candidate in an election or a member of the House of Representatives or the Senate. The amendments will also ensure that, if a third party is required to authorise an advertisement pursuant to section 2 of the Broadcasting Services Act 1992, they will be required to disclose expenditure in accordance with the new reporting requirements set out in proposed section 314AEB of the Commonwealth Electoral Act. This amendment captures disclosure of political content communicated through broadcast media. Third parties will also be required to report on expenditure incurred for the printing and publication of electoral advertisements, notices and other material that falls within the categories covered by section 328 and proposed section 328A of the Commonwealth Electoral Act.

The amendments also provide that third-party reporting requirements will not apply to Commonwealth departments and agencies or to members of the House of Representatives or the Senate. As result of these amendments, the third-party reporting requirements will, however, apply to associated entities, as these entities can be actively involved in the political process. Associated entities will continue to be required to provide information under the existing requirements of section 314AEA, ‘Annual returns by associated entities’. The threshold for third-party reporting will be the same as that proposed for other disclosure thresholds—that is, $10,000. The government considers that these amendments will ensure transparency in the reporting of political expenditure by third parties.

With amendments (4) to (5), the government also proposes to make consequential amendments as a result of the amendments to third-party reporting which I have just outlined. This includes amending new section 314AEC to remove the categories to which the annual reporting requirement applies for gifts received for political expenditure—namely, deleting paragraph 314AEC(1)(d), which is now redundant.

I will turn to amendments (6) to (7), which relate to party registration. Item 5 of schedule 3 to the bill provides for the register of political parties to be frozen for six months after the bill receives royal assent. No changes may be made to the register during this period apart from the name of the registered officer for a political party. Amendment (6) will provide for the address of the registered officer to be changed in addition to the person’s name. This will ensure that, when registered officers change, all notification that is required to be sent to the registered officer under the Commonwealth Electoral Act will be sent to the officer’s current address.
Item 6 of schedule 3 to the bill relates to the register of political parties that would be in force if an election were called during the re-registration process. The bill as it currently stands does not allow for any changes to be made to the register if item 6 were in force. Amendment (7) provides that the name and address of the registered officer of a political party may be changed on the register that is in force under item 6. The provision would operate only if an election is held within 12 months from the commencement of the deregistration process. This amendment will ensure that registered officers would be able to sign a nomination for candidature in a federal election.

Turning to amendments (8) to (17): schedule 4 of the bill as it currently stands provides for tax deductibility for contributions to political parties, but only for gifts to Independent candidates and members. The proposed amendments to the Income Tax Assessment Act 1997 will ensure parity of tax treatment by allowing tax deductibility for either gifts and/or contributions to both political parties and Independent candidates and members. I am sure the Independent members in the House will be supporting that particular amendment and I commend the amendments to the House.

Mr GRIFFIN (Bruce) (10.49 am)—The opposition will not be opposing the government’s amendments. But I am going to take the opportunity that I have now, given the fact that the gag has been used twice during the consideration of this bill and the earlier amendments, to put on record a couple of comments with respect to the previous set of amendments, which I was not allowed to talk on. As the member for Calare is aware, there were a number of amendments there which in fact the opposition was prepared to support but, in the context of the grouping and their being presented as a whole, the circumstances were that there were a number that we could not support, which is why we voted in that fashion. But we share a range of the concerns with the member for Calare and other Independents, particularly on issues of increases in thresholds. These are real problems and need to be dealt with.

With respect to those threshold issues, which also relate partly to the government’s amendments, I would like to take issue with an earlier comment made by the Special Minister of State in his response to the second reading debate. He quoted some of my earlier comments on the issue of multiple donations and the potential for them to occur. He said:

By his own admission, the member for Bruce believes that the receipt of multiple donations clearly increases the chance of corruption.

He had previously said that the fact that a range of multiple donations had occurred from a range of different trade unions was proof that there were problems and that, in those circumstances, it proved just how evil the union movement and the Labor Party were. The minister once again missed the point. The point is that, where there is potential for multiple donations and where those donations are not disclosed, you leave open the potential for apparent corruption. You remove transparency from the system. The quote that he used, the detail that he provided with respect to what was happening with trade union donations, actually proves the point: those organisations were not only complying with the spirit of the law and the legality required; they were ensuring that they were transparent about what they had done.

That is not the problem; the problem is that, under a system that presents a massively greater incentive by moving the threshold up to 10 grand a pop, who will not declare those multiple donations? There will now be a massive incentive for those who
would seek to conceal their donations. I will tell you now: it will not be trade unions taking that opportunity, because they have not been doing it now; it will be others—and they will not be associated with my side of politics. A point that several speakers from the other side have made is that there will be a limit—you can obey the law but you can still declare more. The Labor Party will be obeying the law, but when we are in government again we will be changing the law. We will ensure that we return to a system of full transparency.

I could go on for quite a while, but, as we have already been gagged twice in this debate, the chances are we will be facing a third. Although some might argue it is third time lucky, I may not test that premise. However, the amendments at hand are the result of rushed legislation moved in a shoddy fashion without proper consideration and designed to deliver a political outcome. The government and the previous minister, as the architect of this legislation, were so hot to trot to go after in a political way third-party organisations which they think involve themselves in the political process—whether they are the Wilderness Society, other organisations of that nature or trade unions—that they came forth with legislation that would have caused enormous problems for a whole range of organisations that are not at all political. In his earlier comments, the minister outlined a number of examples.

Their pursuit of an incredibly partisan political outcome in the way they have handled this legislation from the beginning resulted in them bringing forth faulty legislation. Thankfully, elements of those faults have been found. I have no doubt at all that, in the next several years, we will be back here fixing up the mess that they will create by what they are doing today. I have no doubt also that, if we continue to talk about it for much longer, we will be facing another gag. If that is the case, so be it. But the overall point about the issue of donations is that you can—*(Time expired)*

Mr WINDSOR (New England) (10.54 am)—I will not be supporting the amendments. The minister mentioned—

Mr NAIRN (Eden-Monaro—Special Minister of State) (10.55 am)—I move:

That the question be now put.

Question put.

The House divided. [10.59 am]

(The Deputy Speaker—Hon. BC Scott)

**AYES**

Abbott, A.J.   Andrews, J.D.
Andrews, K.J.   Bailey, F.E.
Baird, B.G.   Baker, M.
Baldwin, R.C.   Barresi, P.A.
Bartlett, K.J.   Billson, B.F.
Bishop, B.K.   Bishop, J.I.
Broadbent, R.   Cauley, I.R.
Ciobo, S.M.   Cobb, J.K.
Draper, P.   Dutton, P.C.
Elson, K.S.   Farmer, P.F.
Fawcett, D.   Ferguson, M.D.
Forrest, J.A. *   Gambaro, T.
Gash, J.   Georgiou, P.
Haase, B.W.   Hardgrave, G.D.
Hartsuyker, L.   Henry, S.
Hockey, J.B.   Hunt, G.A.
Jensen, D.   Johnson, M.A.
Jull, D.F.   Keenan, M.
Kelly, D.M.   Laming, A.
Ley, S.P.   Lindsay, P.J.
Lloyd, J.E.   Macfarlane, I.E.
Markus, L.   May, M.A.
McArthur, S. *   McGauran, P.J.
Nairn, G.R.   Nelson, B.J.
Neville, P.C.   Panopoulos, S.
Pearce, C.J.   Prosser, G.D.
Pyne, C.   Randall, D.J.
Richardson, K.   Robb, A.
Ruddock, P.M.   Schultz, A.
Smith, A.D.H.   Somlyay, A.M.
Thursday, 11 May 2006

The DEPUTY SPEAKER (Hon. B.C Scott)—The question is that government amendments (1) to (17) be agreed to.

Question agreed to, Mr Andren dissenting.

The DEPUTY SPEAKER—The question is that the bill, as amended, be agreed to.

The House divided. [11.07 am]

(The Deputy Speaker—Hon. B.C Scott)

Ayes…………… 74
Noes…………… 53

Majority……… 21

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Pyne, C.
Richardson, K.
Ruddock, P.M.
Smith, A.D.H.
Southcott, A.J.
Thompson, C.P.
Tollner, D.W.
Tuckey, C.W.
Vaile, M.A.J.
Vasta, R.
Washer, M.J.

NOES
Adams, D.G.H.
Albanese, A.N.
Andren, P.J.
Bevis, A.R.
Bird, S.
Bowen, C.
Burke, A.E.
Crean, S.F.
Byrne, A.M.
Danby, M.
Elliot, J.
Ellis, K.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Georganas, S.
Gibbons, S.W.
Grierson, S.J.
Hall, J.G.
Hayes, C.P.
Jenkins, H.A.
King, C.F.
McClelland, R.B.
Melham, D.
O’Connor, B.P.
Owens, J.
Quick, H.V.
Roxon, N.L.
Sawford, R.W.
Snowdon, W.E.
Vanimakinou, M.
Windsor, A.H.C.

* denotes teller

Question agreed to.

The DEPUTY SPEAKER (Hon. B.C Scott)—The question is that government amendments (1) to (17) be agreed to.

Question agreed to, Mr Andren dissenting.

The DEPUTY SPEAKER—The question is that the bill, as amended, be agreed to.

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Danby, M.
Elliot, J.
Ellis, K.
Ferguson, L.D.T.
Fitzgibbon, J.A.

CHAMBER
Mr NAIRN (Eden-Monaro—Special Minister of State) (11.10 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ASIO LEGISLATION AMENDMENT BILL 2006

Second Reading

Debate resumed from 29 March, on motion by Mr Ruddock:

That this bill be now read a second time.

Mr BEVIS (Brisbane) (11.11 am)—The ASIO Legislation Amendment Bill 2006 joins a long and growing raft of legislation designed to deal with the current threats presented to Australia, particularly by non-state terrorism. It is true that Australia needs tough laws to deal with terrorism but, just as importantly, we need well-balanced laws that target the terrorists, not innocent citizens. We need strong safeguards to protect the civil and human rights that are fundamental to our freedoms. It is incumbent on us as legislators to ensure that, in responding to terrorism, we do not undermine or destroy the very liberties we are seeking to protect.

I made similar comments in my opening remarks on the Anti-Terrorism Bill (No. 2) 2005, the major piece of legislation at the end of last year flowing from the COAG meeting. It is worth repeating those sentiments whenever legislation of this type is being considered because this is very much about getting the balance right in a free society. It is about ensuring the safety and liberty of the people of Australia but doing it in a way that does not undermine or jeopardise the fundamental freedoms which we hold dear and which generations of Australians have fought to preserve. Unfortunately the Howard government’s track record in getting that balance right is not good. It seems that the government fail to understand that we can have security without sacrificing our liberty. This bill, in fact, remedies some failings in the existing legislation and is based on the work of the parliamentary committee.

Before I turn directly to the detail of that I want to take the opportunity to put this into some historical context because it does, as I commented, join a long and growing raft of legislation in this field. Last year we saw the unedifying spectacle of the government pressing the premiers and the chief ministers of the states and territories to adopt a framework of legislation that most Australians would regard as repugnant. It is a matter of history that, as a result of some negotiations in COAG, some pressure from the Labor side of parliament and, to be fair, some pressure from the Liberal backbench, there were substantial changes made to the preferred legislation of our Prime Minister and Attorney-General. It is well that those changes were made because their preferred legislation—the desired approach of our Prime Minister and Attorney-General—effectively authorised administrative detention. By that I mean that it empowered politicians and pub-
lic servants to decide who gets jailed and who gets detained. In Australia we do not subscribe to those views. Unfortunately we have a Prime Minister who does and who sought to establish a law that would have provided unprecedented powers for bureaucrats to decide who gets taken off the street and who gets locked up and to lock them up in secrecy with few rights in the process.

We need to ensure that these sorts of powers to detain are always exercised with judicial oversight. It was one of the preconditions Labor spelled out well before even the COAG meeting occurred last year. It was one of the principles we held to last year throughout the debate surrounding the anti-terrorism legislation. It is a fundamental tenet of our system of government that the detention of Australian citizens is a matter for judicial determination, not for politicians sitting in this place and certainly not for bureaucrats. Sadly, that was not the preferred view of the Prime Minister.

There was one other aspect of the legislation that was passed last year which drew sharp criticism from our side of the parliament and from many commentators in the community and which, sadly, the government still holds to. That is the view that these extraordinary powers and laws should apply for a period of 10 years—that the sunset clause should be a 10-year period. The whole concept of sunset clauses is to restrict laws to a comparatively small time frame, after which the parliament can renew them, alter them or decide that they are no longer appropriate. A 10-year period is not a sunset clause. Let us be frank about this: a 10-year period is a political lifetime. There are many people who transit through this parliament in well under 10 years. In fact, the last time I received advice on this I was told that the average term of a member of the House of Representatives is seven years. The government is trying to set a sunset clause that is actually longer than the average term of a member of parliament and is somehow calling that a short-term sunset clause.

It also defies the clear will of the parliament on these matters in the past. The government got its way last October and November in establishing a 10-year sunset clause and I suspect, in spite of our opposition, it is likely to get its way this time as well, given that it now has control of the Senate. But when the Liberal and National parties did not have control of the Senate, and when Australia had to deal with the immediate aftermath of September 11 and the terrorist threat we confronted, the parliament adopted a sunset clause of three years. It was not 10 but three. I will return to that matter later in my address because I think it is particularly important, when we empower agencies to do things that are not normal in our society, to impose a realistic time frame for those powers to end and for the parliament to be obliged to reconsider them.

There is one other failing that I think it is important to note at the outset that the government has still not remedied, and that is its failure to expand the resources available to the Inspector-General of Intelligence and Security. The Office of the Inspector-General of Intelligence and Security is very important in the structure of our intelligence community. It provides an oversight and an overview to guarantee some transparency to ensure the agencies that are involved in security and act largely in a secret manner—and of necessity must continue to act largely in a secret manner—are not able to act in a way that the parliament has not approved or that would be outside the expectations of the Australian people. The Inspector-General’s office fulfils that role. It is the office through which complaints are thoroughly investigated. Indeed, the Inspector-General has the capacity to initiate investigations of his own volition. That is very important. I think the
Australian public can take some comfort from the independence of the office and the role that it performs.

However, we cannot take comfort from the fact that, whilst the size of our secret intelligence agencies have doubled, the budget for IGIS—the Inspector-General of Intelligence and Security—has virtually remained static. There needs to be a significant increase in the resources available to the Inspector-General’s office simply to deal with the expanded number of cases, the expanded number of officers in the intelligence community and, inevitably with that of course, the expanded number of questions, issues and complaints that arise. The government has not done that. That diminishes the balance in the system and it also opens up the government and, sadly, the actual security agencies to questions of doubt and criticism from people in the community. We all in this place who are involved in these debates field complaints from time to time from constituents and folk around the country who think that our intelligence agencies may be doing the wrong thing. It is not healthy for the public to not have confidence in their intelligence agencies in these matters. One of the principal vehicles that I think builds that confidence is the Office of the Inspector-General of Intelligence and Security. The government should not allow the intelligence services to have their operations questioned in the minds of many in our community by failing to resource the Inspector-General so that he can properly supervise what goes on in those intelligence services. We just had a very big spending budget. I would like to think that the Attorney-General could find some funds to significantly improve the situation of the Inspector-General.

There is one other matter that I want to refer to in the historical context, because it is an important issue, and that is what I regard as the mismanagement of the sedition laws. Last year’s bill included new sedition laws. We all in this place know that they are faulty. The Attorney-General knows that they are faulty. He knows that they are not the laws that we should have. That is why the Attorney-General has announced a review of them. Strangely, the Attorney-General announced he was reviewing those laws before the parliament had even adopted them. Everyone in this parliament knows that they are faulty. It was a foolhardy approach that the government adopted—using its numbers to force through laws that we know are not right. The sooner the Attorney-General is able to bring a bill into this parliament to improve those sedition laws and the sooner the review is completed and hopefully published, the sooner public confidence in these matters will be restored.

This bill, however, does fix some of the problems that exist with the current act. The bill deals with ASIO terrorism related questioning and detention powers. It provides clarity for questioning warrants and also for warrants for questioning of those people who are held under detention. As I mentioned, it extends the sunset clause for 10 years. These laws will be in place under these proposals until 22 January 2016. Schedule 1 of the bill renumbers the provisions of the act and is straightforward. Schedule 2 provides certain rights for those people being questioned and/or detained and questioned. Those rights clarify the maximum length of detention and how long a person may be questioned for and provide some clarification on the involvement of lawyers.

The bill includes a number of changes that adopt many of the recommendations of the Parliamentary Joint Committee on Intelligence and Security. I pause to say that I think that is an extremely important committee in the life of this parliament. The Labor Party has always regarded that committee as one of the important and serious committees
throughout the parliamentary structure and it is no accident that the Labor Party representation on that committee includes some of our most respected and senior members of the parliament. They are people who have, in a number of cases, been former senior ministers: Senator Robert Ray, a former Minister for Defence, amongst other portfolios; the Hon. Duncan Kerr, a former Minister for Justice; Senator John Faulkner, a former Minister for Defence Science and Personnel; and my good friend and colleague Anthony Byrne, a highly regarded and well-respected member of the House of Representatives. The Labor Party representatives on that committee are senior people. We take these issues very seriously and we think it is important that their advice and their views should be carefully examined.

In this bill the government adopts a number of recommendations of that committee. Unfortunately, it does not adopt two recommendations in particular that Labor regards as important and which will be the subject of amendments I will be moving during the consideration in detail stage. Labor welcomes the changes to clearly distinguish between ASIO warrants for questioning and those for questioning whilst in detention. We welcome a subject’s access to lawyers and to the Inspector-General of Intelligence and Security. This bill provides greater certainty and clarity in the operation of the act, and for that we are grateful. It ensures that client-lawyer privilege is respected in those cases involving questioning warrants and in such cases it enables contacts between a subject and their lawyer at any time while the subject is before a prescribed authority for questioning. It also clarifies the time periods for questioning under each of the warrants. The bill establishes an explicit right of access to the state ombudsman or other relevant state bodies with jurisdiction to receive and investigate complaints about the conduct of state police officers. That is a sensible additional provision. It also imposes an obligation on the prescribed authority to advise the subject of their rights.

All of these are sensible improvements in the legislation. Many would ask the question why they were not there in the first place, but they are very appropriate and welcome improvements to the legislation. It is proper that state bodies such as an ombudsman be entitled to investigate state police officers and matters associated with these warrants. It is more than reasonable that the prescribed authority advise the subject of a warrant of their rights to complain to a relevant state body.

Other provisions in the bill improve the questioning process—for example, by requiring the prescribed authority to inform the subject of the reason for the presence of each other person who is present at any time during questioning. You can well imagine the circumstances of a person who as the subject of these warrants is taken away for questioning—taken to a strange but secure place with physical circumstances surrounding them which are unfamiliar to them and people they do not know in the room for reasons they do not know. This does provide some degree of information to those subjects so that they can at least know who is in the room and what their role is. Labor, however, is very concerned that the government has not agreed to committee recommendations Nos 10 and 19 and, as I said, I will be moving amendments dealing with both of those when we deal with them in the consideration in detail stage.

Items 5 and 6 of schedule 2 of the bill include amendments that ensure both questioning warrants and warrants for questioning and detention permit the person to contact a single lawyer of their choice at any time they are appearing for questioning or are in deten-
tion. That is a useful and important provision to enable the subject of a warrant to obtain fair and proper legal advice and representation. I understand there may from time to time be questions about the appropriateness of individual lawyers and concerns about those lawyers somehow in turn being a security threat. That is dealt with elsewhere. Those provisions that I just mentioned accord with the joint standing committee’s recommendation 4:

- a person who is the subject of a questioning-only warrant have a statutory right to consult a lawyer of choice …

Item 13 of schedule 2 provides that if a person who is appearing for questioning before a prescribed authority under a questioning warrant indicates that they want to make a complaint to the Inspector-General of Intelligence and Security or to the Commonwealth Ombudsman then the prescribed authority can defer the questioning and the person must be given facilities for making the complaint. This is an important safeguard. This gives effect to recommendation 11 of the joint standing committee:

- a subject of a questioning-only warrant have a clear right of access to the IGIS or the Ombudsman and be provided with reasonable facilities to do so …

Item 14 provides for a person who is detained under a detention warrant to make a complaint to a complaints agency of a police service of a state or a territory, and I have already commented on that. I would, however, seek from the Attorney-General some clarification about whether the same rights apply in respect of the soon-to-be-established Australian Commission for Law Enforcement Integrity. He may be able to shed some light on that in his response to the second reading debate on the bill.

Item 24, schedule 2 enables a person’s lawyer to address the prescribed authority during breaks in questioning. Recommendation 5 of the joint standing committee was that the act be amended so that individuals could make representations through their lawyers to the prescribed authority. It is not clear how item 24 that is before us at the moment reflects that joint standing committee recommendation, as the bill appears to permit representations to be made only during procedural time, not during actual questioning time. Again, I invite the Attorney-General to clarify that in his summing up of the second reading debate. Whilst these are improvements to the legislation, the government has not gone far enough.

Let me return to the question of the 10-year sunset clause. As I commented before, 10 years is by no-one’s reasonable definition a sunset clause. Even in the wildest expectations of the Prime Minister and the Attorney-General, it is highly unlikely that either of them will be standing at the dispatch box dealing with the sunset clause in 10 years time—a highly improbable event. Ten years is absurd, frankly, and there is nobody in this debate who actually believes that a 10-year sunset clause is sensible. The government do not want a sunset clause at all, so they put in place a ridiculous period of time.

As I said earlier, the parliament, when the Liberal and National parties did not have unfettered power in the Senate, adopted a three-year sunset clause. The United Kingdom, which has had to face regular, genuine threats of terrorism on its soil—not just since September 11, 2001 but for decades, going back to the days of IRA bombings—has in place similar legislation with sweeping powers, and it operates with a one-year sunset clause. That is 12 months, not 10 years. In the United Kingdom powers of the kind that are in this act that we are amending have to be approved every year by the parliament. That is the standard that a genuine democratic parliament imposes on these sorts of
powers: the parliament has to renew every year these extraordinary powers.

When we as a parliament considered it in 2002 we adopted a three-year time frame. I think that three years is not unreasonable. Given the fact that the government has adopted a 10-year approach, the parliamentary committee last year, and again this year, recommended five years. I think the parliamentary committee has probably decided that, whilst three years might have been a good thing in the past, given the government has adopted a 10-year time frame there is not much point in arguing for three years, but five years is at least somewhere along the road.

Five years, I have to say, is at the upper end of any sunset clause ever adopted by this parliament, no matter what area of law we are talking about—and way beyond the one year that the United Kingdom parliament adopted for these sorts of laws. But, no, the committee’s recommendation of five years has been rejected and the government holds firm to this ludicrous 10-year sunset clause. I will be moving amendments to give the parliament the opportunity to adopt the committee’s recommendation of what amounts to effectively a five-year sunset clause.

When the Liberal and National parties were in opposition they seem to have had a different view about sunset clauses. I have a few examples here. There is a much longer list, but it is worth recounting what they did when they were in opposition. For example, when they were dealing with a sports drug agency bill David Jull, who was then a shadow minister and is now the chair of this joint committee, proposed an amendment for a three-year sunset clause. That was a sunset clause on sports drugs legislation, nowhere near as sensitive an issue as anything we are dealing with here. But, at the time that was before the parliament, David Jull as a shadow minister proposed a three-year sunset clause. When data matching in our tax bill was proposed, Andrew Peacock, whom some of us will remember, proposed that that should have a two-year sunset clause. When copyright amendments were before the parliament, Andrew Peacock again proposed a two-year sunset clause.

A couple of years later, when there was a second data-matching bill dealing with taxation, David Connolly, who was then the spokesperson for the Liberal and National parties, proposed a one-year sunset clause. There were some sensitivities about people’s civil liberties with data matching. That is why the then opposition, the Liberal and National parties, thought that the government should not be able to just do this data matching whenever they felt like it. They wanted a one-year restriction on it. Compare that with the standard they apply today as a government on sensitive matters balancing security and civil liberties.

We recall the Training Guarantee Bill from 1993, which the Liberal and National parties did not like at all. Kevin Andrews, now the Minister for Employment and Workplace Relations, then proposed a six-month sunset clause. This is the same minister who is out there gladly kicking workers of Australia to death under his euphemistically, strangely titled Work Choices bill. When migration legislation was before this parliament in 1994 Philip Ruddock, the present Attorney-General, proposed a three-year sunset clause. The last example I will give is the superannuation bill of 1995, where David Connolly proposed a two-year sunset clause.

You could not find a bill that this parliament has enacted where there has been a 10-year sunset clause, other than these security bills being pushed through by this government using the brute force of their numbers in the Senate. It is wrong. Every member in
this parliament knows that it is out of kilter with the standard this parliament has adopted on every other occasion that sunset clauses have been determined, yet the government are determined to bludgeon it through the parliament with the force of their numbers in the Senate. I would urge government members to reconsider their approach to this important issue.

The second important issue, which unfortunately the government has not dealt with in this bill, is the committee’s recommendation No. 10, which requires ASIO to provide a copy of the statement of facts and grounds on which the warrant was issued to the prescribed authority. That means that the prescribed authority should have available the full details of the facts and grounds on which the warrant was issued. How else can the prescribed authority properly discharge his or her role in supervising the questioning that is under way? If you have no idea why a person is being questioned, how can you possibly determine whether or not the questioning and the process that you are seeing in front of you are fair and reasonable, whether they are right or wrong or whether or not they are lawful? The simple answer is that you cannot. Without that information, the prescribed authority is effectively blinkered.

I hark back to the government’s approach to this last year and to my opening comments. Remember the preferred model that the Prime Minister wanted. The Prime Minister tried to force upon the premiers, the chief ministers and this parliament a set of laws in which politicians and bureaucrats—not a judge or a magistrate—could themselves decide who would be taken off the streets and locked up for a while without being able to tell their partner, their wife, their children or their employer that they had been locked up and taken off the streets. That is what John Howard wanted to do last year. The only thing that stopped him was the outcry from people throughout the country—an outcry that was facilitated by the decision of Jon Stanhope, the Australian Capital Territory Chief Minister, to make public the Prime Minister’s draft legislation.

Against that background, we now have a choice of allowing the prescribed authority to know the grounds and reasons on which a warrant is issued. The Howard government does not want the prescribed authority to have that information. The prescribed authority is a judicial officer appointed by this government. We are not talking about someone they do not trust; we are talking about a magistrate or a judge that this government has selected for the purpose. Why on earth should that person not have the information about the grounds on which the warrant is issued? The simple fact is that there is no justification for that, unless of course you have a latent desire to return to the process that John Howard wanted last year: restrict the judicial oversight and give maximum power to politicians and bureaucrats to decide who gets locked up and how they are dealt with. That was unacceptable to the parliament last year, it was unacceptable to the premiers and the chief ministers and it is unacceptable to Australians. I will be moving an amendment to deal with that.

I make it clear here today—and I will mention this again when we deal with it in detail—that, if our amendments fail, a Labor government will amend this law after the next election to ensure those rights for all Australians. Labor will amend this law to ensure a realistic sunset clause. When we deal with this bill in detail, I will be very pleased to move those amendments on behalf of the Labor Party and to make that commitment.

Mr Richardson (Kingston) (11.41 am)—I rise today in support of the ASIO Legislation Amendment Bill 2006, which
seeks to amend the Australian Security Intelligence Organisation Act 1979. One of the key amendments in this bill relates to the current sunset clause. In the absence of this amendment, the current questioning and detention powers contained in division 3 of the existing act would cease on 23 July 2006. This amendment bill seeks to extend by 10 years the existing sunset clause provision and prior review by the Parliamentary Joint Committee on Intelligence and Security, ensuring that the sunset clause would not come into effect until 22 July 2016 and requiring prior review by the parliamentary joint committee by 22 January 2016.

Experience over the past decade has shown that the current questioning regime has proved exceptionally valuable in obtaining important and relevant information about this government’s fight against terrorism. The safety and wellbeing of the members in the gallery, our schoolchildren who are looking down upon us and all Australians are paramount. There are exceptionally stringent safeguards to ensure that the personal rights and liberties of those being questioned and/or detained are protected and that those personnel involved in the process are subject to a series of accountability mechanisms. It is not enough to simply demand that our intelligence organisations keep us safe from the ever-growing global threat of terrorism; we must equip them with lawful means of doing that very important job.

Schedule 1 of the bill involves simplification, restructuring, correction and language changes as well as some alteration to the numberings in the act. Schedule 1 does not contain any substantive changes; they are merely administrative. The schedule gives effect to recommendations 2 and 3 of the parliamentary joint committee’s report.

Schedule 2 of the bill implements in whole or in part a number of the remaining recommendations of the parliamentary joint committee and addresses other issues which arose during the committee’s review. Schedule 2 clarifies the ability of subjects of either a questioning-only warrant or a questioning and detention warrant to make complaints. It also enhances the requirement that subjects be informed of the capacity to make complaints and facilitate the making of those complaints. The schedule inserts positive rights of contact with a lawyer for those individuals who are subject to a questioning-only warrant, as is already the case with questioning and detention warrants. It also extends the provisions which provide ASIO with the ability to challenge the presence of a lawyer where a person is detained under a questioning-only warrant.

Schedule 2 requires the prescribed authority to explain more clearly their role and includes an explanatory note to signpost avenues of judicial review, both of which are in accordance with recommendations of the parliamentary joint committee. This bill seeks to find the delicate balance between providing our law enforcement and intelligence agencies with the power they need to do the job we demand of them and ensuring the right of Australians to justice, legal representation and procedural fairness.

The amendments contained in this bill provide an opportunity for the lawyer involved to address the prescribed authority during breaks in questioning. The bill also amends secrecy provisions to cater for disclosures to additional complaints bodies and requires the prescribed authority, the director-general and the Attorney-General to take certain issues into account in deciding whether to permit disclosures. Such matters to be considered include the person’s family and employment interests, the public interest and the risk to security.
Schedule 2 inserts statutory financial assistance provisions so that an individual has a statutory right to apply for financial assistance for legal and related costs arising from the questioning proceedings. We recognise that not all individuals have at their disposal the financial resources to engage legal representation. We also recognise the important role lawyers play in ensuring individuals receive adequate protection of their rights.

One of the very important provisions in schedule 2 of the bill clarifies the distinction between questioning-only warrants and questioning and detention warrants. In doing this, the amendments ensure that procedural time spent processing an individual is not counted towards the questioning time limits. This particular provision ensures that the administrative requirements will be complied with, while also ensuring that intelligence and law enforcement personnel are able to use the time within which they are legally able to question an individual for relevant and meaningful purposes.

The Parliamentary Joint Committee on Intelligence and Security delivered its report on the proposed amendments to the Australian Security Intelligence Organisation Act. This bill demonstrates the Australian government’s responsiveness by giving effect to many of the parliamentary joint committee’s recommendations and addressing specific concerns which arose during the review.

I have found it quite instructive to reflect on the history of this bill. I refer here to a Bills Digest which drafted an outline of the legislative history of division 3, part III. It might be worth while for the House to consider this history and look at how this legislation started, because it is quite interesting. The legislative history says that division 3, part III, which relates to ASIO’s questioning and detention powers, was inserted into the ASIO Act as a result of the Australian Security Intelligence Organisation Legislation Amendment (Terrorism) Act 2003. The division adds to the suite of exceptional powers that parliament has entrusted to ASIO. A bill to add division 3, part III to the ASIO Act, the Australian Security Intelligence Organisation Legislation Amendment (Terrorism) Bill 2002, was first introduced into the House of Representatives on 21 March 2002 as part of a package of antiterrorism legislation.

When the bill was first introduced, it aroused some community controversy. The
2002 bill enabled incommunicado detention of nonsuspects, both adults and children, for up to 48 hours, with potential for indefinite renewal of the warrants under which they were held. Detention warrants were to be issued by the executive, not by a judicial officer. Contact with a lawyer was not guaranteed. There was no provision for the legislation to be subject to review or have a sunset clause. In 2002, the PJC described the bill as 'the most controversial piece of legislation ever reviewed by the committee'. The 2002 bill was referred to the PJC and, together with other antiterrorism bills, it was also referred to the Senate Committee on Legal and Constitutional Affairs. Numerous legislative amendments were recommended by both committees.

An amended 2002 bill passed the House of Representatives and was further amended in the Senate. The House of Representatives accepted some of the Senate’s amendments but negatived others that the Senate continued to press. As a result, the bill was laid aside, becoming one of the potential double dissolution triggers at the time. There was a lot of politics surrounding this. We were told that this legislation had to be passed in the interests of national security.

A second bill, the Australian Security Intelligence Organisation Legislation Amendment (Terrorism) Bill 2002, was introduced into the House of Representatives on 20 March 2003. This bill was finally passed, after further amendment, on 26 June 2003 and commenced operation on 23 July 2003. During its passage through parliament, amendments were made which to an extent refined and clarified the legislation and ameliorated some of its more draconian aspects. Among other things, amendments were made affecting the legislation's application to children; the maximum period of detention was set at 168 hours; provision was made for protocols to govern the custody, detention and interview process; criminal penalties were introduced for officials who breached safeguards; ASIO was required to include warrant statistics in its annual report; warrants were to be issued by judicial officers; the PJC was tasked with reviewing the legislation; division 3, part III was sunsetted three years after its commencement—this was in the wake of the Bali bombings and September 11; and the requirement that a subject’s lawyer be approved by the Attorney-General and security cleared was removed.

Division 3, part III—this particular legislation again—has been amended five times since the passage of the Australian Security Intelligence Organisation Legislation Amendment (Terrorism) Act 2003. Major amendments were effected by the Australian Security Intelligence Organisation Legislation Amendment (Terrorism) Act 2003. This act extended from 24 hours to 48 hours the maximum period of questioning when a subject uses an interpreter and inserted new non-disclosure offences that operate during the currency of a division 3 warrant and for two years after the warrant has expired.

Referring to the Bills Digest again, as things stand, with the above provisions in mind, division 3, part III can be summarised as follows: it enables ASIO to obtain a warrant from an issuing authority that allows adults who are not suspected of a terrorism offence but who may have information about terrorism activities to be questioned for extended periods. They can be detained if there are reasonable grounds for believing that they may alert someone involved in a terrorism offence, may not appear for questioning or may destroy or damage evidence. The statutory regime also applies to children aged between 16 and 18 years if they are suspected of involvement in a terrorism offence. Questioning takes place before a prescribed authority who oversees the process. The language in the Bills Digest is quite interesting.
It says that this regime is unprecedented in Australia and arguably in the common-law democracies with which Australia is often compared—the United Kingdom, Canada, New Zealand and the United States.

The issue we face is that this is not a mild piece of legislation; it is a piece of legislation that has been framed in the aftermath of Bali and September 11. I agree with the intent of the legislation: we must do all we can do within our powers to prevent a terrorist act from occurring on our soil. It is not the intent of this legislation I have a problem with; it is the application of it. It does not apply the powers effectively. It diminishes the capacity of an authority like ASIO to exercise its powers effectively. If the legislation is not correct, it can also allow a legal challenge through the Federal Court to not permit that evidence to be used—and that is an issue that concerns the committee unanimously. These 19 recommendations that were put forward to the government for response were shaped with that intention in mind—to strengthen the legislation to enable the execution of questioning and detention warrants in a way which would not compromise the agency, the people being questioned or the government. That is why we as an opposition have concerns with two components of the government’s response that have been enacted in the legislation which relate to prescribed authorities and the sunset clause.

Referring again to the Bills Digest, a prescribed authority’s functions and powers include:

- explaining the warrant to the subject of the warrant, informing them of what the warrant authorises ASIO to do, their avenues of complaint and judicial review, and who they are permitted to contact
- directing that a person be detained
- deciding that an interpreter should be provided to a person who is appearing for questioning
- deciding whether questioning is to continue under the warrant and setting breaks between periods of questioning
- directing that a person be released from detention once further questioning is statutorily prohibited
- authorising the police to conduct a strip search on a detainee
- providing a reasonable opportunity for a person’s lawyer to advise them during breaks in questioning, and
- directing that a person’s lawyer be removed if they are disrupting questioning.

The committee unanimously suggested that:

- ‘the supervisory role of the prescribed authority be clearly expressed’—and the government has agreed in part with this and:
- ‘ASIO be required to provide a copy of the statement of facts and grounds on which the warrant was issued to the prescribed authority before questioning commences’.

In light of the description of the prescribed authority’s functions, the fact that the prescribed authority is invariably a retired judge and the information is generally provided to the issuing authority before the warrants for questioning are issued, I do not understand why the government would say that this is not relevant and that this information should not be provided to the prescribed authority. When the committee was examining these issues and taking testimony from people who had had experience with the process, that inconsistency was one of the key issues raised. Some concern was raised in the minds of some members of the committee that, if there was not a capacity for the prescribed authority to be making judgments based on the full facts, this could be used if it were taken to the Federal Court.

What we are about in this committee is making sure that this legislation works, so I would ask the Attorney-General or, in his
absence, the Attorney-General’s Department, to consider this: why is it relevant that this information be granted to the issuing authority but not to the prescribed authority, who sits in on these questioning periods and potentially sits in on the detention periods, because the detention power has not been utilised at this point in time? As I have said before, no-one in this place and no-one on that committee contested the fact that we need to obtain that information, if the body believes it has the information, to interdict or prevent a terrorist act. That point is not in dispute. But what is in dispute in this place—and this is why the opposition is putting these amendments—is how to make sure this legislation can be exercised effectively.

The other issue that we will be moving an amendment on is the review and the sunsetting. I would like to refer to the Bills Digest again with respect to this particular issue. It says:

Division 3, Part III ceases operation on 23 July 2006. Provisions for review and sunsetting were inserted into Division 3, Part III as a result of the PJC’s inquiry into the Australian 2002 Bill. In proposing a sunset clause in 2002, the PJC said:

It will be up to the Government of the day to argue for the continuation of proposed Part III, Division 3 of the ASIO Act which will be inserted by the Bill. The timing of the Committee’s review will ensure that the Government could, if necessary, prepare and introduce a replacement Bill when the relevant part of the Act expires.

In evidence given to the PJC in 2005, ASIO, the Attorney-General’s Department and the AFP argued against any further sunsetting and recommended that the questioning and detention regime become a permanent part of Australia’s counter-terrorism laws. According to these agencies, concerns about how the powers would be used have proved to be unfounded, valuable information has been obtained and concerns about terrorism are unlikely to abate.

I will make a point about that, particularly as to the exercise of the powers. Does it not occur to the Attorney-General that having a review three years after these extraordinary powers have been implemented actually aids the public’s confidence in the fact that these powers are being exercised? If the intent of the authorities is that there should be no sunset clause, how does that inspire public confidence in the fact that there is going to be appropriate scrutiny, an overview, of what are clearly extraordinary powers given to an agency in light of a terrorist threat or a perceived terrorist threat? You cannot have that as a permanent part of the landscape. You cannot have a permanent cold war.

In effect, judgments like this have got to be made on the basis of intelligence at the time. That is why the committee unanimously put forward a five-year sunset clause. Whilst we have an absolute commitment to ensure that these questioning and detention powers are used to interdict or prevent terrorist acts, we also have to be mindful of the fact that the community needs to have confidence in the agency. In fact, in a recent speech the Director-General of ASIO spoke quite strongly of the need for people to understand that ASIO needs to run its operations covertly in the public interest. But it also needs to reassure the public as to its exercising of extraordinary powers like the ones that we are debating here today, so that the public has confidence that these powers will be exercised properly. A 10-year period of time, in my view, and in the committee’s view, does not allow that to happen.

No agency is above review or scrutiny, particularly an agency whose brief is to conduct covert operations on behalf of the Australian community. In doing so, the community gives that agency trust but it also wants accountability, it also wants scrutiny and it also wants to know the agency is doing its job—and, in essence, as I believe and the committee believes, a 10-year sunset clause does not give that assurance or guarantee.
The fact is that, regardless of whether we like it or not, a five-year sunset clause encourages the agency and the government to operate those powers with increased responsibility. While I do not believe that a 10-year sunset clause will enable them not to exercise their powers responsibly, I do think a five-year sunset clause gives a market signal: we do not want ASIO to wind up like the then DIMIA.

ASIO is Australia’s front line against a terrorist act being committed in this country. What we do not want, through some sort of legislative slackness, is a culture to emerge within that particular agency which means that shortcuts will be taken. I believe, and the committee believes, a five-year sunset clause will ensure that opportunity or thought will not occur. Certainly, reporting by the agency in question back to the committee indicates that the idea of a sunset clause within a reasonable time frame will work well. What I would ask the agency and the Attorney-General’s Department is this: show me the evidence that having a five-year sunset clause compromises the operation of the agency, because in all of the evidence that was put forward to the committee I saw no suggestion of that at all—and if that is the case I want to know why there is a 10-year sunset clause in this.

I think the committee—and I appreciate that the member for Moncrieff is not here—operates on a bipartisan basis, because that is the way national security should be treated in this parliament. That is what the Australian public demands of both sides of politics. In that spirit, I would ask the Attorney and the government to seriously consider the amendments that the opposition will be moving because, as I have said, they came out of a committee process that was determined to improve the legislation. I believe that if those amendments are accepted that legislation will be improved.

Ms ANNETTE ELLIS (Canberra) (12.06 pm)—I rise today to speak on the ASIO Legislation Amendment Bill 2006. This bill amends division 3 of the Australian Security Intelligence Organisation Act 1979 and the Australian Security Intelligence Organisation Legislation Amendment (Terrorism) Bill 2002, which deal with ASIO’s terrorism related questioning and detention powers. The bill makes a number of welcome improvements to the act. In addition there are a couple of worthwhile recommendations which have not been adopted and which form the basis of Labor’s amendments, which I will discuss a little later.

Labor welcomes the changes to clearly distinguish between ASIO warrants for questioning and warrants for questioning while in detention. The bill ensures that client-lawyer privilege is respected in cases involving questioning warrants, and in those cases it allows contact between a person being questioned and their lawyer at any time while they are being questioned by a prescribed authority. Labor also supports clarification of the time periods for questioning under each of the warrants.

Another positive change is that the bill establishes an explicit right of access to a state ombudsman or other relevant state bodies with jurisdiction to receive and investigate the conduct of state police officers. The bill also imposes an obligation on the prescribed authority to advise the person being questioned of this right. Labor believes that state bodies such as the ombudsman should be entitled to investigate state police officers and that people being questioned should be advised of their right to complain to relevant state bodies such as the ombudsman. Other provisions in the bill improve the questioning process. For example, the bill requires the prescribed authority to inform a person being questioned of the reason for the pres-
ence of each other person present at the time of questioning.

I will now move to the parts of the bill which are of concern to me and to Labor. To put these concerns into context it is important to note that this bill responds to recommendations made by the Parliamentary Joint Committee on ASIO, ASIS and DSD. That committee is now known as the Parliamentary Joint Committee on Intelligence and Security. The joint committee recently reviewed ASIO’s terrorism related questioning and detention powers, which are found in the Australian Security Intelligence Organisation Act 1979. Their report entitled ASIO’s questioning and detention powers: review of the operation, effectiveness and implications of division 3 of part III in the Australian Security Intelligence Organisation Act 1979 was tabled in the House of Representatives on 30 November 2005.

Whilst this bill adopted six recommendations by the joint committee, it adopted six other recommendations only in part and did not adopt a further seven recommendations. Labor is concerned that recommendation 10 of the joint committee is only ‘agreed in part’ by the government. Recommendation 10, part 1 was adopted, which states that ‘the supervisory role of the prescribed authority must be clearly expressed’ to the person being questioned. Recommendation 10, part 2 states that:

- ‘ASIO be required to provide a copy of the statement of facts and grounds on which the warrant was issued to the prescribed authority before questioning commences’.

The government has rejected this part of the recommendation. The government has argued that prescribed authorities have sufficient information to fulfil their role in supervising proceedings, because they are provided with a copy of the warrant.

Labor is concerned that failing to fully adopt recommendation 10 diminishes the safeguards in the detention regime. This is of great concern to me and, I am sure, to many people in my electorate of Canberra, many of whom have contacted me in relation to these issues. I and Labor agree with the joint committee’s view that access to this information will assist the prescribed authority to exercise their supervisory role when a person is being questioned. Accordingly, a copy of all the relevant documentation should be provided before questioning begins. The government’s response to the joint committee report has not provided any compelling or satisfactory reason for not adopting recommendation 10 in full.

Another major concern to me and my colleagues is the proposed 10-year sunset clause for division 3, part III of the ASIO Act. Division 3, part III can be summarised as follows. It allows ASIO to obtain a warrant from an issuing authority which allows adults who are not suspected of a terrorism offence but who may have information about terrorist activities to be questioned for extended periods. They can be detained if there are reasonable grounds for believing that they may alert someone involved in a terrorism offence, may not appear for questioning or may destroy or damage evidence. The statutory regime also applies to children aged between 16 and 18 years if they are suspected of involvement in a terrorism offence. Questioning takes place before a prescribed authority, who oversees the process. The regime is unprecedented in Australia and, arguably, in the common-law democracies with which Australia is often compared, such as the United Kingdom, Canada, New Zealand and the United States.

This bill proposes a 10-year sunset clause for division 3, part III, with a date of 2016. The joint committee recommended that the new sunset clause come into effect on 22
November 2011—that is, a five-year sunset clause, not a 10-year sunset clause. Many submissions to the joint committee argued against renewing the questioning and detention regime. They argued that the threat level to Australia does not justify the regime, that the existing powers of law enforcement agencies and existing criminal laws are sufficient and that the legislation is inconsistent with democratic rights.

Most agreed that, if division 3, part III is to be re-enacted, it must be sunsetted. A 10-year sunset clause is clearly too long. That is why Labor is moving an amendment to reduce the sunset clause to five years. Many of my constituents have contacted me with concerns about the ways in which civil and human rights in Australia have been threatened in recent years. I strongly believe that, whilst we need to protect our citizens from terrorism, we must also protect their human rights and our system of democracy. As my colleague the member for Brisbane said earlier today, Australia needs tough laws to deal with terrorism—there is no doubt about that. But just as important are well-balanced laws that target the terrorists, not innocent citizens. We need strong safeguards to protect the civil and human rights that are fundamental to our freedoms. We must ensure that, in responding to terrorism, we do not undermine or destroy the very liberties that we are seeking to protect. Terry Higgins, Chief Justice of the ACT Supreme Court, said in October 2005:

Can we still claim to live in a democratic state if we do not have the most basic democratic rights? It is important to guard against the violation of civil liberties regardless of whether the challenger is a radical terrorist, or an unduly prescriptive piece of legislation.

Chief Justice Higgins was expressing his concerns at the Howard government’s proposed antiterrorism laws last year. The Howard government has shown that it is not very good at maintaining that important balance between having tough laws to protect our citizens from terrorism and, at the same time, protecting their civil rights and human rights. The Howard government’s behaviour over the last few years has shown an arrogance and a lack of consultation with state and territory governments and with the public. We must take a balanced approach to protection from terrorism and protection of civil and human rights, and that is why I will support Labor’s amendments to this bill.

Can I again refer to Justice Terry Higgins. I would like to refer to further quote, if I may. He said in an article in the Canberra Times in October last year:

The argument that it is simply a matter of “extraordinary times call for extraordinary measures” is initially persuasive, but less compelling when subject to closer scrutiny. History has shown that, unfortunately, once taken away, rights don’t tend to hover in the stratosphere, waiting to be reactivated. There is the problem that measures that are introduced during times of national emergency have a nasty habit of outstaying their welcome.

I would like to conclude with a quote by Robert Maynard Hutchins:

The death of democracy is not likely to be an assassination from ambush. It will be a slow extinction from apathy, indifference, and undernourishment. It is absolutely important; it is absolutely vital. Yes, we do need to have strong laws at a time like this, but the balance that has to be struck between the need for those laws and the need to uphold basic human rights and the freedom of our democracy is no less important. I very strongly support our foreshadowed amendments to this bill and I strongly suggest that the government pay due attention to them.

Mr CREAN (Hotham) (12.16 pm)—I rise to support the foreshadowed amendments to be moved by the member for Brisbane to the ASIO Legislation Amendment Bill 2006.
This is another bill to amend our antiterrorism laws. It reflects the government’s response to the recommendations of the Parliamentary Joint Committee on ASIO, ASIS and DSD arising from its review of ASIO’s terrorism related questioning and detention powers. The PJC on Intelligence and Security—formerly the Joint Committee on ASIO, ASIS and DSD—was given oversight of this legislation and it remains an important mechanism for parliamentary oversight.

In the context of this legislation, the PJC has recommended sensible refinements and improvements in the light of the experience of the operation of the legislation. We support the provisions of this bill that accept the majority of the PJC’s recommendations. However, we believe that the PJC’s recommendations relating to information to be given to the prescribed authority and the length of the sunset clause should be accepted as well. The government does not, and that is why amendments will be moved by the member for Brisbane, and that is what Labor is supporting.

I should make the point also that this bill is being debated in far less controversial circumstances than the earlier bills in relation to ASIO’s powers. Debate today is not taking place in the highly emotive atmosphere of 2001 and 2002, following the attacks in New York and the Bali bombings. Post September 11 and those Bali bombings, it was essential for governments and parliaments to respond to requests from enforcement agencies concerning their powers to counter terrorism. But the response, we always insisted, had to be tempered by ensuring that the rights and freedoms fundamental to Australian citizens are also protected. This is the fundamental balance that we as a parliament have to get right.

In the wake of those attacks by terrorists against Australian citizens resulting in horrific loss of life, Labor accepted at the time the argument that ASIO’s powers had to be increased to help deal with this new threat. In essence, ASIO then had powers to ask questions of terrorist suspects but not to demand answers. The law in other circumstances in this country does require people to answer questions—why not have the same requirement for those believed to be associated with terrorist activities? That principle made sense to us and we were prepared to extend those powers, but we insisted that, if they were to be extended, it had to be done in a way that protected the basic rights of the people who were going to be questioned.

The Howard government through this whole exercise since September 11, left to its own devices, has never got the balance right—never. It prefers to play to the politics of fear and insecurity. It has never of its own initiative sought to deal constructively in a bipartisan way to address the issues in this parliament. So up until now it has been left to parliament, with a Senate which until recently the government did not control, to ensure that we got that balance right. The position of the Australian Labor Party has been critical to date in achieving the best possible outcome.

It is worth while reminding this House of the history of that debate and of the proposed legislation—the precursor to this legislation—that the government talked about and wanted to introduce back in 2002 and again in 2003. In that period the government did not deal with this in a rational and calm way. The Prime Minister and the then Attorney-General, Daryl Williams, were only too willing to play wedge politics and to exploit the rhetoric of fear. It was the Labor Party that was committed to getting the balance right and that ensured not only that we had better legislation as a result but that the PJC recommendations, which are before us today, are much more difficult for the government...
to ignore in pursuing their wedge politics and fear based agenda.

Just think of this: under the original proposed bill back in March 2002, just four years ago, ASIO warrants that this government wanted us to pass could have provided for indefinite detention and questioning of persons who had information on terrorist attacks, including children; detention incommunicado—in other words, no guarantee of access to legal advice for the person being questioned—detention warrants to be issued by the executive—that is, by the Attorney-General—not by a judge; no rights to decline to give information or produce a document; and no penalty for officers who did not administer the bill correctly. In that original legislation, the government provided for no parliamentary oversight, review or sunset provision. Under the government’s original proposals, a 10-year-old child could have been held in detention and strip-searched. This was an outrageous abuse of people’s rights in this country and totally unacceptable. We said so and we opposed it.

Another indication of the haste and recklessness with which the original legislation was drafted was its inclusion of the absurd situation where a terrorist suspect could only be detained and questioned for 12 hours but a nonsuspect who may have had information about a terrorist attack could have been detained and questioned for up to seven days. This legislation then had serious flaws and Labor said so. We were prepared to be constructive: we put suggestions to the government, we debated the issues in the House and the Senate and we worked to make the legislation better to ensure that the terrorists and only the terrorists were targeted. On 21 March 2002 we had the ASIO bill sent for further parliamentary scrutiny by the PJC. That committee was given just five weeks to complete its report. Following public criticism, the government agreed to extend the inquiry to June.

In the meantime Labor conducted lengthy and successful negotiations with the government on the antiterrorism legislation that it was seeking to introduce. Ultimately, the Prime Minister, who had originally proposed more draconian legislation, was forced to admit that we as a parliament had got the balance right. At the National Press Club on 11 September 2002, he said:

We have, of necessity, tightened our security laws. I believe through the great parliamentary processes that this country has ... we have got the balance right.

But understand this: it was Labor’s stance in the parliament that ensured that we did get the balance right. And it was a balance he was not seeking when it came to extending ASIO’s powers back in 2002.

At the time, there were those who argued, and perhaps still argue, that we should not be increasing ASIO’s powers at all. The Labor Party do not agree with those arguments. We have responded to the very real threat of terrorism in a way that increases our preparedness and power to deal with terrorism while, at the same time, keeping the balance and protecting the rights and liberties of individuals.

In the middle of these inquiries that I talked about and post the October 2002 Bali bombings, the government wanted to introduce sweeping powers to enable the Attorney-General alone to proscribe terrorist organisations. We opposed that power as well. We opposed it being in the hands of one person. In the spirit, again, of constructive cooperation, we proposed judicial oversight, not parliamentary oversight, to deal with this. We said that we were prepared to accept proscription by the United Nations. We also at the time moved swiftly
and introduced a private member’s bill in this parliament to proscribe Hezbollah, based on intelligence briefings we had been given about the activities of that organisation. Again, it was Labor taking the initiative to deal with terrorism and terrorist organisations while always considering the need to protect the civil liberties of ordinary Australians, making sure that they were not overridden by the hysteria that this government was trying to whip up.

After the proscription debate, which saw us successful in preventing the power of proscription being in the hands of the minister alone, the two Senate committees reported on the ASIO bills. Based on all the evidence that they had had before them, they recommended a number of amendments—amendments we in the Labor Party were prepared to adopt because we believed that they significantly improved the bill in getting the balance right, but amendments the government refused to accept.

In essence, the debate then became around principles that we insisted had to be included in the bill—principles such as the choice of legal representation by the person being questioned; protection of children under the age of 18; a three-year sunset clause to ensure further parliamentary scrutiny; and the introduction of a questioning regime, not a detention regime. We said that, in its application to young people aged 16 and 17, the bill should only apply if they were suspects, not if they were nonsuspects, and we said that the period and conditions of questioning under this bill should be comparable to those under the Crimes Act. We also insisted that rolling warrants could not be available—if there was to be additional detention it had to be based on additional and materially different information.

The Prime Minister of the day insisted on the hard line, ignoring the recommendations of the parliamentary process, ignoring our offers to him to negotiate a successful outcome. The Prime Minister shamefully goaded us in the parliament that Labor would be to blame if we went into Christmas and the parliamentary recess of 2002-03 and there was a terrorist attack. To its great credit, the Labor Party stared him down. We said that he had an option: he could have a bill that was agreed in the parliament if those principles that I have just outlined were adopted. He chose to walk away from the constructive approach. He sought to exploit the politics of division and fear, not to address the new powers for ASIO through legislative reform in a sensible, balanced way. By Labor staring him down, the bill not only was laid aside but became a potential double dissolution trigger.

History will show that there was no terrorist attack over that Christmas. Christmas came and went—and so, it appears, did the Prime Minister’s urgency, having told us in December how important this legislation was. It did not come back into the parliament for another four months. And, when it was eventually passed in June 2003, the bill that the parliament passed was almost identical to what Labor had been proposing back in December. We could have had it in place six months earlier.

It is true that the government did not agree with all of the proposals that Labor put forward, and we were prepared, given that the key ones that I referred to above were adopted, to pass the bill. But, in doing so, we also made it clear that, when elected, we as a government would introduce new amendments to improve the deficient proposals and to implement the ones that we had not been successful in forcing the government to adopt—for example, amending the act to ensure that custody is limited to a maximum of 72 hours under each warrant and also to
remove the reversal of the onus of proof for elements of some offences.

I go through this history to demonstrate that it is possible for the parliament to get this balance right—the balance between being tough on the terrorists but also recognising the basic rights and liberties of our Australian citizens. We are making sure that, in getting the balance right, we do not compromise the work of our law enforcers. We got that balance right. This was admitted by no less a person than Dennis Richardson himself, formerly the Director-General of ASIO and now Ambassador to the United States. He had this to say on 19 May 2005 in evidence before the joint parliamentary committee that is making these recommendations:

The legislation that was initially introduced into the parliament with our support—that is, ASIO’s support—and advice was much simpler and was, of course, tougher. We debated among ourselves whether the compromises that had been made in the parliament would make it unduly complex. Our concerns were misplaced. We were wrong in worrying about it. As it has turned out, the balance in the legislation has so far been very workable and it has operated very smoothly ...

Again, that balance was only achieved because the Labor Party in this parliament took a stand. It stood by its principles, it stood by its conviction and it was prepared to stare the government down when it was trying to whip up hysteria and fear in the community. The three-year sunset clause that we then insisted upon is the reason we have the amendments before us today: they come as recommendations from that review.

As I said at the beginning, we support this bill subject to the amendments that we will be moving. There are a number of amendments for improving the legislation. These amendments come from a parliamentary process—a bipartisan approach that looks at the evidence and does not look at the political opportunities, which is the only spectrum through which the Prime Minister views these things. I do not need to go through the proposals before us in detail. That has been done by the member for Brisbane. But they do include greater certainty in distinguishing between questioning warrants and detention warrants; protection of client-lawyer privilege; clarification of time periods for questioning; giving right of access to state ombudsmen in relation to the conduct of state police; and improvements to the questioning process. These are all important new safeguards, and we welcome them.

But the government has not accepted the PJC’s recommendation relating to the requirement for ASIO to give the prescribed authority, usually a judge, the full statement of the facts and the grounds on which the warrant is based. The government has not provided sufficient reasons for not accepting that. The Attorney-General did not address the issue in his second reading speech. I hope, given that he is at the table now, he does it today. The government has also not accepted the PJC’s recommendation for a five-year sunset clause, instead proposing 10 years. We believe that is too long and inappropriate. Again, these are matters of balance and judgment. We have demonstrated the ability to get that right far more than the government.

There is a need for tough antiterrorism laws, but there is also a need to protect people’s civil liberties. I support the amendments that are being proposed by the member for Brisbane that will again strengthen the direction and get the balance right. It is always Labor that is putting the constructive proposals forward to achieve that balance.

Mr RUDDOCK (Berowra—Attorney-General) (12.36 pm)—in reply—I thank the members who have contributed to this de-
bate—they include the members for Brisbane, Kingston, Holt, Canberra and Hotham. I agree very strongly with the comments made by way of introduction by the member for Brisbane. These are issues about balancing very important protection measures with appropriate safeguards. In fact, the ASIO Legislation Amendment Bill 2006 reflects the government’s agreement that where there were further suggestions that could be helpful they would be pursued. This bill adds rights and safeguards which apply to the subjects of questioning. The warrant regime will provide for an expanded role of the prescribed authority in directing proceedings and enhance the ability of lawyers to represent their clients.

I say this very deliberately because, if you are going to argue about balance, sometimes there is room for differences of view, but it is very important to start understanding where the balance is. It may have been a mistake by the member for Hotham that he suggested in his comments, when I came back into the House, that somebody could be questioned for seven days. The period is 24 hours with a further extension in particular circumstances. It has not been seven days. I simply make the point it is something that can be done over a period of seven days but they are in individual periods within that time. The member for Brisbane also made—

Mr Crean—Up to seven days.

Mr Ruddock—No, not up to seven days. It is 24 hours. I listened very carefully to what the member was saying. The member continues always to be very argumentative and will never accept any gentle advice.

Mr Crean—Gentle advice?

Mr Ruddock—Yes, gentle advice—very gentle—and I intend to continue to be gentle, even with the member for Brisbane. I come in here and find that there are some amendments which, if he had given them to us in advance, we might have been able to help him with. But he proposes to move an amendment which seeks to require the director-general to give an issuing authority a copy of the statement of facts and grounds. The act already requires this at section 34C(4). It already requires it; it is in the act. There may have been somebody else he would like to see given that information but the amendment asks that the issuing authority be given such a statement—the act already requires it. I only mention those matters helpfully because I do not wish to be critical; I hope for enthusiastic support for these measures.

In the context of some of the arguments that we have had today, particularly about the length of the sunset clause and related matters, it really depends upon your perception as to what risks we face and how long you think we are likely to continue to face them. I would like somebody to tell me that within three years terrorist threats will have gone away but I do not hear anybody making that assertion. I know that some people get lulled into a false sense of security and assume that nothing could happen here. I simply say that nothing could be further from the truth. This legislation is designed to assist the relevant agencies that have shown a capacity to help us deal with these situations. There have been people charged with terrorist offences in Australia and convicted; there are a further group of people at present under charge. Our security agencies have played a significant role in relation to these matters. The point I want to make is that we are resourcing our agencies to meet the challenge that we face. We have done so after the Taylor review. The member for Brisbane suggested that, while we are expanding the roles of the agencies, we were not additionally resourcing the Inspector-General of Intelligence and Security.
Mr Bevis—Nowhere near to the same extent.

Mr Ruddock—I think that is a qualification. Perhaps the honourable member knew that I was going to point out that the Inspector-General has, in fact, been additionally resourced. Those resources are the subject of recommendation, given the nature of the numbers of complaints that he is receiving, and also the assessment, which would include discussions with him, as to what extent he believes it is necessary for him to undertake own motion inquiries. In the budget papers, it will be seen that the Office of the Inspector-General of Intelligence and Security, over a four-year period, has received an additional $3 million to enable it to address the workload associated with the increased activity of the Australian intelligence community.

The honourable member raised some issues in relation to complaints handling. I want to make the point that a person who is the subject of questioning or questioning and detention has a number of complaints mechanisms available to them. They can complain to the Ombudsman, they can complain to the Inspector-General of Intelligence and Security and they can instruct a lawyer to pursue remedies on their behalf. So these are issues that can be effectively addressed and, in our view, we think we have the balance right in relation to those matters as well.

Another point that I want to raise, because it has become the major focus, is in relation to the 10-year sunset clause. The reason we came to the view that 10 years was appropriate was that that was the period settled in relation to other legislation dealing with security issues on which we have been in dialogue with the states. Our view is that these issues ought to be addressed at the same time. You do not need a multiplicity of inquiries and reviews. For that reason, in our opinion, the more appropriate period was that settled in relation to other legislation.

In that context I would simply say that this bill represents an important step in ensuring the continuation of ASIO’s questioning and detention powers beyond July this year and the effective operation of them. We have accepted recommendations of the Parliamentary Joint Committee on Intelligence and Security, and I thank them for the work that they have undertaken. We have not accepted all of their recommendations, but we believe that the legislation is being improved by those that we have accepted. We appreciate the contributions that members on both sides of the political divide have made.

We think that the measures contained in the bill maintain an appropriate balance of civil liberties by enhancing safeguards and conferring more explicit rights on people who are being questioned and detained. These measures, combined with some other changes in response to the PJC and minor corrective changes, will clarify and strengthen, in our view, the effectiveness of ASIO’s questioning and detention regime. The questioning and detention regime needs to operate effectively if ASIO is to continue to have the best set of tools at its disposal for working together with other agencies to ensure the protection of the Australian community.

I conclude by saying that there have been—and reports from ASIO indicate this—a number of people questioned. That has proved very helpful to the agency in its work. The detention regime has not had to be used, but I think the very fact that it is there ensures more ready cooperation from people who might otherwise be resistant to questioning, knowing that it is possible that detention could be sought if cooperation was not forthcoming. The fact that there has not been use of the detention power should not
be seen as a basis for suggesting that it is not needed as part of the overall scheme. I commend the bill to the House, and we will deal with the amendments shortly.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr BEVIS (Brisbane) (12.47 pm)—by leave—I move opposition amendments (1) to (4) together:

(1) Schedule 1, item 2, page 5, after subsection 34D(6) (line 23), insert:
Statement of facts and grounds to be provided
(7) If the Director-General gives an issuing authority a request under subsection (6) the Director-General must also give the issuing authority a copy of the full statement of the facts and other grounds on which the Director-General considers it necessary that the warrant should be issued.

(2) Schedule 1, item 2, page 5 (line 29), after "subsection 34D(6)" insert "and provided a statement in accordance with subsection 34D(7)".

(3) Schedule 1, item 2, page 9, after subsection 34F(7) insert Statement of facts and grounds to be provided
(8) If the Director-General gives an issuing authority a request under subsection (7) the Director-General must also give the issuing authority a copy of the statement of the facts and other grounds on which the Director-General considers it necessary that the warrant should be issued.

(4) Schedule 1, item 2, page 9 (line 13) after "subsection 34F(7)" insert: "and provided a statement in accordance with subsection 34F(8)".

I make one variation to the first amendment so that it reads:

If the Director-General gives an issuing authority a request under subsection (6) the Director-General must also give the issuing authority a copy of the full statement of the facts and other grounds on which the Director-General considers it necessary that the warrant should be issued.

Mr Ruddock—I have no problem with the member making better sense of his amendments and correcting the error that I pointed out.

Mr BEVIS—I am indebted to the Attorney for pointing out the absence of the word ‘full’, and I am delighted that its inclusion now overcomes what was his apparent concern a few moments ago because in fact—

Mr Ruddock—I am pleased to offer my assistance. I am here to help you out.

Mr BEVIS—I look forward to that assistance. No doubt an appropriate form of words can be dealt with in the Senate so that the sense of this very important amendment is given effect to.

The DEPUTY SPEAKER (Hon. BK Bishop)—I would just seek clarification from the member for Brisbane that he is moving amendments on which he intends to speak and has a belief in.

Mr BEVIS—Indeed, I am. I appreciate your wise counsel about that. The government’s response to the committee report on the matter that is the subject of my amendments was:

The Government considers that it is not appropriate for ASIO to give the prescribed authority a copy of the full statement of facts and grounds on which the warrant is based.

That is what the government said in response to the recommendation of the Joint Committee on ASIO, ASIS and DSD. The government position is that the issuing authority should not have access to the full statement of facts and grounds on which the warrant is
based. That is an extremely important principle in the process that we are dealing with. The prescribed authority is a judicial person appointed by this government for the purposes of this act. They are hand-picked. They are chosen to fulfil an important role in the questioning process of those whom ASIO has an interest in. They cannot undertake their role without knowing the full grounds on which ASIO has obtained the warrant, yet the government wants to keep them blind.

The government position is that the judicial oversight should be minimised and sidelined as much as it possibly can be. That, in fact, was its preferred position. The government’s preferred piece of legislation had virtually no judicial oversight at all. John Howard took to the premiers and chief ministers a bill that would have allowed politicians and public servants to decide who gets pulled off the street and taken away, with much fewer rights, I might say, than is now the case, thanks to the efforts of a number of people in this parliament that caused the government to change its view.

Here we have a recommendation unanimously agreed to by the parliamentary committee. The government have not provided any sound response as to why that particular recommendation should not be adopted. There is nothing in what the Attorney has said today, or indeed in the official response of the government to the report, to explain why it is that they think the prescribed authority should be kept in the dark. I invite the Attorney in the course of this consideration in detail to explain to the parliament and the people of Australia why they think the government’s hand-picked appointed prescribed authority should be kept in the dark about why somebody has come before them and why ASIO has a warrant to bring that person before them.

It beggars belief that there could be a security consideration in this. We are talking about officers of the court being hand-picked by the government to fulfil precisely this role of acting as prescribed authorities in the handling of ASIO warrants. So there is no security question involved in this; the only question is one of process. Is the person who is the subject of this warrant going to be in front of a prescribed authority—a judge or a magistrate—where that judge or magistrate has information on which they can properly determine whether questions are appropriate and whether the conduct of the proceedings are correct? That is the question the Attorney has to answer. It is a question that the committee properly put before this parliament. It is a sound recommendation of the parliamentary committee, it deserves the support of this parliament, it enhances the process of warrant questioning and the government are yet to provide a shred of an argument as to why that recommendation of the committee should not be adopted. I look forward to the Attorney-General’s response to that. Indeed, I look forward to a government amendment that gives effect to it, if he has a problem with the ones I have just moved.

Mr RUDDOCK (Berowra—Attorney-General) (12.53 pm)—We are dealing with amendments (1) to (4) and I am just looking at them again. I heard the honourable member for Brisbane seek to amend the provision to add the word ‘full’ when referring to the statement of facts and other grounds. I have no problem with him adding that. I will oppose the measure in any event. The reason the government will oppose the measure is that it does not do what he seeks. He may want to address it in another place. The issuing authority is referred to in clause 7, and he is asking that the director-general give an issuing authority a request under subsection (6). The director-general must also give the issuing authority a copy of the statement of
facts on which he considers it necessary that the warrant should be issued. The fact is that under section 34C(iv) that is already required.

The honourable member is asking that the prescribed authority be given that information, but his amendment deals with the issuing authority. The issuing authority has that. That is why we will vote against the opposition’s amendment. But we would vote against their amendment in any event because the role of the issuing authority and the role of the prescribed authority are quite different. The issuing authority has to consider the facts and has to have the facts before him, as I do, in order to know whether he should issue a warrant. We do not seek a warrant until I as the Attorney agree that it is appropriate that a warrant be sought. I should have all those facts before me. That is the decision I have to take and it is the decision the issuing authority has to take. The prescribed authority is in fact the keeper of the ring. He does not make any decisions. He deals with the questioning of a party and ensures that that process is carried out in accordance with law. He deals with the questioning, including determining whether continuation of questioning is appropriate, and that all of the legislative requirements and safeguards have been complied with. That is quite a distinct issue from having to second-guess whether presumably the facts and information included in the request have been sufficient to justify the questioning. That is not his role; it is the role of the issuing authority. We certainly are of the view that, even if the amendments were correctly drafted, it is appropriate to give to the prescribed authority all of that additional information.

Mr BEVIS (Brisbane) (12.57 pm)—I thank the Attorney for his technical advice. As he will discover in a couple of years time, the resources available in opposition do not really allow us the benefit of some detailed legal consideration in the time frames we often confront. He will no doubt learn that once again in a year or two. However, I want to set aside the discussion about that technical point, which I now understand and accept, and go to the point at issue. The point at issue is whether the recommendation and judgment of the Joint Standing Committee on ASIO, ASIS and DSD in this matter are right or whether the Attorney’s view is the correct one. Labor strongly hold the view that the committee have this right. I make it clear that, if the government persist with their opposition to this committee recommendation, which we are supporting, a future Labor government will alter the legislation to accord with that recommendation and to ensure that the prescribed authority has the full details of the grounds on which the warrant was issued. The committee said:

The Committee believes that, for the prescribed authority to discharge fully their responsibilities, it is important that they have access to relevant information. The prescribed authority is not currently provided with a copy of ASIO’s statement of facts and grounds which support the issuing of the warrant. Access to this information will assist the prescribed authority exercise their supervisory role and a copy of all the relevant documentation should be provided before questioning begins.

They are right about that; they are correct in that assessment. The prescribed authority needs that information if they are going to properly determine whether the questions being asked are appropriate and whether the behaviour in the course of that questioning is reasonable, given the grounds on which the warrant was issued.

In my speech on the second reading I referred to the seriousness with which Labor have always addressed this committee and the fact that we have highly respected members of the Labor Party who have served on
this committee and who do at the moment. I want to now take the opportunity to acknowledge the government members who are on that committee which made that recommendation: David Jull, a former minister, who is the chair; Stewart McArthur, one of the longest-serving members in this parliament; Senator Alan Ferguson, who has a long period of experience on Senate committees, particularly on the Joint Standing Committee on Foreign Affairs, Defence and Trade, which he has chaired; and Senator Sandy Macdonald, who has had a longstanding involvement in defence and foreign affairs matters and is now Parliamentary Secretary to the Minister for Defence. These are people who not just have an interest but, I think it is fair to say, have earned some degree of respect in the security community for their involvement in this field. They have quite correctly made a judgment that, for the prescribed authority to do the job they are supposed to, they need to be given the advice—that is, the full statement—of the grounds on which the warrant was issued.

I listened carefully to what the Attorney said. There was nothing in what the Attorney said to cast doubt on that judgment. The proper course for the Attorney and the government is to accept the principle of that recommendation, to accept the principle of the amendment that I have moved and to give a commitment to introduce a government amendment, if need be, or, in consultation with us, to put forward an agreed amendment to deal with the problem that the committee properly identifies.

I repeat: I believe there is only one reason the government has so far failed to do that, and that is that this government does not support genuine judicial review in this process. The Attorney-General thinks he should know but a judge who is sitting in these matters should not. That is not the standard the Australian people expect. Of course the Attorney-General should know, but no Attorney-General can put themselves in the position where they deny a judicial officer acting as a prescribed authority the opportunity to at least understand the full grounds of the reasons for which these warrants are issued.

Mr RUDDOCK (Berowra—Attorney-General) (1.02 pm)—I will not detain the House, save to say that an issuing authority is a judicial officer and a prescribed authority is a retired judicial officer.

Mr Bevis—Oh, okay!

Mr RUDDOCK—You are talking about it being judicially reviewed. The decision to issue a warrant is judicially reviewed by a judicial officer. The prescribed authority is a retired judicial officer. This is not about judicial review. It is a question of whether or not—

Mr Bevis interjecting—

Mr RUDDOCK—No, it is not about judicial review. The fact is that the issuing authority is a judicial officer. He, in effect, issues the warrant. The prescribed authority is not there to undertake judicial review. The prescribed authority is there to ensure that the questioning that is carried out is carried out in accordance with the act. That is what his role is.

Mr Bevis—Without the knowledge on the basis of which the warrant was issued.

Mr RUDDOCK—No. As I said before, he is there to keep the ring and to ensure that the questioning that occurs occurs in accor-
dance with the act. It is quite a different role. In order to carry out that role, it is not necessary for the retired judicial officer to have, as you have called it, the full statement of the facts and other grounds on which the warrant is based.

Question put:

That the amendments (Mr Bevis's) be agreed to.

The House divided. [1.07 pm]

(The Deputy Speaker—Hon. BK Bishop)

Ayes ............ 55

Noes ............ 75

Majority ........ 20

AYES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bevis, A.R. Bird, S.
Bowen, C. Burke, A.E.
Burke, A.S. Byrne, A.M.
Crean, S.F. Danby, M. *
Edwards, G.J. Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, M.J.
Fitzgibbon, J.A. Garrett, P.
Georganas, S. George, J.
Gibbons, S.W. Gillard, J.E.
Grierson, S.J. Griffin, A.P.
Hall, J.G. * Hoare, K.J.
Hayes, C.P. King, C.F.
Jenkins, H.A. Macklin, J.L.
Lawrence, C.M. Melham, D.
McMullan, R.F. Murphy, J.P.
Murphy, J.P. O'Connor, B.P.
O'Connor, G.M. Owens, J.
Plibersek, T. Price, L.R.S.
Quick, H.V. Ripoll, B.F.
Roxon, N.L. Rudd, K.M.
Sawford, R.W. Smith, S.F.
Snowdon, W.E. Swan, W.M.
Tanner, L. Thomson, K.J.
Vamvakrou, M. Wilkie, K.
Windsor, A.H.C.  

NOES

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

* denotes teller

Question negatived.

Mr BEVIS (Brisbane) (1.13 pm)—by leave—I move opposition amendments (5) and (6) together:

(5) Schedule 2, item 32, page 61 (line 30), omit “22 July 2016”, substitute “22 November 2011”.


CHAMBER
These proposed amendments to the ASIO Legislation Amendment Bill 2006 are really a straightforward issue. They concern the question of the sunset clause in the bill. In their speeches in the second reading debate, a number of people made mention of that, and the Attorney-General commented upon it in his summing up. In summing-up, the Attorney said that the justification for a 10-year sunset clause was that the government felt some obligation to stick with 10 years because that is what it had in the bill at the end of last year.

The only reason that 10 years was the period for the sunset clause in the bill at the end of last year is that the government used its newfound numbers in the Senate, where the Liberal and National parties now have a majority, to do what it pleases. The will of the parliament on these matters has been quite clear. When other security related legislation like this has been before the parliament, the parliament has put three-year sunset clauses in place. When the parliamentary committee—and I remind the House again that this is an all-party parliamentary committee, with Labor, Liberal and National Party participation—looked at these bills, it recommended, in the light of the 10 years the government wants, a five-year sunset clause.

By the light of historical terms for this and other parliaments, five years is, frankly, a long time for a sunset clause; 10 years is unparalleled. Ten years is not a sunset clause. The government knows that. The Attorney-General knows it is not a sunset clause. The truth of the matter is that the government does not want a sunset clause at all. But it could not get the premiers to sign up to a deal unless there was a sunset clause. In some remarkable twist of negotiation, it managed to get a 10-year sunset clause agreement out of the COAG meeting, with premiers agreeing to it.

Before the COAG meeting, and since, Labor federally has made clear that a sunset clause is and should be an integral part of legislation like this which affords to our secret intelligence agencies powers that are not normally made available to them. A sunset clause is critical to that. Ten years is not a sunset clause. It is more than the life span in the parliament of most members of this parliament. Most people who come into this parliament exit before 10 years. This sunset clause covers a longer period than the average political life span of someone in the House of Representatives. I am not sure how many of the members of the House who are here now think they are going to be here in 10 years. I have bad news for most of them: most of them will not be, and that includes the Attorney and me.

Ten years is not a period that parliaments generally adopt. In my speech on the second reading, I made reference to the situation in the United Kingdom. The United Kingdom has laws not dissimilar to these. In fact, I think it is fair to say that the Australian government has to some extent sought to model a number of the provisions of our raft of legislation on what transpires in the United Kingdom. The UK has had to deal with terrorist attacks on a number of occasions at home—tragic, terrible incidents that still plague them. Against that background, the United Kingdom parliament has put in place a 12-month sunset clause for these sorts of laws—one year.

I have detailed a number of bills that this parliament dealt with when the Liberal and National parties were in opposition. They had a very different view of the world then. The Attorney-General, it seems, had a different view of the world then; at that stage he was moving amendments to sunset clauses of a far shorter duration—and, I might say, on much less contentious bills.
There is no justification for the recommendation of the joint committee being ignored. The joint committee arrived at its conclusion not only because it was the unanimous view of Liberal, Labor and National members of parliament but because that was the overwhelming weight of evidence, including evidence from security agencies themselves and those who oversee them. That was the weight of evidence the committee got. I am absolutely confident that on this point the Australian people expect a sunset clause of a reasonable duration. Five years is a long sunset clause in the context of all other sunset clauses this parliament has ever adopted. Ten years is ridiculous; it is absurd. The government should relent on this. It should accept the will of the Australian people, the unanimous view of an all-party committee and—I suspect, if there was a genuine secret ballot—the view of its own backbench. (Time expired)

Mr RUDDOCK (Berowra—Attorney-General) (1.19 pm)—In speaking on the proposed opposition amendments to the ASIO Legislation Amendment Bill 2006, let me first outline the reason for the decision for choosing 10 years. Ten years was chosen as a compromise—a compromise between a recommended sunset clause that we think would impede operational priorities and no sunset clause. The view of the agencies, which the honourable member has said we should take some cognisance of, was that there should be no sunset clause. The view of Dennis Richardson, who has been quoted with approval in this House today, was that there should be no sunset clause.

I do know—having oversight of security agencies, and this is a very serious comment—that, when you have inquiries that are a substantial review of all of your operations, they are resource intensive and they impact significantly on operational priorities. Quite frankly, I do not think that it serves our interests to be taking the key people in organisations like ASIO away from identifying the real terrorist threats and requiring them to go before a parliamentary committee, or another form of review, every three years, justifying why those powers are necessary. In the circumstances that we presently face—which nobody can tell us are going to abate—I do not think that is thought to be desirable. I make this point very strongly, and I am prepared to go to any forum, any place, at any time, with the honourable member and argue it. I think Australians would understand why, in those circumstances—the circumstances we face—you would choose the longer rather than the shorter period. That is the reason.

I can go to the debating points. You found a few Liberal members who, when they had not focused on these arguments clearly, were prepared to say, ‘We will compromise with you in a parliamentary committee.’ We found a few Labor premiers who said in the COAG process that 10 years was appropriate. Our premiers outweigh your backbenchers. Is that the debating point we want to make? The view of those in government who have to deal with these very serious issues was that 10 years was an appropriate time for the Anti-Terrorism Act (No. 2) 2005 to exist before the sunset clause comes into effect. Our view is that, as it is sunsetting then, this legislation should sunset at the same time. I find the arguments very compelling.

Mr BEVIS (Brisbane) (1.22 pm)—If there were any substance at all in what the Attorney-General just said, then you would have to reflect on the dire straits the United Kingdom is in today. You would have to reflect on the enormous burden placed on the security intelligence agencies, MI5 and MI6—these people who are not able to do their job because the parliament in the United Kingdom—indeed, the government in the United Kingdom—support a sunset
clause for these laws of not once every 10 years, not once every five years, not—as we did have—once every three years, but of once a year.

If there were any truth in the Attorney-General’s statement—which, amongst the good-humoured banter across this chamber, he prefaced by saying—and this was the serious point—that it impeded the security agencies; if there were a shred of credibility in that one serious point the Attorney-General sought to put before the parliament—that it impeded the security agencies; if there were a shred of credibility in that one serious point the Attorney-General sought to put before the parliament—then you would have to conclude that our cousins in the United Kingdom have really got no hope, because they are caught in the bind of forever having to divert resources from chasing terrorists to getting prepared for the next annual review. That is patently nonsense.

A cursory knowledge of the situation with anti-terrorist activity in the United Kingdom would tell you that they have amongst the most sophisticated and capable networks and organisations in the world in dealing with these matters. Are they impeded because their parliament quite rightly says that these secret intelligence agencies, exercising these powers that are not normal in a free and liberal democracy, have to return once a year to the parliament, which has to satisfy itself once a year that these powers should be extended for a further 12 months? Of course they are not. They have not suffered any setback because of that.

Is the Labor Party proposing that there should be a 12-month sunset clause? No, we are not. We are proposing that there should be a five-year sunset clause. A five-year sunset clause is very generous. It is very generous to the government and very generous to the intelligence agencies. Is the Attorney-General seriously saying that the reason the parliament should not review this matter—that these laws should stand, in the normal course of events, for 10 years—is that to ask our security and intelligence agencies to provide advice in five years time somehow stops them chasing down terrorists for the next five years? What total nonsense. I cannot believe that the Attorney-General of Australia, who has responsibility for these matters, could stand in the parliament and proffer that as the serious point to be made in this debate. Ten years is not a sunset clause.

I think the one important thing that the Attorney-General said was that it was a compromise. And he then, I think accurately, said it was a compromise between having none and having one. The government view is that there should be none and so, if you are going to have one, you should make it as absurdly long as you possibly can, and that is precisely what the government have done here. It is absurdly long. A 10-year sunset clause does not stand any test of operational requirement; nor does it stand any test of reasonableness in the public mind. Labor will persist with this amendment.

The Attorney-General commented that perhaps there were some Liberal backbenchers on the committee who supported this because they had not properly reflected on it. I imagine they have had some counsel from senior Liberal Party members as to how they might reflect on these things. In fact, they had reflected on it before. Indeed, this is the second time this committee has recommended a five-year sunset clause. The members of this committee knew full well what the government view was. They knew what it was last November and they made it clear that they disagreed with it. They said it should be a five-year sunset clause. They knew what it was then and they knew the government did not like it, but they also knew that it was a standard that was important for democratic principles.
These sorts of laws should not stand unexamined for 10 years. A five-year sunset clause is generous. The government are wrong on this and they know they are wrong on this. It is a pity that the Attorney-General seems unwilling to accept the commonsense position that the committee has put and which is included in my amendments.

Mr RUDDOCK (Berowra—Attorney-General) (1.27 pm)—The intent here is to have a full review. If you look at page 62 of the ASIO Legislation Amendment Bill 2006, it is repealing a paragraph which speaks of a review by January of the operational effectiveness and the implications of division 3 of part III of the Australian Security Intelligence Organisation Act.

This is not just another vote in the parliament within which the provisions continue. This is about a sunset clause and a review. We have just been through a review, and I know what impact it had on the organisation and its officers. I know the amount of time that had to be spent, and I know the focus that goes into a review and into justifying the continuation of those particular powers and answering all the questions.

If it were just a matter of coming in for a parliamentary vote where the government’s numbers were going to do it and you were going to have a debate, that would be one thing. That is what a sunset clause is about. This is not just about a sunset clause—it is about a sunset clause with a review. That is what it is about.

If you want to impede operational effectiveness, then you take the key people out of your organisation and put them to the task of writing reports and submissions, and then having to submit to examination, monitor what everybody else says and look at how you are going to reply to that. And you must ask yourself the question: does that help with your principal task—that of identifying people of concern—when you have very stretched numbers of people undertaking that work? I can speak truthfully on this, because I have sat down with the people involved and I know what is involved in preparing for these committee examinations, and I know it impedes operational effectiveness. That is why we chose a longer period—because we do not believe this risk is going to abate in three years or in five years, and nor does anybody else. The government rejects the amendment proposed by the opposition.

Mr BEVIS (Brisbane) (1.29 pm)—I will not prolong the debate beyond this brief contribution that I want to make now, but I do think it is important to put into some context what the Attorney-General just said. Of course this is not just about a sunset clause per se; it is also about the review that goes hand in glove with it. In the process of a review, it is right that some demands are placed on the agencies involved. That is how it should be in a democracy. In a democracy, the people are actually entitled to call upon those in government and those in the bureaucracy to explain themselves, especially so in areas where those people are afforded extraordinary powers and, of necessity, have to act in a secret manner.

We are talking here about extraordinary powers and about agencies that are not like normal government departments that are subject to, let us say, Senate estimate reviews a couple of times a year. That can never be the case when you are dealing with government agencies involved in protecting Australians from terrorist threats. We all understand that and support that. But that is precisely why, when these extraordinary powers are made available, people should account for themselves on a reasonable periodic basis and for the need for these laws to continue to be in force.
Is once every five years onerous? I do not think people in Australia would regard that as onerous. I do not think most people involved in the process would regard that as onerous. If you do not have that sort of process then you do run the risk of long-serving governments, in particular, establishing procedures that may be out of kilter with what the community wish. Ten years is a long time. We have an election next year. It may well be that Labor could win the election and be in office for the next 10 years, just as the Liberal Party have been in office for the last 10 years. It is appropriate, irrespective of who happens to be in office, that these sorts of reviews are conducted using a reasonable time line.

A five-year sunset clause is, I repeat, very generous—five years is a generous period for the agencies to operate. Is a review in 4½ years going to stop the agencies in their work of trying to track down and deal with terrorists? No, it is not. If the Attorney-General is genuinely saying that then there is a serious mismanagement issue in his department if a review in 4½ years is somehow going to materially prevent Australian security agencies from doing their job. If that is the testimony on the Hansard transcript the Attorney-General wants to give then so be it, but it is a damming indictment of himself and his department if he wants Australians to believe that asking our security agencies to go before a review in 4½ years is going to somehow stop them from tracking down terrorists. Of course it will not. What it will do is put some better balance into the democratic principles upon which this parliament and this country are founded.

Without it, we will be worse off, the nation will be worse off and our democracy will be worse off. The members of the committee knew that. That is why every single one of them supported a five-year review. That is the proper course to be followed. I think it is a sad reflection on the government that they want to hold firm to this view that that sort of balance between necessary powers and important principles of accountability and democracy should be so easily jettisoned.

Question put:
That the amendments (Mr Bevis’s) be agreed to.

The House divided. [1.37 pm]
(The Deputy Speaker—Hon. BK Bishop)

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AYES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bevis, A.R. Bird, S.
Bowen, C. Burke, A.E.
Burke, A.S. Byrne, A.M.
Crean, S.F. Danby, M. *
Edwards, G.J. Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Garrett, P. Georganas, S.
George, J. Gibbons, S.W.
Gillard, J.E. Grierson, S.J.
Griffin, A.P. Hall, J.G. *
Hatton, M.J. Hayes, C.P.
Hoare, K.J. Jenkins, H.A.
King, C.F. Lawrence, C.M.
Macklin, J.L. McMullan, R.F.
Melham, D. Murphy, J.P.
O’Connor, B.P. O’Connor, G.M.
Owens, J. Plibersek, T.
Price, L.R.S. Quick, H.V.
Ripoll, B.F. Roxon, N.L.
Rudd, K.M. Sawford, R.W.
Smith, S.F. Snowden, W.E.
Swan, W.M. Tanner, L.
Thomson, K.J. Vamvakinou, M.
Wilkie, K.  

NOES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
EMPLOYMENT AND WORKPLACE RELATIONS LEGISLATION AMENDMENT (WELFARE TO WORK AND OTHER MEASURES) (CONSEQUENTIAL AMENDMENTS) BILL 2006

Second Reading

Debate resumed from 29 March, on motion by Dr Stone:

That this bill be now read a second time.

Ms MACKLIN (Jagajaga) (1.43 pm)—The amendments before the House ought not be necessary. Last December, if the Howard government had finally, after 10 long years, delivered the real welfare reform that Australia needs, the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006 would not be before the House. However, as history will regretfully record, the Howard government did not deliver real welfare reform. It did not tackle the reasons people are not working and it did not deliver practical solutions. Instead, it used its complete control of the parliament to ram through extreme and incompetent changes. Some of that incompetence has already come home to roost, with the need for additional amendments that the government, in its unseemly haste, failed to make in the previous bills.

In the context of the new welfare regime, Labor does not oppose this bill. The bill largely adds consistency to the botched changes of last year. It extends some benefits that are open to single parenting payment recipients, such as the 14-week bereavement period, to principal carers on the dole. But, of course, it would be unnecessary to do this if the government were not dumping people onto the dole in the first place. The bill also applies some more consistency across similar groups receiving different payments, such as providing for a seasonal workers preclusion.
period for students and new apprentices claiming youth allowance.

However, the bill does not amend what needs to be amended most: it does not scrap the incompetent welfare changes that leave people with less incentive to work than they had before. These changes cut income support for vulnerable Australians and reduce the rewards from work. The government has consistently ignored and, with this bill, continues to ignore the impact of putting people on lower welfare payments. That means not just an immediate loss of money but also a disastrous effect on people’s ability to work their way out of poverty.

The basic cut to the money in people’s pockets is bad enough—a cut of around $20 a week for single parent families and a cut of around $40 a week for people with a disability—but, from 1 July next year, many people who would have received the disability support pension or the single parenting payment will instead be dumped onto Newstart, which most people call the dole. By 2008-09, according to the government’s own figures, 60,000 people with a disability who previously would have received the disability support pension will receive instead the dole, as will 77,000 single parents who previously would have received the parenting payment. The dole not only provides less money to these vulnerable Australians, whose circumstances are associated with many additional expenses; it also has a lower ‘free’ area, higher withdrawal rates and a harsher tax treatment than both the disability pension and the single parenting payment. That means that, when they are dumped onto the dole, these people will get to keep less of each dollar that they earn.

Last year the National Centre for Social and Economic Modelling undertook modelling research on these changes. According to their research—which the government never even tried to refute—if a sole parent with one child did the right thing and worked 15 hours a week, they would only keep $81 of their earnings while the government would claw back the other $114 in tax and in social security payments they would lose. That would make such a parent $31 a week worse off by moving into work under these changes than if they had moved into work under the previous arrangements. The government was effectively telling sole parents to work for a return of $3.88 an hour. For their 15 hours of work a week, they would be only $58 ahead of somebody who was not working—and that is before they have to pay for the costs of work such as travel, clothing and other things.

For people with a disability, the situation is even worse, because the disability support pension is not taxable but the dole is. According to NATSEM again, if a person with a disability worked 15 hours a week at the minimum wage, they would keep only 25c of every dollar they earned, while John Howard would take back the other 75c. That would make such a person $122 a week worse off by moving into work under these changes than if they moved into work under the previous arrangements. Effectively, the government was telling people with a disability to work for a return of $2.27 an hour—and, again, that is before taking into account the costs of work. Under these changes, people could very easily end up paying to work.

What greater symbol of incompetence could there be than promising welfare reform but delivering a policy to make work less desirable than welfare? That is exactly what these changes have meant for these very vulnerable people. In Tuesday’s budget, Treasurer Costello announced $37 billion in tax cuts and a $10 billion surplus but, unfortunately, he could not find a way to fix this mess. He could not find a way to reverse the
damage that these welfare changes have done to incentive.

It is fair to say that the budget finally has provided some financial work incentives, largely as a consequence of the government adopting tax proposals that have been outlined by Labor over the last year. The new effective tax threshold of $10,000 goes some way to improving incentives for those moving from welfare to work and for parents returning to work. But, despite these changes, sole parents and people with a disability will still go backwards when Welfare to Work measures are implemented from July this year, with marginal tax rates increasing by up to 20c in the dollar.

Since the legislation was rammed through in December, the government has broken its promise to provide an extra 4,000 places in disability open employment services to help people who already receive the disability support pension to move into work. These places will go instead to people with a disability who are on the dole, which is further evidence that the government is not serious about helping people on the disability support pension move to work. Then there is the government’s refusal to encourage people who are on welfare to get training so that they can acquire the skills that employers need. Once you are on the dole, you cannot satisfy your mutual obligation requirements by studying or training and you cannot access the pensioner education supplement. This bill does nothing to fix these very major flaws in last year’s changes. Of course, you cannot fix faulty foundations with a very thin coat of paint.

Labor supports welfare reform that goes far beyond moving people from a welfare queue to the dole queue. Labor believes that people who can work should work and, for those who cannot work, we should provide care and respect. Instead, unfortunately, these changes make it harder for people on welfare who cannot work—and they make it harder still for those who can.

(Quorum formed)

Mr WAKELIN (Grey) (1.54 pm)—The Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006 is an important part of the government’s reform agenda at a time when we have an ageing population and a relatively high level of welfare dependency—although it is much lower than it could have been, because of strong employment as a result of this government’s policies. We all know that the best form of welfare is a job. The three principles that underlie the bill are that people who have the capacity and are available to work should do so, the best form of family income comes from a job rather than welfare, and services provided to people who have an obligation to seek work should focus on getting them into work as soon as possible.

At 5.1 per cent we are now at a 29-year low in our unemployment rate. There is now a shortage of workers and not a shortage of jobs. It is quite a remarkable turnaround in a relatively short period, particularly in the 10 years of this coalition government. I remind the House that, even though we have been able to remove a lot of people from the unemployment list and the trainee and apprenticeship rates are a very stark improvement, there are still 2.6 million on welfare, only 15 per cent of whom are required to actively search for a job. Passive welfare payments with no obligations lock people out of participating in Australia’s prosperity and can in many cases condemn them to a lifetime of poverty.

There will be changes in criteria from 1 July: parents who apply for the single parenting payment will no longer be eligible once
their youngest child turns eight but will be eligible for a Newstart allowance.

While the success of this government's economic policies has seen us achieve a 29-year low in the unemployment rate at 5.1 per cent, it is vital that we keep the momentum going and that we challenge the mindset. The best thing for people is to seek employment and to move away from welfare as best they can. We need to do that in as humane and compassionate a way as possible. It is vital that the momentum of higher participation in the workforce of people of working age, now at 73.6 per cent, be maintained.

I make a couple of observations about my own electorate. Unemployment rates have moved in the last 13 years from levels of 17 per cent and 18 per cent in various communities and are now heading towards five per cent—somewhere near the national average, which was unheard of and probably not thought to be possible six years ago. Such is the success of the policies of this government.

The principle that the best form of family income comes from a job is an important focus that this government is bringing through this legislation. I would remind our opponents that there is a cocktail of measures—low interest rates, Work for the Dole, incentives for apprenticeships and generally challenging the concept of passive welfare—which are now giving Australians the best possible outcome that is available within a democratic and compassionate society. We encourage people to consider their options. There are a whole range of measures which I would commend to the House. We should remind ourselves that even something like Work for the Dole, which was considered to be a radical measure when it was first introduced, has given wonderful—

The SPEAKER—Order! It being 2 pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.

CONDOLENCES

Mr Adrian Frank Bennett

The SPEAKER (2.00 pm)—I inform the House of the death on Tuesday, 9 May 2006 of Adrian Frank Bennett, a member of this House for the division of Swan from 1969 to 1975. As a mark of respect to the memory of Adrian Bennett I invite honourable members to rise in their places.

Honourable members having stood in their places—

The SPEAKER—I thank the House.

QUESTIONS WITHOUT NOTICE

Budget 2006-07

Mr SWAN (2.01 pm)—My question is directed to the Treasurer. If this budget is, as the Treasurer claims, a budget for the future, why does it forecast a decline in labour market participation, cut the percentage spent on skills and training, fail to guarantee the delivery of extra child-care places, forecast an increase in the current account deficit and forecast slower growth in business investment? Given that each of these is conceded in the budget papers, how can the Treasurer claim that this is a budget for the future?

Mr COSTELLO—This is a budget for the future because it has massive investment in national infrastructure: $800 million for the Hume Highway, another $220 million for the Bruce Highway—

Ms King interjecting—

The SPEAKER—Order! The member for Ballarat!

Mr COSTELLO—$45 million in relation to Tully flood works, the largest increase in national health and medical research spending ever, $300 million in Roads to Recovery
funding, $36 billion worth of income tax cuts and the most ambitious superannuation policy that Australia has ever seen. This is a budget that has been received well by the Australian community and even endorsed by the Australian Labor Party. There is no point coming back into the House and trying to renew an attack today after surrendering yesterday in the first question time following the budget. The paucity and the feebleness of the attack of the Australian Labor Party on this budget illustrates what Australians know: it is a good budget, it invests for our future and it is right for our economy.

Vocational Education and Training

Mrs MARKUS (2.03 pm)—My question is addressed to the Prime Minister. Would the Prime Minister advise the House of barriers to the provision of genuine training opportunities to young Australians in some states, particularly New South Wales and Western Sydney?

Mr HOWARD—I thank the member for Greenway for her question. She is right in her question to raise concerns about the barriers that exist against young people receiving in this country genuine training opportunities. There are two areas of concern that the government has that are working against opportunities being available to young people. They are the continuing opposition to school based apprenticeships in both New South Wales and Western Australia. This is a matter that I raised at the COAG meeting in February this year. At that meeting I received an undertaking from all of the premiers. Let me say that in some states of Australia—and Queensland is a state that comes to mind—there are no barriers to school based apprenticeships. But in New South Wales the union dominated award system results in there being barriers to school based apprenticeships. The existence of these provisions still in both New South Wales and Western Australia is holding up the formation of four of the Australian technical colleges in those two states.

Why is it that technical colleges are open for business and going ahead in Queensland but they are not in some other states? I notice my colleagues representing the aspirations of young people in these parts of Australia nodding in agreement because they know that the opposition to school based apprenticeships, which we all know is nurtured by the union movement, which has a stranglehold on the apprenticeship system in New South Wales and Western Australia—

Opposition members interjecting—

Mr HOWARD—Yes, I do. In relation to this, I certainly do give credit where it is due and deliver criticism where it is deserved. On this issue the union movement is holding back training opportunities for young Australians. As a result of that I have written to both the Premier of New South Wales and the Premier of Western Australia urging them to use the authority of their office to make sure that these barriers against school based apprenticeships are removed.

If anybody imagines that the imperfections between the various states of Australia do not produce absurdities, let me remind the House of some of the absurdities that exist in the very disuniform, dysfunctional training system between the various states. For example, a qualified carpenter cannot move from the ACT to New South Wales—and that is not very far—without having to get a licence from—

Ms King interjecting—

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

Mr HOWARD—the New South Wales Department of Fair Trading, which may require a further formal assessment and additional costs. Trade Recognition Australia can consider an electrician from the United
Kingdom to be competent but, when he or she arrives here, they have to resit a trade test which can take up to eight months and they cannot work in the meantime. A hairdresser who has gained a hairdressing qualification from a private college in Victoria can get a job in London but not in Western Australia. These are some of the barriers to training opportunities. But the worst barrier of all is the opposition in New South Wales and Western Australia. They are states with which my opposite number is very familiar. The existence of school based apprenticeships in those two states is standing in the way of training opportunities for young Australians. They ought to be swept away, and I hope the Leader of the Opposition joins me in urging the Premier of New South Wales and the Premier of Western Australia to improve the training opportunities for young Australians in those two states.

Economy

Mr SWAN (2.08 pm)—My question is to the Treasurer. Will the Treasurer inform the House when Australia’s current account deficit will go down?

Mr COSTELLO—Australia’s current account deficit is governed by both exports and imports. The period in which the current account was last in surplus was around 2000-01, when the Australian dollar was at 47c or 48c. One of the features of having a very high exchange rate, as we have at the moment, is that imports are much cheaper in Australian dollar terms and exports are much more expensive in Australian dollar terms. Because of the high commodity prices and the high exchange rate, the Australian economy is sucking in a lot of imports which, except in commodity areas, are affecting our exports. We expect that the rapid investment in Australia’s mining industry over recent years, where there has been something like $30 billion of investment, will boost capacity and ensure that volumes of those exports go up. As a consequence of that, exports will be stronger in the years that lie ahead.

Economy

Mr LAMING (2.10 pm)—My question is to the Treasurer. Will the Treasurer outline the results of the latest world competitiveness report? How have we improved our performance?

Mr COSTELLO—I thank the honourable member for his question. He is referring to the release of the IMD *World Competitiveness Yearbook* in 2006. I inform the House that, according to the world competitiveness scoreboard, in 2006 Australia moved from ninth place to sixth place as the most competitive economy. According to this survey, the No. 1 competitive economy in the world was the United States, followed by Hong Kong, Singapore, Iceland, Denmark and Australia. On the world competitiveness scoreboard of large countries—countries of 20 million people or more—Australia ranked second, because Hong Kong, Singapore, Iceland and Denmark were not included.

The World Competitiveness Survey has four broad areas: economic performance, government efficiency, business efficiency and infrastructure. Australia has moved up in the rankings on economic performance. Australia performs extremely well on the ranking of government efficiency and business efficiency. Australia is also ranked in relation to infrastructure.

The IMD began preparing this competitiveness survey in 1989. In 1989, Australia was ranked 10th in the world. Over the next six years, we declined to 16th in the world, in 1995. In 1995, the current Leader of the Opposition became Minister for Finance. When he became finance minister in 1995, we dropped from 16th to 21st in the world, which was our lowest ranking ever. The Australian economy bottomed out to 21st in the
world under the Labor Party government—a period which the Leader of the Opposition seems to have completely erased from his memory, but he has a history and he has a record, and he will be reminded of his record over and over again in the years to come. Anyway, we bottomed at 21st in the world, the government was thrown out of office, the Deputy Prime Minister and Minister for Finance was thrown out of office, and Australia has been coming back ever since, reaching the sixth position this year.

Comparing Australia with other developed economies in the world such that we came in sixth—or, as a large country, second—is a comparatively new thing. Back when the Labor Party was in office, the Labor Party did not like to compare Australia with other developed economies. Who could ever forget the report that was given by the then Assistant Treasurer, the then member for Canberra, Mr McMullan, when he attended the IMF meetings in Washington in 1991? He reported as follows on his return from Washington:

Three things struck me during the course of the meetings: first, we should never forget our relatively favourable situation.

I read the words published by the Assistant Treasurer:

As I have said before in these articles, when compared to the problems of Mali, Peru or Bangladesh, all Australians should rejoice in our good fortune.

We do not compare ourselves with Mali, Peru and Bangladesh. These days, we tend to compare ourselves with the developed economies of the world. Australia has moved from the ninth to the sixth position, and that is a result of strong economic management.

**Foreign Debt**

Mr SWAN (2.14 pm)—My question is directed to the Treasurer. Will the Treasurer inform the House when Australia’s half a trillion dollars in foreign debt will go down?

Mr COSTELLO—I would like to say something about foreign debt because, as a result of this government, the Australian government owes no net debt.

Opposition members interjecting—

The SPEAKER—Order! The Treasurer has the call and will be heard.

Mr COSTELLO—As a result of this government, the Australian government has no net debt. As a consequence—

Mr Beazley—Mr Speaker, I raise a point of order which goes to relevance. A very succinct question—

The SPEAKER—The Leader of the Opposition will resume his seat. The Treasurer is answering the question and is in order.

Mr COSTELLO—As a result of the efforts of this government, the Australian government has no net debt. We have repaid $96 billion of Labor debt. What that means is that all foreign debt in this country is borrowed by the private sector—every single last dollar. More than that—

Mr Swan—Mr Speaker, I rise on a point of order. When are we going to see some cold anger about foreign debt?

The SPEAKER—Member for Lilley, that was not a point of order.

Mr COSTELLO—As a consequence of that, every dollar that has been borrowed overseas is owned by the private sector. In fact, if you break it down, 80 per cent of the foreign borrowings of Australia are held by the commercial banks—that is, foreign debt is held by Westpac, the National Australia Bank, ANZ and the Commonwealth Bank.

Mr Swan interjecting—

The SPEAKER—Order! The member for Lilley has asked his question.
Mr COSTELLO—We have done stress tests in relation to those banks and, as a consequence of those stress tests, the RBA, the IMF and the Australian government are satisfied that Australian banks, which are amongst the most profitable in the world, are not exposed in respect of their borrowings and are quite able to handle those borrowings. Let me repeat: unlike 1996, not a single dollar of foreign debt—

Mr Swan interjecting—

The SPEAKER—The member for Lilley is warned!

Mr COSTELLO—Unlike 1996, not a single dollar of foreign debt or any other debt is held by the Australian government. All of it is held by the private sector and principally by the commercial banks.

Workplace Relations

Mr RANDALL (2.18 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Can the minister advise the House about the ongoing role of state occupational health and safety systems under Work Choices?

Mr ANDREWS—I thank the member for Canning for his question, because there has been a lot of talk over the last week or so about the role of state occupational health and safety systems under Work Choices. As I made it clear last week, and I make it clear again today, occupational health and safety falls clearly under the jurisdiction of the states and territories. Indeed, this was conceded in the High Court by the Solicitor-General for the state of Western Australia in the current case.

The reality is that the new workplace laws, Work Choices, do not override the jurisdictional responsibility of the states and territories. Employers must continue to meet their obligations under state and territory occupational health and safety laws. In the legislation in every state and territory in Australia there are significant penalties for those who do not meet their obligations. So, contrary to the misleading and hysterical claims that are being made by the Leader of the Opposition, workers can continue to receive training under Work Choices.

Today we had the Leader of the Opposition—as we have had him over the last few days—on the Today show on Channel 9 suggesting that it was an ‘absurd and, indeed, evil thing in the industrial relations laws that workers would be forbidden’—his word—‘from receiving safety training and union training’. That is the claim made, once again this morning, by the Leader of the Opposition, which has also been made over the last week or so.

It is interesting that, while this is what the Leader of the Opposition is saying, there are at least some members of his frontbench who know that that is not the case. My office was contacted by a concerned member of the public who had emailed a question to the member for Lilley. The question stated:

So the impression being given that employers are subject to $30,000 fines if they send employees to Union run safety training courses is misleading?

That was the question emailed to the member for Lilley. After consulting—according to the email—with the member for Perth, this was the answer that was given. Remember the question: ‘the impression given that employers are subject to a $30,000 fine if they send employees to union run safety training courses is misleading’. The email back from the office of the member for Lilley says:

Yes, that is correct.

It goes on:

Employees attending union run training cannot be included in an agreement as a condition of employment, but an employer can send employees to union training.
Whilst we have the Leader of the Opposition making claims, as he was again this morning on Australian television and as he has been doing for the last week in this country, at least the member for Lilley and presumably the member for Perth were prepared to tell the truth when asked a question directly by a constituent about this. This gives the lie to what the Leader of the Opposition was saying. The whistle has been blown once again on the Leader of the Opposition, and I table the emails.

**Economy**

**Mr Beazley** (2.22 pm)—My question is to the Treasurer and it refers to an answer he gave a couple of moments ago on the IMD *World Competitiveness Yearbook*. Is the Treasurer aware that on economic performance the yearbook concluded that, on the current account balance, Australia was ranked 41st out of 61 countries; on export of goods as a percentage of GDP Australia was ranked 54th out of 61 countries; on trade to GDP ratio Australia was ranked 57th of the 61 countries; on the real short-term interest rate Australia was ranked 45th out of 61 countries; on overall productivity—real growth—Australia was ranked 54th out of 61 countries; and on skill shortages, on qualified engineers, Australia was ranked 39th out of 61 countries? Treasurer, how does it feel having Australia ranked 54th out of 61 countries in export performance on your watch as the minister responsible for boosting this country’s export performance?

**Mr Costello**—How does it feel? It feels 12 places better than when the Leader of the Opposition was in government. That is how it feels. When the Leader of the Opposition was in government, we were ranked 21st. Last year we were ranked 12 places better, and this year we are ranked a massive 15 places better.

**Mr Beazley**—Mr Speaker, on a point of order: the question was on export performance. We just had the budget; we want to know about—

**The Speaker**—The Leader of the Opposition will resume his seat. There is no point of order.

**Mr Costello**—Too clever by half; the question was: ‘How does it feel?’ Let me tell you how it feels. It feels 15 places better than when the Labor Party was in government. I think there are 16 teams in the AFL; if you rose 15 places you would go from the bottom to the top—and it is because this government reformed the taxation system, balanced the budget, paid off debt, saw Australia through the Asian financial crisis, came through the international recession of 2000 and put 1.7 million people back to work. So how does it feel? It feels really good to have no Labor government in this country.

**Mr Tanner interjecting**—

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

**Employment**

**Mr Broadbent** (2.26 pm)—My question is to the Treasurer. I refer the Treasurer to the labour force figures released this morning. How does unemployment compare with previous experience, and how do government policies on employment compare with previous policies to deal with unemployment?

**Mr Costello**—I thank the honourable member for McMillan for his question. I can inform him that in April the labour force figures showed that the unemployment rate in Australia was 5.1 per cent, marginally up from what it was in March. While part-time employment fell in the month of April by 25,900, full-time employment increased in April by 22,700. So, although we lost 25,000–odd part-time jobs, we gained...
22,000-odd full-time jobs. As a consequence, although the unemployment rate rose slightly to 5.1 per cent it is still at 28- or 29-year lows.

How does this compare with previous unemployment rates in Australia? I would like to take the House back to May 1993, when the unemployment rate—and bear in mind that today it is 5.1 per cent—under a Labor government was 10.6 per cent. The then Labor government commissioned a caucus committee, chaired by the member for Lilley, to come up with ideas as to how to solve unemployment—which was then at 10.6 per cent. The chair of the caucus committee, the member for Lilley, came up with a great idea for reducing unemployment. His idea was to drop the age qualification for the age pension from 65 to 60 and reclassify everybody over 60 as retired rather than unemployed. He told the AM program on 31 May 1993 that the pension age could be lowered to 60 and they could be put on provisional age pensions. He said it was cruel for men aged 60 to 65—

Mr Beazley—Mr Speaker, on a point of order: if we are going to go into this history, we should go into his history, when he had an inflation rate of 11 per cent per annum.

The SPEAKER—The Leader of the Opposition will resume his seat. That is not a point of order.

Mr COSTELLO—When it was pointed out that putting men aged 60 on the pension may not solve the whole of the unemployment problem, the member for Lilley said one of the other options that they had was to drop the age pension qualification age to 55 for men, to reclassify everybody over 55 as retired and to put them on the age pension. Can I say nothing would have been a more short-sighted policy, because we now know people are living longer, we now know we want them to engage in the workforce longer and we now want to encourage them to work, because the problem in Australia today is not mass unemployment. Let me make this point to the House: mass unemployment is a Labor outcome. Labor produces mass unemployment. Mass unemployment is not a problem today. Today your problem is going to be more like finding enough workers, because there are enough jobs for people to get in the Australian economy. This government does not believe in reducing the age pension and giving it to 55-year-olds so it can reclassify them out of the unemployment queues; this government believes in getting people real jobs in the real economy. And 1.7 million new jobs have been created under this government because we never gave up on the unemployed, we never accepted Labor’s solution, we never changed the definition and we gave them an opportunity in life, an opportunity they would never have got under the Labor Party.

Budget 2006-07

Mr BEAZLEY (2.31 pm)—I thought mass unemployment was a John Howard Treasurer phenomenon, but we will leave that to one side.

The SPEAKER—The Leader of the Opposition will come to his question.

Mr BEAZLEY—My question is to the Treasurer. Has the Treasurer read the comments of the Chief Executive Officer of the National Family Day Care Council, who said in today’s Sydney Morning Herald:

“You can have all the theoretical places in the world, but if you can’t find carers then they remain political promises ...”

Treasurer, if there is a shortage of qualified carers, how will the places you talked about in your budget address be delivered? Isn’t the Treasurer misleading parents and raising false hopes when the truth is these places will not be delivered, because they cannot be?
Mr COSTELLO—As I said in the budget speech on Tuesday night, in 1996 there were 300,000 child-care places; in 2009—wait for it—there will be 700,000 child-care places in Australia. That is a more than doubling over the last 10 years. How does the government go about child care? Firstly, with the child-care benefit; secondly, with the child-care rebate which will become payable—30 per cent of out-of-pocket costs up to $4,000 per annum per child—and, thirdly, with no cap at all on places. That means an eligible church, an eligible council or an eligible private operator can set up in any area where there is excess demand and can have a facility which will attract government funding. This is broad ranging, wide term reform which will mean that the opportunities will come to create those child-care places for Australian families.

I have been asked about alternative policies, and let us give credit where it is due. I applaud the Leader of the Opposition’s belated decision to finally dump the Medicare Gold policy. It takes a bit of guts for Mr Twenty-Four Per Cent to ditch the policy belonging to Madam Thirty-Two Per Cent over there, but that is what he said last week. This week the member for Lalor was asked, ‘Will you be maintaining some of the principles of Medicare Gold?’ and she said yes. And just this very day I go onto the ALP website and I see a reference to a Medicare Gold ad which has the voice of Mark Latham saying: ‘No more delays, no more waiting lists; this is an important extension of the universal coverage of Medicare. We call it Medicare Gold.’ So they have taken his hat off the website but they have still got his ad on the website. And the website encourages people to play this ad over and over and over again, so you have got the ghost that walks, you have got the policy that talks and it is still on the Labor Party’s website. I will say this: a political party with no health policy whatsoever will never be in government. It will never be in government, and it does not matter how many speeches he gets Bob Ellis to write for him.

Mr ABBOTT—I am happy to say to the member for Ryan and to his constituents that this has been a great week for Medicare. This week’s budget commits $1.9 billion to mental health, there is $250 million to the health workforce and there is $500 million to the Australian Better Health Initiative, as well as a record $905 million in new money for health and medical research. In a year when our economy is tipped to grow to $1 trillion, federal health spending will reach $48 billion. And there is a clear message in this: Peter Costello is the best Treasurer Medicare has ever had.

Ms PLIBERSEK—My question is to the Treasurer. Treasurer, how many of these child-care places will be delivered to parents and filled by children in one year’s time?

Mr COSTELLO—that depends, of course, on the amount of demand and the number of people that are going to supply them. But we said in our budget that we expect to have 700,000 in 2009, an additional 25,000 places, which makes it 400,000 more than ever existed under the Australian Labor Party.
Mr CADMAN (2.37 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister advise the House how the new budget measures strengthen Australia’s consular services and crisis response capacities?

Mr DOWNER—I thank the honourable member very much for his question and his interest. Australia provides excellent consular services. They are at least as good if not better than those of any other country, and I think other countries appreciate and recognise this. We have 173 consular locations around the world—that is, DFAT posts, Austrade posts and honorary consulates. We also have a consular-sharing agreement with Canada at 24 different posts.

There has been an enormous growth in the demand for consular services. Australians make almost five million overseas trips a year, and that represents a 40 per cent increase over the last three years. In 2005 DFAT managed an unprecedented number of major overseas emergencies. Honourable members will recall the tsunami, the London and Bali bombings, the Douglas Wood kidnapping in Iraq and Hurricane Katrina, to name the most important of them. In the six months to December 2005 consular operations assisted some 10,800 Australians, following on from the 25,000 Australians who were assisted in the previous 12 months.

I just make the point that there is enormous demand for these services, and it is important that the government does its best to try to meet that demand. Obviously there are circumstances where we are limited in what we can do. Nevertheless, in the Treasurer’s excellent budget we have committed an extra $80.2 million over four years to manage the growing demands of consular casework and to enhance our contingency planning and crisis response capabilities.

Included is funding for additional DFAT as well as Austrade consular staff in Canberra and overseas, backed by an enhanced training program and a major upgrade of DFAT’s crisis and case management systems and the DFAT crisis centre.

In conclusion let me say two things about this. First of all, we as a government have been very committed to providing good consular services. That has been a very high priority for me, for the department and for the government as a whole. Second, and I often say this, ultimately there is a limit to what we can do. Certainly, when it comes to the law, there are no special laws for Australians overseas. Australians are required to abide by the laws of the countries which they visit. If Australians do at least allegedly breach those laws—certainly if they are convicted for a breach of those laws—there is very little we can do. It is not possible for the Australian government to spring people out of foreign prisons. People have to adhere to the laws of the countries or the jurisdictions within which they find themselves.

Mr BEAZLEY (2.40 pm)—My question is to the Treasurer. Does the Treasurer agree with Mr Peter Hendy, the chief executive of the Australian Chamber of Commerce and Industry, that skills shortages are ‘the No. 1 complaint of investors in this country’? Why then do the Treasurer’s own budget papers show that funding for vocational education and training will fall as a total proportion of Commonwealth expenditure, from 0.75 per cent in the current financial year to 0.67 per cent in 2009-10?

Mr COSTELLO—This government has put in place a system of training and apprenticeships which is better than anything Australia has had for a decade. The budget includes $1.4 billion in initiatives to promote vocational education and training, including...
$537 million to extend youth allowance to apprenticeships. It has $350 million for 25 Australian technical colleges. It has $143 million to improve careers advice. It has $120 million for tool kits and $106 million for the Commonwealth trade-learning scholarships. The total funding for VET has more than doubled over the last 10 years, from $1 billion in 1995-96 to $2.55 billion in 2006. So funding has more than doubled since the Australian Labor Party was rightly thrown out of office. This support is delivering results. The total number of new apprenticeships doubled from 156,700 in 1996 to 397,800 in September 2005. The number of new apprenticeships in traditional trades increased from 120,000 in 1996 to 168,000 in September 2005.

So on any measure, whether it is spending, whether it is apprenticeships, whether it is VET or whether it is Commonwealth investment in technical colleges, the Commonwealth has a bigger investment now than it has ever had in the past. One of the good things is that, if you are training at the moment and you do get a trade or a skill, your chances of getting a job are very good. I have been in this House since 1990, and I never, ever heard anybody complain about the difficulty of finding workers for jobs back in 1990. I heard a lot of complaints about the fact that there was mass unemployment and a shortage of jobs for workers. In the six years of Labor government that I experienced whilst I sat in opposition I never, ever heard anybody ever suggest that there was a problem in finding workers for jobs. Why? I will tell you why, Mr Speaker: unemployment was at 10.6 per cent. If I had the choice between an economy in which there were more jobs going than workers and an economy in which there were more workers going than jobs, I know which one I would choose. I know which one the Australian public would choose. I know what the Australian public would think the better problem was: a shortage of labour rather than excess labour. Let me say it again: the Labor Party is a party of mass unemployment. That was its record in 1993. The Liberal and National parties in the coalition stand, above all else, for jobs, and there have been 1.7 million new jobs in Australia since 1996.

Airport Security

Mr ENTSCH (2.44 pm)—My question is addressed to the Minister for Transport and Regional Services. Would the minister update the House on steps the government is taking to provide greater security at Australia’s major airports? What additional funding has been provided through the budget to respond to the recent review of aviation security?

Mr TRUSS—I thank the honourable member for Leichhardt for his question and acknowledge his particular interest in the Cairns airport and indeed the other major airports in Australia. He is as aware as any of the solid effort that this government has been putting in over recent times to improve security at Australian airports and to ensure that Australia’s travelling public have a safe and secure environment. This budget is further demonstration of the government’s commitment to aviation security. As a result of this budget we have now committed $886 million in response to the Wheeler review recommendations. It is a very significant commitment.

There is $355 million to improve community policing at airports and $176 million for additional counter-terrorism first response capabilities at our major airports, and that is on top of the existing expenditure on that counter-terrorism function and our canine capacity at those airports. There is $48 million for new initiatives for cargo security, and a significant amount of that will be for additional mobile X-ray units and explosive-
detecting dog teams to examine the cargo that is placed on our aircraft. There will also be more money for explosive trace detection equipment and for a variety of trials to test some of the promising new emerging technologies in relation to security and explosive detection techniques.

These are very significant initiatives and bring to $1.1 billion this government’s investment in aviation security initiatives since September 11 2001. We take aviation security seriously. We are committed to a safer and more secure environment for all Australians who travel in the skies. It is perhaps evidence of the opposition’s interest in this issue that they have not bothered to comment at all on the importance of these matters in their response to this environment. They are full of criticism, but in reality they do nothing.

**Australian Technical Colleges**

Ms MACKLIN (2.47 pm)—My question is to the Treasurer, and I refer to his previous answer, in which he referred to technical colleges. Is the Treasurer aware that only one student is enrolled at the Gladstone technical college, that there are fewer than 100 students enrolled in the other three Australian technical colleges currently open for business and that three promised colleges may not open at all? Treasurer, doesn’t this mean that your colleges will produce fewer than 100 qualified tradespeople by 2010, the year the Australian Industry Group estimates we will need an extra 100,000 tradespeople?

Mr COSTELLO—As I said earlier, the Australian government has set aside money to build Australian technical colleges: $350 million for 25 of them. Four of those technical colleges are currently open, in Port Macquarie, east Melbourne, Gladstone and the Gold Coast. This is the first time the Australian government has ever set aside money for technical colleges, and people might wonder why it took until 2005 for the Australian government to get into the business of funding and establishing Australian technical colleges. The reason why it took until 2005 for the Australian government to establish Australian technical colleges was that, since the dawn of Federation, the states used to run technical schools which were open to secondary students who wanted a career. Why are those technical schools no longer open in the state of Victoria? There are now no technical schools. Let me tell you why, and it is very instructive: when the socialist Left took control of the Victorian government, under Mother Russia herself, Joan Kirner—the same faction as was advised by the then junior member for Jagajaga—they decided as an arm of policy to abolish technical schools in the state of Victoria. It was an arm of policy. It was decided that all students should go to comprehensive high schools and, as a matter of policy, all technical schools in Victoria were closed.

*Opposition members interjecting—*

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

Mr COSTELLO—In addition to that, the Australian Labor Party, under John Dawkins, adopted a policy of sending every student to university. That was not appropriate for a lot of students who needed technical training.

Ms Macklin—Mr Speaker, I rise on a point of order on relevance. We were not talking about universities. We are talking about—

The SPEAKER—The Treasurer is in order.

Mr COSTELLO—As a consequence of that, people who were not aiming at university study were required to go into technical training—

Mr Beazley—On a point of order, Mr Speaker: this is about the budget and techni-
cal colleges. There are 100 students, including one—

The SPEAKER—That is not a point of order. After the last point of order, the Treasurer had not even completed a sentence. The Treasurer will be heard.

Mr COSTELLO—As a consequence of that, there were people who were apt at technical training, who wanted it and who would have appreciated it who were pushed into the university stream. A consequence of that is they did not have the opportunity to go to an Australian or in fact a state technical college. This is the government that stepped in to remedy that defect. This is the government that set aside $350 million to do what no Australian government has ever done. This is the government that is setting up those Australian technical colleges, and for $350 million in 25 colleges it will be a very worthwhile investment.

Ms Gillard—Mr Speaker, I rise on a point of order. During the Treasurer’s answer, the member for Sturt on two occasions made a grossly unparliamentary remark in respect of the member for Jagajaga and I ask that you get him to withdraw it.

The SPEAKER—I have to say I did not hear it, but if the Manager of Opposition Business finds it offensive I will ask the member for Sturt to withdraw.

Mr Pyne—Mr Speaker, is ‘hypocrite’ an unparliamentary remark? It didn’t used to be.

Ms Gillard—Mr Speaker, again on a point order: it is my clear understanding it is you who adjudicates as to what is an unparliamentary remark. You asked the member for Sturt to withdraw one; he refused to do so. Your only course now is to deal with him under the standing orders and suspend him from service of the House.

The SPEAKER—I will call the member for Sturt again and ask him to withdraw that statement.

Mr Pyne—as a courtesy to you, Mr Speaker, I withdraw.

The SPEAKER—The member for Sturt will withdraw full stop.

Mr Pyne—I withdraw.

Australian Defence Force: Recruitment

Mrs ELSON (2.54 pm)—My question is addressed to the Minister for Defence. Would the minister update the House about what the government is doing to encourage recruitment into the Australian Defence Force?

Dr NELSON—I thank the member for Forde for her question and very strong commitment to Australia’s Defence Force. On Tuesday night the Treasurer announced a record increased investment in Australia’s Defence Force—$15.9 billion of additional expenditure over the next 10 years. That included a number of measures which are about not just the acquisition of new tanks, ships and aircraft but also significant initiatives to improve the recruitment of Australian Defence Force men and women for the regular and also the reserve forces. Further, $194 million has been committed over the next four years to provide financial incentives for the recruitment and, indeed, the retention of Defence Force personnel, particularly in 25 of the 225 areas where we have significant shortages in recruiting and retaining key people.

We are also going to focus increasingly on rehabilitation and invest another $17 million. Whereas previously Defence took the approach, when an injury was sustained by a soldier or sailor, of having that person discharged, increasingly we are now working on the rehabilitation of them, both physically and emotionally, and returning them to the services. In addition to that, $184 million
was announced for reserves over the next four years. That will include not just an increase in the daily tax-free payment for all reserves by $10 but also health allowances of up to $2,500 a year and increased bonuses of $5,000 a year for those who basically complete each year of reserve service.

Attracting men and women to the Australian Defence Force is not just about money. Money is extremely important, but it is also important that we live in a society that values service in the Australian military. I will very shortly be receiving a report which the government commissioned from Avril Henry, which will recommend to me and the government for consideration a range of reforms. It is about our making sure that the families within Defence are cared for. It is about postings. It is about a nationally consistent education system. It is also about making sure that Australian Defence Force cadets are valued in Australia. Whilst cadets represent one per cent of their age cohort, they represent 10 per cent of those who join the Australian Defence Force.

One of the first things the Labor Party could do, if it is serious about attracting men and women to the Australian Defence Force, is have the New South Wales government, for example, have Australian Defence Force cadets in its schools. It is extremely important that we live in a society that values service in the Air Force, the Navy and the Army as highly as if not more highly than many other occupations. It begins with leadership and, in particular, it begins in schools. I commend to all Australians, and as a parent myself, membership in the Australian Defence Force. It is a wonderful way to make a difference to our society and bring security to our world.

Budget 2006-07

Ms MACKLIN (2.57 pm)—My question is to the Deputy Prime Minister. Does the Deputy Prime Minister recall his recent public boasts that this week’s budget was driven by him and the National Party? Why then did the Deputy Prime Minister allow his Liberal colleague the minister for training to slash the only training incentives program targeted specifically at rural and regional areas—the Rural and Regional Skills Shortage Incentive—which provided a $1,000 extra incentive for employers to take on apprentices in the bush?

Mr VAILE—We as a government have done more to improve skills training in regional Australia and give access for young people in regional Australia to vocational training and to university places. There has been a significant debate about skills since Tuesday night. I know that the minister responsible has responded to this. Today the Treasurer has responded in detail. Can I just say that, on the Australian technical colleges, two of the campuses that are up and operating happen to be in my electorate. The basis on which they are there is that the private sector was running one of them before we announced our policy in the 2004 election.

The reason is that the state Labor governments were cutting back on the vocational training opportunities across Australia. We announced a policy of rolling these out across Australia and providing opportunities for year 11 and year 12 high school students to link in with industry and be trained in advance of them taking up apprenticeships. This is a policy that has been initiated by this government, expanded by this government and funded by this government in this budget.

Mr Albanese interjecting—

The SPEAKER—The member for Grayndler is warned!

Schools Funding

Mr MICHAEL FERGUSON (3.00 pm)—My question is addressed to the Minis-
ter for Education, Science and Training. Would the minister inform the House—

Opposition members interjecting—

The SPEAKER—The member for Bass will begin his question again.

Mr MICHAEL FERGUSON—My question is addressed to the Minister for Education, Science and Training. Would the minister please inform the House about the Howard government’s indexing arrangements to ensure that our schools receive the funding that they need? Minister, I would also like to ask: are you aware of any alternative policies?

Ms JULIE BISHOP—I thank the member for Bass for his question and note his interest in schools funding in his area. Under the Howard government, we will be investing $9.3 billion in schools across Australia this year, and that is a record level of funding. There will be $33 billion invested in Australian schools over the period 2005-08. That is a 59 per cent increase on the previous four-year funding period.

Last Tuesday in this House, the Leader of the Opposition said Labor’s rehashed schools policy. He did not like it when I made reference to the fact that, under their national resource standard, what will happen is that over 350 schools and 220,000 students will have their funding frozen. After question time, the Leader of the Opposition said in this House in relation to Labor’s funding policy—and we have to listen to this carefully:

... they would be adjusted in order to ensure their real value—that would be an upward adjustment—kept pace with inflation.

Under current arrangements, every school in Australia receives a funding increase according to the average increase of the cost of sending a child to a government school. That has been running at an average of 6.4 per cent. Now, under Labor they would not be receiving their 6.4 per cent growth funding every year; each and every year under Labor there would be a 3.4 per cent cut in growth funding to schools. The Latham schools hit list is back—make no mistake. The Leader of the Opposition let the cat out of the bag. They are currently receiving 6.4 per cent. Labor have tied it to inflation. Inflation is running at three per cent. That 3.4 per cent funding hole would leave massive deficits in schools’ budgets.

Mr Michael Ferguson—Mr Speaker, I rise on a point of order. While I was asking my question, there were constant interjections. I simply want to be able to hear the answer from the minister.

Opposition members interjecting—

The SPEAKER—Order! The member for Bass raises a valid point of order. I think all members are having difficulty hearing the minister’s answer. I will take action if members do not lower the level of noise. I call the minister.

Ms JULIE BISHOP—The Leader of the Opposition said Labor’s funding policy would keep pace with inflation. Currently schools are receiving an average of a 6.4 per cent increase; Labor are committed to a three per cent increase. That massive 3.4 per cent decrease will leave holes in every school budget, and Labor ought to come clean and admit they are still punishing independent and Catholic schools.

Budget 2006-07

Mr BEVIS (3.05 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. Does the minister recall the Treasurer’s boast in his budget night address that:

... we expect to double the number of fishing vessels apprehended in Australia’s northern waters ...

Can the minister confirm that last year Coastwatch recorded the sighting of 13,018
suspected illegal fishing vessels in Australian waters? That is an average of 35 illegal fishing vessels a day. Is the minister aware that the Australian Fisheries Management Authority has revealed that this new funding will lead to the apprehension of an average of two illegal fishing vessels each day? Now that we have been told how you will deal with two illegal fishing vessels each day, what will be done about the other 33?

Mr McGAURAN—I thank the honourable member for his question and can restate the Treasurer’s announcement on Tuesday night that, as part of the budget, the government has announced funding in the order of $389 million to be provided to deter illegal foreign fishing in our northern waters and ensure the sustainability of our northern fisheries and Australia’s security. And that is on top of the $50 million a year announced some 12 months ago or thereabouts. That will enable us to double the current levels of apprehension and increase our surveillance capability to deal with Indonesia in a number of ways at stopping-off and departure points. So, frankly, the government has addressed this issue full-on.

Budget 2006-07

Mr BRUCE SCOTT (3.07 pm)—My question is also addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister advise the House as to how this year’s budget benefits farming families and rural communities? Is the minister aware of any alternative proposals?

Mr McGAURAN—I thank the honourable member for Maranoa for his question. He well knows how well received the federal government’s budget has been by farmers, rural communities and their representative organisations. The National Farmers Federation has stated that it is the most positive yet for regional Australians. The Victorian Farmers Federation has described it as the best budget in 11 years for rural Australia—and no wonder, because it is new and increased funding of $700 million for agriculture, fisheries and forestry.

A major feature of the budget initiative is to improve retiring farmers’ capacity to access the age pension. This government has announced new treatment of rural land under the pension assets test, which means those of age pension age living on rural properties who have at least a 20-year attachment to the land may have their property excluded from the assets test for age pension and carer payments. This is a remarkable and not yet widely enough understood initiative by the government. This announcement will allow up to 10,000 retired farmers a higher rate of pension or access to the pension for the first time. It will improve their living standards and allow them to remain in their family home on the family property, which has often been in the family for generations.

This side of the House understands primary producers, farmers and rural communities—and no wonder. Looking over my shoulder I can see grain growers, cane growers, wool producers, meatworkers, jackaroos, shearsers and stock and station agents, but on the Labor Party side—because I am asked about alternative policies—there is but one who has dust on his boots, who comes from a primary production background, namely the dairy industry, and that is the member for Corio. He is the only one. If the Labor Party will not do anything to save its agricultural spokesman, they will not do anything for rural Australia.

Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper.
and Ageing there appears today, on the Liberal Party website, material advertising the Medicare safety net thresholds as they were before the minister broke his rock solid, ironclad guarantee to the community. Given the clear capacity for that to mislead members of the public, could you investigate and have this matter rectified?

The SPEAKER—I thank the Manager of Opposition Business but I think she would be aware that I do not believe that the response to that question lies within the responsibility of the Speaker.

PERSONAL EXPLANATIONS

Mr McMULLAN (Fraser) (3.10 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr McMULLAN—Yes.

The SPEAKER—Please proceed.

Mr McMULLAN—I wish to refer to a matter which the Treasurer raised in question time today and which he has raised on a number of occasions. I have ignored it because, fortunately, everybody else has, but I have got sick of it. I have never compared, as a benchmark for Australia’s economic performance, any of the developing countries to which the Treasurer referred. In the article, I did say Australians were better off than those people in developing countries, because I was advocating giving overseas aid to those countries.

Mr BEAZLEY (Brand—Leader of the Opposition) (3.11 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr BEAZLEY—I certainly do, Mr Speaker.

The SPEAKER—Please proceed.

Mr BEAZLEY—It is yet again by the Minister for Education, Science and Training. I made amply clear that there was no freeze on the funds that will be made available to all schools under our proposals when we get into office. They will be adjusted annually by their inflation index, keeping up with inflation amongst schools. The school system has their own index.

The SPEAKER—The Leader of the Opposition has made his point.

Mr SWAN (Lilley) (3.12 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr SWAN—Yes.

The SPEAKER—Please proceed.

Mr SWAN—During question time, the Treasurer referred to a caucus committee that I chaired. I have a vivid memory of being at that committee with the Minister for Defence, Dr Nelson, with his earring, and he thought we were doing a splendid job. I say to the Treasurer that continually blowing your own horn, as you did today, sends your battery flat.

The SPEAKER—Order! The member for Lilley will resume his seat. I remind the member for Lilley that, when he seeks the indulgence of the chair to make a personal explanation, he will show where he personally has been misrepresented. He will not debate the issue.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Employment

Mr COSTELLO (Higgins—Treasurer) (3.13 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The Treasurer may proceed.
Mr COSTELLO—I table the AM transcript from the ABC on 31 May 1993 which says:

... Wayne Swan, has told AM that the pension age could now be lowered even further than 60.

He also talks about proposing to treat those aged 55, 56 and 57 as though on the age pension so that they come off unemployment benefits.

AUDITOR-GENERAL’S REPORTS

Report No. 39 of 2005-06

The SPEAKER (3.14 pm)—I present the Auditor-General’s Audit report No. 39 of 2005-06 entitled Artbank, Department of Communications, Information Technology and the Arts.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.14 pm)—I present documents on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House:

Proclaiming 3 September as International Merchant Navy Day—from the member for Warringah—1489 Petitioners

Establishing a national ‘Do Not Call’ register—from the member for Isaacs—103 Petitioners

Workers’ entitlements to union picnic days—from the member for Reid—557 Petitioners

Availability of Herceptin on the Pharmaceutical Benefits Scheme—from the member for Warringah—1032 Petitioners

Availability of Herceptin on the Pharmaceutical Benefits Scheme—from the member for Mayo—2300 Petitioners

Protection for the Australian National Flag—from the member for Banks—17 Petitioners

Availability of Herceptin on the Pharmaceutical Benefits Scheme—from the member for Menzies—84 Petitioners

A Bill of Rights for Australia—from the member for Higgins—1 Petitioner

SPECIAL ADJOURNMENT

Mr ABBOTT (Warringah—Leader of the House) (3.14 pm)—I move:

That the House, at its rising, adjourn until 12.30 p.m. on Monday, 22 May 2006, unless the Speaker or, in the event of the Speaker being unavailable, the Deputy Speaker, fixes an alternative day or hour of meeting.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Child Care

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

The Government’s attempt to give the appearance of creating child care places while leaving parents and providers to struggle with a failing system plagued by chronic shortages and rising costs.

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—

Ms PLIBERSEK (Sydney) (3.15 pm)—Australian parents who are struggling to find child care, and struggling to afford it when they do find it, were hanging out for relief in Tuesday night’s budget. They had been listening to the Treasurer for weeks saying, ‘Watch this space.’ They have seen the Minister for Families, Community Services and Indigenous Affairs on TV saying, ‘Watch this space, we are going to do a whole heap for parents in this year’s budget.’ They were holding their breath hoping that the problems they have had in finding places and, when they do find places, affording those places would be solved in this year’s budget. In
fact, you cannot blame them for having those hopes. The Treasurer said in March this year at the Press Club:

We ought to be looking at making this the most female friendly place on earth ... But, if there are areas where we can improve these things I would want to see that and that is going to involve work family balance.

The most important thing this government can do to help families balance their work and caring responsibilities is to offer affordable, quality child care in places where parents need it. This is the test that this budget has failed. It has been a sad disappointment for parents. It has been a con.

I have seen some pretty terrible advertising over the years. I have seen some pretty dodgy things advertised. I remember the slimming tea that model Sam Fox used to advertise in the papers. I remember the Fat Blaster ads that said weight would drop off the minute people started taking Fat Blaster. The best one that I remember, though, from when I was a kid is the sea monkeys. Do people remember the sea monkeys? They used to be advertised on the back page of Mad magazine. There was a picture of little merpeople—mermen and merwomen—in little castles and they were swimming around having a great time. So many kids sent their money in for those sea monkeys and, I will tell you, when they got them they were terribly disappointed.

This is the sea monkey budget when it comes to child care. Parents had been promised 25,000 extra places. What are they going to see? They will see not a single extra place and not a single dollar off the cost of child care. Do you know why? The reason is that the Treasurer does not understand child-care shortages and the minister in charge of child care cannot be bothered explaining it. I hope the minister actually understands what the problem is. I hope the problem is that he cannot convince the Treasurer. We see a Treasurer who just does not get it and a minister who cannot deliver to the people he should be fighting for.

The government were looking for a headline such as: ‘A big number of places, 25,000 extra places.’ Wouldn’t that be good? We’ve shortages. What did they do to get that headline? They announced a dodgy policy of uncapping family day care places and out of school hours care places. The problem has never been capping in these areas. There is not, and has not been, a cap in long day care and yet there are shortages all around the country. Why would you take the system that has delivered shortages all around the country in long day care and apply that to all of child care and somehow think that that is going to solve the problem? The government said, ‘Oh, I know, we will take the system that does not work in one area and apply it to all of child care and that is going to solve the problem.’ What kind of madness is it to take the system that already does not work and extend it to solve shortages?

I think that a lot of people find the different types of child care a little bit confusing, especially if they have not had kids in child care for a long time or do not have children at all. The charitable view, of course, is that the Treasurer is one of these people, but I will explain it to him. Family day care is when a carer takes children into their own home. Often four, five or sometimes more children are looked after in the carer’s own home. They get about $4 an hour for each child. Someone who is providing family day care in their own home would earn about $480 a week gross for looking after, say, five children under the age of five for five days a week. Is it any wonder that people are not queueing out the door to be family day carers when this is the value that we place on their hard work? That is family day care.
What is long day care and how is it different? Long day care is care in child-care centres—the sort of centre you see down the street. The smaller ones might have 30 kids. The big ones might have 90; some might have 100. That is centre based long day care. That applies to babies of usually six weeks up to children of school age. That is a different thing. The Treasurer needs to understand that there is family day care and long day care—and then there is out of school hours care. That is for school age children.

Ms Corcoran—Yes.

Ms PLIBERSEK—I know. You would think this is obvious, but the Treasurer obviously does not get it. Out of school hours care is for school age children. It can be a couple of hours before school, a couple of hours after school or vacation care. It does not take a genius to work out that out of school hours care is the cheapest to provide. Family day care is pretty cheap to provide because you are not building child-care centres, it is in the carer’s own home, and we are not paying them very well. Long day care is quite expensive to provide but—guess what?—it is the type of care that parents need and want right now. There are city areas where you cannot find a long day care place and there are regional areas where you cannot find a long day care place, and this government will not invest a single extra cent in building long day care facilities or providing extra long day care places.

The reason the government have tried to con parents is that the message has finally come through to them that there are child-care shortages, that parents are crying out for extra child care that they cannot find and they cannot afford the child care once they do find it. The government were rushing around in a panic: ‘What can we do on child care?’ What have they done? They have gone for the cheap political fix. Parents around Australia will be disappointed this week because they know that the government do not value their kids or their workforce participation. The government are not interested in allowing skilled workers to return to the workforce and they are not interested in providing the child care that those workers need to work and that people want for their kids so that they get a great educational start in life.

One of the reasons these places will never be delivered is that we have a chronic shortage of family day care workers. There is a chronic shortage of all child-care workers. The minister said it himself on the *Insight* program a couple of weeks ago:

… right now, things like family day care are actually going under-utilised, something like 30,000 places around Australia are available and aren’t being used.

Why are they not being used? They are not being used because they cannot be delivered to parents as there are not the carers to deliver the places. Linda Latham, CEO of the National Family Day Care Council, said, ‘You can have all the theoretical places in the world, but if you can’t find carers then they remain political promises.’ I would go a step further and say they are empty political promises. These places will not be delivered because there is a shortage of family day care workers. If you already have 30,000 places in the system that cannot be delivered because of a shortage of workers, then how will taking the cap off places get more people into the system, deliver more places to parents and get more kids into care? It is the most illogical piece of policy tomfoolery I have ever seen.

I will tell you something else about why these places will not be delivered. The government have taken money instead of providing extra support for family day care. If this were their chosen method of providing child care—the method they wanted to promote to
parents—wouldn’t you think they would show it some support? You would think they would help out the family day care schemes. The exact opposite is true. Over the last year the federal government have cut funding to family day care schemes by about 25 per cent, on average, nationally. The schemes which support and regulate family day care workers play a coordinating role. They offer support, training and replacement workers when the usual worker wants to go on holidays and all the rest of it. They have been cut.

Look at the Illawarra family day care scheme in Wollongong run by the Uniting Church. The member for Throsby knows all about that. The federal government is cutting this scheme by $33,000 per annum. You cannot find the family day care workers now to deliver the undelivered places in the system. What is the solution? Is it to improve the conditions of the workers? Is it to improve the support they get through their family day care scheme? No. The government’s solution is to cut the funding of the coordinating schemes. The Daylesford Community Child Care Centre, which used to offer family day care, lost about $80,000 worth of operational funding last year and was told to stop providing family day care. That is the minister’s solution to the child-care problem.

The government attempts to grab a headline by looking for an announcement that has a big number attached. It does not matter whether the places will ever be delivered, it does not matter whether parents will ever receive the help they need and it does not matter whether kids will ever get into care—look for the big number for the headline. At the same time as you are trying to con parents into believing you will do something for them in child care you are taking money off the schemes that you think will deliver the extra places. How does that work?

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Sydney will address her comments through the chair.

Ms PLIBERSEK—There is a bit of new spending for child care in this budget. Guess what? There is some extra money for advertising. Isn’t that terrific? Isn’t it amazing that the government are advertising the 30 per cent rebate on out-of-pocket child-care expenses that was announced during the 2004 election campaign, but it has not yet been delivered. Not a single cent of the 30 per cent rebate on out-of-pocket child-care expenses has yet been delivered. Parents around the country are struggling with very high fees—the parents whom today the minister is calling whingers in the paper. He is implying that anyone who talks about child-care affordability obviously just wants free child care: ‘They are just a bunch of whingers. People paying 400 bucks a week, people paying more than private school fees for their child care, are just whingers. They want free child care. They want everything free.’

Not a single cent of the 30 per cent rebate that was promised in the 2004 election has yet been seen by parents. When it is finally paid later this year, parents will be receiving a rebate on money that they expended in 2004. Two years later they will get a few bucks back on money they spent in 2004. Big deal! These parents are struggling from week to week to pay the child-care fees, the increased cost of petrol and their higher mortgage fees. They are struggling because their wages are not secure anymore and because they do not know what will be in their pay packets next week. The government’s solution to high child-care fees is a top one: ‘In two years time we might give you a bit of money back.’ The money does not go to all parents who have their kids in child care. If your kids are in preschool, you do not get the money. If your kids are in a Montessori preschool, you do not get the money. If you are
a single mum on a low income or a sole parent trying to start up a business, you do not get the money. If you spend more than $65 a day, you do not get the money. This budget has been a con on parents. It is no wonder parents are angry. It is no wonder they are disappointed. They need real places, they need affordable places and they need places where their kids live and where they work. This budget delivers none of that.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (3.30 pm)—I am glad that the opposition spokesman just got put out of her misery, because clearly, first of all, she knows nothing about child care. Her facts are incorrect and her arguments are incoherent—in fact, her arguments are contradictory. We will point out all of those things and explain to her, because the public actually knows that what the Howard government delivered yesterday is on the back of a record of doubling the actual number of child-care places in Australia since 1996.

There is no disputing that today there is in excess of 600,000 child-care places operating in Australia—real places, real children being looked after in the child-care sector, allowing mums to go back to work and allowing people to have fulfilling lives. Those parents, by and large, are receiving child-care benefit paid for by the Howard government and they will receive the child-care tax rebate. That is because the system is working.

Back in Labor’s day, 1995 and before, there were 300,000 places. Believe it or not, we all know that things go up through inflation as the years go on, but today Australian families are using less of their after-tax income on child care than they were 10 years ago. It is actually cheaper today, as a percentage of your net income, to have your child in child care than it was under a Labor government 10 years ago.

Let us deal with some of the comments from the member for Sydney, the shadow minister. Today she has said that uncapping places for family day care was a hollow promise—that it was a shonk by the coalition on the public. Why was it that on budget day—not budget night—she said that she believed the government should ‘lift the cap on outside school hours care places’? So here we have, two or three days ago, the shadow minister saying—

Mr Baldwin—It’s hypocrisy!

Mr BROUGH—Hypocrisy! Now there’s a word we have heard today in question time: hypocrisy. Here she goes. On one day the member for Sydney says that we should uncaps outside school hours places, and we do. Two days later, because she could not deliver it—the Labor Party could not deliver it, would not have any capacity to deliver it, particularly when they were running deficit budgets—she turns around and tries to tell the public it is some sort of a sham. The reality is that I can prove to her how already there are providers out there turning their minds to the very issue of how to handle and how to provide additional outside school hours care and family day care.

Here is a question for you. The member for Sydney asked why it is that there have not been enough family day care workers. Unlike long day care, which has expanded exponentially—and that is a good thing, I am sure those on both sides of the House would agree, because it means more places for families—the one sector of child care that has been capped and has been monopolistic has been family day care. It is a part of history that we have allocated artificial boundaries, which go back to the Labor Party days, that say that one operator, and no-one else, can
provide family day care and, if they are not able to attract anyone, too bad.

One of the problems that we had that this government fixed was not the mum out there providing the care—she gets paid for what she delivers—but the family day care coordinator who has a monopolistic control over a particular area. There are 250-odd of them around Australia. They actually got paid on the number of places that were allocated to them, whether or not they filled them. So they had no real reason or motivation to get extra people.

The federal government recognised this, worked with the National Family Day Care Council and came up with a policy—which the shadow minister was part of—championing the fact that we are out there to get 1,200 additional workers. I do not recall the member for Sydney, when we were at Luna Park in Sydney, saying to the family day carers there, ‘This is a load of rubbish, there’s no chance this will succeed; you people are wasting your time and effort.’ She triumphed it and said, ‘This is a good thing.’ I will tell you why, Mr Deputy Speaker: because the coalition government is going to assist 1,200 additional workers to access $1,500 to start their own business, to be able to help adjust the needs in their houses. So there will be safety provisions and appropriate learning facilities in their own homes so family day carers can start their own business.

We also had two more contrary arguments, as we have had consistently from the member for Sydney. Today she mentioned child care of $400 a week, but then she moaned what a family day carer gets paid. A family day carer gets paid by the parent and child-care benefit. The figure that the member for Sydney quoted was $4 an hour—$40 a day, $200 a week. The federal government, with its CCB, will pay more than $3 of that $4, which means the parent will be out of pocket by less than $10 a day. Ten dollars by five is $50—nothing like your $500. And she wonders why the federal government wants to be responsible and say, ‘Let’s unc cap it; let’s get rid of the red tape; let’s allow people to operate where and when they want to operate and let’s meet the market.’ But am I on my own? In fact, first and foremost: is she on her own?

The member for Sydney said back on 14 April that she would welcome new places. Today she tells us that they are a scam. On budget day she said, ‘It would be good if we lifted outside school hours places.’ Now that we have done it she says that it is no good. We also have the member for Lilley, the shadow Treasurer, referring to outside school hours places, saying: ‘It’s still capped; they should be uncapped.’ When did he make that statement? It was 9 May, budget day. They are not uncapped anymore.

In Nundah, a part of the member for Swan’s electorate, or in any suburb of Sydney, when a parent came to their local member and said, ‘Look, I am struggling; I want to go back to work and I need an after-school-care place,’ there would have been a round six months down the track and you would have to go through a lot of red tape. The government has removed the red tape. Now the member for Sydney you can sit there with some confidence and say: ‘Not a problem. I will get the money, we can make this happen. We can operate. Let’s get the school to work with us’—communities working with government, hand in hand, to deliver places where and when they are needed and supported by the federal government.

Before this announcement we completed a round and we asked the Australian public, through advertisements right around the country, who would like additional outside
school hours care. If, as the member for Sydney carps on about, 175,000 places were needed out there, we may have 175,000 applications—maybe a few more, maybe a few less. But, no, we got in the order of 19,000. Do you know what, Member for Sydney? As a result of this policy initiative, every single one of those places that meets the safety criteria—which I am sure you would never argue with—and is an appropriate learning facility will be funded from 1 July. They will not have to wait for another six months. Isn’t that a good thing? Guess what, Member for Sydney? They all have staff. Those places will happen, and that is a good thing.

Ms Plibersek interjecting—

Mr BROUGH—She sits here saying, ‘Good.’ I hope you are learning something here and that you recognise the failure of the Labor Party’s poorly coupled together policies at the last election. The embarrassment of the last leadership challenge occurred just a few weeks ago—the leadership challenge you have when you are not having one, when the Labor Party coupled together yet another policy failing—and the Labor Party now recognises that what the coalition has done and what the Treasurer announced on budget night was a new landmark for Australian families—99 per cent of child care in this country now unlimited.

Just so the member for Sydney and those opposite fully understand, I will put it into more simple terms. That means that no matter what figures we have in the budget—$25,000 is what we have budgeted for—if the demand is bigger than we have budgeted for, the federal Howard government will fund it. No child will be without child care as a result of a lack of funding from the Howard government. That has never happened before in government policy. That is an enormous step forward.

What does the industry have to say about the proposals? I heard the member for Sydney refer to Linda Latham, CEO of the National Family Day Care Council. Her comment about the budget in relation to this was, ‘This is great for family day care.’ It does not get much simpler than that; it is not very ambiguous—‘Great for family day care’. Sally-anne Atkinson, from ABC Learning Centres, which is the largest provider of child care, said:

Under a combination of tax breaks and a boost to services, child care is now more affordable.

I will go on. Childs Family Kindergarten, which do not have the concerns of the Labor Party that they will not be able to get staff, said:

It is very hard to get more than nine or 10 places under the current criteria. This will help make it more viable.

Camp Australia have equally positive comments, which they sent to one of our members. In fact, they sent their comments to the Minister for Veterans’ Affairs congratulating the government and thanking it for the removal of the cap on approved child-care benefit places and for the end of red tape. I congratulate the member for Dunkley, because clearly he has worked with this local constituent group in the area of Langwarrin, who make reference to a particular area there that will benefit from this. This is about individuals. This is about families and communities who will benefit. Here is a reputable organisation whose logo is ‘We make kids smile’. The reality is that, as a result of these initiatives, they will be able to put more smiles on more children’s faces.

Here is a good one: Go Bananas, over in Western Australia, congratulated Dr Mal Washer, a good mate of mine who is up here. He has been out there working very hard to secure outside school hours care places. They said:
I would like to congratulate you and your department for changing the child-care funding structure, particularly in outside school hours care. The recent changes you have made will provide opportunities for new services to be established, which will address a real and significant need Australia-wide. We believe the changes just announced will reduce the red tape involved in establishing dedicated outside school hours care services and will enable more mothers in particular to enter the workforce.

That is exactly what the Howard government is about. It is about removing red tape. It is about getting government out of the process and putting money in the hands of people who will provide these services. It is about getting rid of the things that have not worked, like the monopolistic approaches where we have had only one family day care service in any one area, and about giving a chance to people. But the Labor Party’s idea before the last election was, ‘We’ll create 8,000 new outside school hours care places.’ That was it—8,000. Ever since then, they have carped on about it not being enough. Even though the federal government committed 80,000 and the Labor Party committed 8,000, they said it was not enough. So on one hand they say something but they cannot physically deliver it.

Ms Plibersek interjecting—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Sydney must understand that, if the chair warns, she will not get another opportunity.

Mr BROUG—The President of the ACTU said that we should have 1,000 new long day care centres. Not too many people in this House and perhaps not too many people in the gallery appreciate really how much it costs to set up a long day care centre. It is between $1½ million and $2½ million. Sometimes it is as high as $3 million, depending on where it is. That is the sort of money that it takes to set up a long day care centre.

The ACTU—remember that they are the bosses of the ALP; they are the ones who drive the economic policy—have said, ‘We want a thousand of them.’ That is in excess of $2,000 million of capital. There was no mention of where they were going to get the staff from, yet the member for Sydney comes in here and says, ‘You’re not going to get the staff.’ Let me assure you that, if we were leaving it up to the unions, we would not be able to get the staff. I will guarantee you. I have great faith in the people who run family day care. They will show innovation to the people who are running long day care—people in churches and other organisations who in the past have been locked out of this. They are coming on board and they will provide quality places.

That brings me to a couple of other initiatives in the budget, one being cost effectiveness and affordability. Mr Deputy Speaker, I tell you who this government is concerned about: those people coming into the labour market for the first time—people who might be saying: ‘Right, we’re going to make that big decision. How am I going to do this? I have to put the children into child care.’

There is a cost there and we acknowledge that. Whilst the government will give them the tax rebate and give them child-care benefit, we will also give those people JET. For those who do not know what JET is, it basically pays the gap. So we say that the government will pick up the tab and give the individual the incentive so they can go forward and join the labour market, become a taxpayer and, in doing so, show a new way to their children that welfare is not the answer but work is.

The Howard government is all about incentive. It is about innovation. It is about driving forward. We have demonstrated that
by supporting families 100 per cent in this budget. It is quite different from the Labor Party, which are in a muddled mess going around in ever decreasing circles saying that they want outside school hours care uncapped, complaining when we do it and saying you cannot get jobs. We know why: because there were over one million unemployed under Labor. They are the kings of unemployment. This government delivers for Australian families. It will deliver child-care places and it will drive this economy further forward by ensuring that women have the opportunities that they deserve. Labor will deny them those opportunities.

Mr GEORGANAS (Hindmarsh) (3.45 pm)—I rise to support this matter of public importance and speak on behalf of the many families within my home state and, in particular, those in Adelaide’s western suburbs, who are doing it tough—battling to raise their families, buy a home, pay the bills and continue in paid employment to fund it all. These families need two incomes to get by and maybe, just maybe, build for their family’s future. This all becomes so much harder without access to quality, well-staffed and affordable child care.

The government has put the problems with child care on the backburner for too long. The government has ignored constant warnings by parliamentary members, particularly on this side of the House, about the issues surrounding insufficient, untargeted and unorganised funding to this vital service in the community. Hundreds of thousands of children miss out on the valuable preschool play and education for the simple reason that their parents cannot afford it.

After 10 long years of the Howard government, child care is becoming a luxury, not an entitlement for all children. Child-care fees are climbing rapidly at five times the rate of the consumer price index, with some parents forced to pay over $100 per day. The federal government has failed to put funds into long day care places and is focusing mainly on after school care, which it controls in a very restrictive way, so that those who need to access these places are those who are least likely to get them.

There is a high level of concern in my electorate of Hindmarsh about the government’s poor handling of child care. At a recent child-care forum, which I and my colleague the member for Sydney held in my electorate of Hindmarsh, one of the participants noted that there were extremely poor conditions in some centres and that at a particular centre there were 20 toddlers in one room. Others at the forum commented on the pool of underused places and how, even where places were available, the federal government had made it so hard to access them that people were having to wait two years to take them up.

There was also a high level of concern at the forum about the lack of properly targeted funding. With no federal government interest in planning, we have massive shortages across most of the country, with some pockets of oversupply. In my electorate alone, there is an average waiting period of two years, with 100 names listed at just about every child-care centre that I have spoken to. My colleague the member for Sydney and others have repeatedly pointed out that the government’s poor planning has caused almost 100,000 places—that is, 30,000 family day care places and 67,000 outside school hours places announced in previous budgets—to remain either unallocated or unused. This is a direct result of the poor targeting and planning of funding in this area by this government. The government has failed to recognise that family day care is the least used type of child care. In fact, most parents need and use long day care. It is these places
that are needed to get willing workers to return to the workforce.

The fact that these 100,000 places have not been filled is also due to the lack of child-care workers. The government has done nothing to address the shortage of quality and qualified staff. Its attacks on higher education in recent years further restricts students from taking up places in university child-care courses. With the 25 per cent increase in higher education fees and the average child-care worker’s salary among the lowest of all occupations, no-one could blame students for not wanting to take on an inflated study debt to support a career in such a low-paid and undersupported industry.

The government has focused its funding on family day care. Family day care workers are ridiculously poorly paid and undervalued. The average family day care worker earns on average just $4 per hour, per child, and has around four children to look after at any one time. This means a typical family day care worker earns only around $480 a week before tax.

At the forum that we held in my electorate, concerns were raised about the lack of qualified staff. The quality of the centres available was also of grave concern to the people who attended the forum. At the moment, the federal government does not enforce standards relating to educational development or mandate that services offer educational programs. This situation needs to change.

While parents have to take lengthy amounts of time out of the workforce, the nation loses skilled people who are willing to work but for a lack of child-care availability. With a skills shortage, this country cannot afford to have able and willing skilled workers out of the workforce for excessive periods of time. When these workers return, they require retraining and reskilling. There is no need to import skilled workers from overseas when there are capable mums and dads ready to work and to be retrained.

The Australian Bureau of Statistics released figures in February demonstrating that the lack of affordable child care is harming the Australian economy. The figures indicated that more than 250,000 women wanted to work but were unable to because of a lack of suitable or affordable child care.

My own family experience in the late 1980s—we were some of the lucky ones by today’s standards—was that we were able to find suitable care for our two boys. Thankfully, we were able to find child care in our area, in the western suburbs of Adelaide. And thank heavens we did. It would not have been a lifestyle choice of whether we had a one- or two-income family; it would not have been a choice of whether we had personal convictions about whether my wife or I should stay at home to look after our youngest child; and it would not have been a choice of whether we could afford to eat and pay the bills at that point of time in our lives. We had to work—both of us—and thank goodness the situation was as it was then.

The industry, the availability and the affordability were different from what is the case now. If we had been in the situation faced by hundreds of thousands of families today, we would have been quite literally—and I will use the term—stuffed. It was a central issue to us then, as it is to many Australian families today who are struggling to pay their bills and to ensure that they build the foundations of their family and home for the future.

But the government’s budget shows that it is again sidelining this very important issue. More than a quarter of a million women waiting to return to the workforce will find little assistance in this budget. The govern-
ment is focusing on providing places in family day care, ignoring the fact that the number of people using this type of care has been declining. In fact, family day care attendance decreased by 6.6 per cent between 2002 and 2004. Long day care places are needed to allow the return to work of the much needed skilled parents who want to work and are ready to work. This government has badly let down those parents and the rest of the community, which would benefit from their economic participation.

With the exorbitant and ever-increasing cost of child care, small tax cuts will not greatly assist families. Child-care fees are rising five times faster than the average rise in the cost of all other goods and services. With the cost of the weekly grocery bill rising—not to mention the impact of high petrol prices—little money is left over in the family budget for child care. Under the Howard government’s watch, child-care fees have jumped by 66 per cent over the last four years alone, and Australian families cannot bear this increase in costs much longer.

In households throughout the nation, neither mums nor dads can afford to take five years out of the workforce; they need to work to make ends meet now and they also need to build up their super for later years in retirement. With the current lack of child-care support they have no choice but to sacrifice many of their prime working years and, in the long run, lose out financially with depleted superannuation savings.

This government has failed to realise that it makes economic sense to adequately fund child care. The total economic benefit of every dollar spent on child care has been calculated at $8.11. The amount of income generated by every dollar spent on child care is $5.63. The amount returned to government for every dollar spent on child care is $1.86. With the government getting a greater return for every dollar spent on child care, it bewilders me why it has had a stifled and haphazard approach to child-care funding. Quite simply, there is no sensible economic reason not to fund child care properly.

We on this side of the House are appalled by the half-hearted way the government is dealing with this issue and we know that a carefully planned approach is required to ensure that quality, affordable and accessible child care is available to all the Australian families who desperately need their kids to be looked after while they are at work. This government’s attempt to give the appearance of creating child-care places, while leaving parents and providers to struggle with a failing system plagued by chronic shortages and rising costs, is a shameful act. Child care affects every young couple starting out; they need affordable child care. Child care is a necessity, not a luxury, for the many Australian parents with children who are working in order to pay higher mortgages and higher petrol prices. (Time expired)

Ms PANOPOULOS (Indi) (3.55 pm)—Mr Deputy Speaker, thank you for putting the member for Hindmarsh out of his misery. It was interesting that the member for Hindmarsh said tax cuts will not assist. Is this a hint about tonight’s budget reply? Is the Labor Party again going to oppose tax cuts for families?

Mr Laurie Ferguson interjecting—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Reid is in a very dangerous position.

Ms PANOPOULOS—The member for Sydney and the member for Hindmarsh keep on criticising the government in very broad terms. But where is Labor’s plan? It is nowhere to be seen. They hide away from the
fact that child-care places have doubled from 300,000 to 600,000 under this government. I was seriously underwhelmed and embarrassed by the limp performance of the member for Sydney. She seemed to have not much to say. She started reciting a story about lost childhood dreams and her disappointment about sea monkeys and then went into a slow and laborious explanation of the different forms of child care available in Australia today. It was quite embarrassing.

The problem the member for Sydney and the members opposite have is that they are genuine in their desire to ensure that these new child-care initiatives fail. They want the child-care initiatives to fail. They want the economy to fail. They want interest rates to go through the roof. They are sick and tired and miserable that things are going so well for Australians. Under this government, we have had a record increase in wages and 1.7 million jobs have been created. This government has done more for child care than the Labor Party has ever dreamed of. If, as the Labor Party claims, things are so bad, where is its plan? There is no plan; there is just whingeing and whining and a generally pathetic attempt at some sort of debate from the opposite side. The Australian people deserve more. The Australian people deserve an opposition that can deliver alternative policies and some sort of credibility.

But we all saw them on Tuesday night when the Treasurer delivered his budget. You could see the long faces. The Leader of the Opposition was so depressed that his face was almost on the floor. Members of the opposition were looking at each other not knowing what to do because this was a bumper budget. I have heard five budgets delivered in this place as the member for Indi, and this was the best I have seen. That is why the opposition have to concoct problems and nitpick. That is why they are criticising the child-care proposals in this budget. They will not stop because they have nothing else to do. But I suggest that they focus on providing some real alternatives and some real opposition, because that is what we need under our Westminster system.

You can imagine the scene this morning. The opposition’s tactics committee would have been huddled around desperately looking for an angle—an argument—to attack this bumper budget. But they could not find one and they came up with these pathetic, limp responses from the member for Sydney and the member for Hindmarsh. It is absolutely unbelievable. They sit there wearing badges of a different colour depending on which lobby group or union is holding them to ransom that particular sitting week, but they do not do the hard yakka and actually provide some real alternatives.

Mr Rudd interjecting—

The DEPUTY SPEAKER—The member for Griffith is in a very risky position too. He has been warned.

Ms PANOPOLOUS—Yesterday the Leader of the Opposition and the member for Lilley retired hurt. They were missing in action. They retreated and returned to the pavilion because they knew that they could not mount a meaningful, relevant attack against this year’s budget, the pinnacle of economic achievement. The member for Sydney has accused the government of giving the appearance of creating child-care places. I have spoken before of the hypocrisy of the Labor Party sisterhood, but this statement by the member for Sydney less than two months ago absolutely reeks of it. She said:

We are worried that the system for allocating and reallocating places is rigid and slow ... Parents around the country might be without a child-care place simply because the allocation system lags behind new demand.

She went on to say:

... they—
referring to the department—
do not know where the shortages are.
This budget has solved that problem. Parents
know where the shortages are and demand
will decide where new child-care places will
be created. Parental demand will decide
where outside school hours care places will
be created and where family day care places
will be created, just as family demand cur-
rently dictates that for long day care. But do
we hear any reminder from the member for
Sydney about what she really wanted, given
that she repeated those statements even this
week? We heard nothing because, quite con-
veniently, the member for Sydney cannot
find it in herself to say anything positive.
The Australian public know that there is
something wrong with even a whining,
whingeing opposition when it cannot find a
single good thing to say about this budget
and its extraordinary new reforms and addi-
tional funding for child care. While the Aus-
tralian public—or some of them—were
 glued to their televisions watching the
budget speech and cheering it on, the opposi-
tion were thinking, ‘Oh my goodness, what
are we going to do now? How are we going
to respond to this?’
The member for Hindmarsh talked about
the costs of child care. In real terms, the
costs are lower than they were under Labor,
as recent reports have shown. But that is not
going to be admitted by the Labor Party, al-
though it would do their credibility a lot of
good if they were to do so. It would do the
member for Sydney’s credibility some good
if she were to admit the truth that many Aus-
tralians know. Everyone else says the em-
peror has no clothes, but the member for
Sydney still thinks that the Labor Party has
credibility.

What this government is doing, particu-
larly after Tuesday night, is allocating more
places for child care flexibly, to cater for the
demands and needs of families. That means
that 99 per cent of child-care places will re-
main uncapped. It is quite simple: where
there is demand that demand will be funded
by the federal government. This is an ex-
traordinary improvement in child care. This
is something that was not expected by fami-
lies, and I know and hope that it will be em-
braced by many families around the country.
Services will be able to be set up or be ex-
panded to meet demand where it occurs,
provided of course that they meet all the li-
censing, quality and other requirements in
each state.

If the member for Sydney is so concerned
about a lack of capital investment in child-
care places, perhaps she should suggest that
state Labor governments, who control the
planning laws in their respective states, come
up with some sort of developer contribution
for new housing estates to cater for commu-
nity based child care. But, no, there is never
any criticism, there are never any calls for
assistance and there is never any vision on
that perspective shown by the member for
Sydney to try to involve state governments in
any way. We have heard about some of the
current problems and restrictions with out-
side school hours care and family day care
places. These will exist no longer, and I call
on the member for Sydney to actually admit
that there is much good news in the budget
on child-care places.

The Labor Party talk a lot about child care
and women, but they have absolutely no
concrete plans for child care in the future.
What an absolute disgrace that reeks of un-
ashamed hypocrisy. They talk about caring
about women in the workforce, but they even
relegate their women politicians to the pa-
thetic category of tokens through quotas.
Sadly, that is what we have come to expect
from the main opposition party in this coun-
try. Where was the child-care benefit under
Labor? Let us look at their past. It is no-
where to be seen. Where was the child-care tax rebate under Labor? Nowhere to be seen. Yet they still cannot bring themselves to say, ‘This 30 per cent child-care rebate of up to $4,000 per child per annum on out-of-pocket costs will be a terrific help to families in meeting the costs of child care.’ The Labor Party actually opposed legislation that would have enabled unused child-care places in the previous system to be reallocated to ease bottlenecks in areas of need. So they can whinge and whine and complain, but it is all empty. It is all aimed at filling in the gap of a lack of policy. It is all aimed at filling in the gap of a lack of an alternative budget that the Leader of the Opposition will struggle to deliver tonight. The facts are on the table. This government has committed an extra $120.5 million over four years for the child-care package. (Time expired)

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

COMMITTEES

Publications Committee

Report

Mrs DRAPER (Makin) (4.06 pm)—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report are being placed on the table.


Public Accounts and Audit Committee

Membership

The DEPUTY SPEAKER (Hon. IR Causley)—The Speaker has received a message from the Senate informing the House that Senator Moore has been discharged from the Joint Committee of Public Accounts and Audit for the period of the committee’s inquiry into the financial reporting and equipment acquisition of the Department of Defence and the Defence Materiel Organisation and that Senator Mark Bishop has been appointed a member of the committee for that period.

STUDENT ASSISTANCE LEGISLATION AMENDMENT BILL 2005

SUPERANNUATION LEGISLATION AMENDMENT BILL 2004

SOCIAL SECURITY AND VETERANS’ ENTITLEMENTS LEGISLATION AMENDMENT (ONE-OFF PAYMENTS TO INCREASE ASSISTANCE FOR OLDER AUSTRALIANS AND CARERS AND OTHER MEASURES) BILL 2006

GENERAL INSURANCE SUPERVISORY LEVY IMPOSITION AMENDMENT BILL 2006

HEALTH AND OTHER SERVICES (COMPENSATION) AMENDMENT BILL 2006

PROTECTION OF THE SEA (POWERS OF INTERVENTION) AMENDMENT BILL 2006

DEFENCE HOUSING AUTHORITY AMENDMENT BILL 2006

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

CIVIL AVIATION LEGISLATION AMENDMENT (MUTUAL RECOGNITION WITH NEW ZEALAND) BILL 2005

First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.
SUPERANNUATION LEGISLATION AMENDMENT (TRUSTEE BOARD AND OTHER MEASURES) BILL 2006
First Reading
Bill received from the Senate, and read a first time.
Ordered that the second reading be made an order of the day for the next sitting.

MARITIME TRANSPORT AND OFFSHORE FACILITIES SECURITY AMENDMENT (MARITIME SECURITY GUARDS AND OTHER MEASURES) BILL 2005
First Reading
Bill received from the Senate, and read a first time.
Ordered that the second reading be made an order of the day for the next sitting.

EMPLOYMENT AND WORKPLACE RELATIONS LEGISLATION AMENDMENT (WELFARE TO WORK AND OTHER MEASURES) (CONSEQUENTIAL AMENDMENTS) BILL 2006
Second Reading
Debate resumed.
Mr WAKELIN (Grey) (4.09 pm)—I will take only a couple of minutes to conclude the statements I was making before question time. I welcome this legislation. The fundamental changes that have occurred over the last decade as a foundation to the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006 are part of a very important structural change that Australia needs to have. I reiterate that the best form of family income comes from a job. We have 2.6 million people on welfare and 15 per cent of those people are required to actively search for work. Passive welfare payments throughout the world, not just in Australia, are an issue that we need to be acutely aware of, and we need to in a much more dynamic way challenge and bring into the daily lives of all Australians the concept that these things are fraught with difficulty.

At a time when the government’s economic policy sees us with around five per cent unemployment, a 29-year low, we need every person in Australia who is able and available to work to do the work that this nation needs done. These are important stepping stones to encourage all Australians in a compassionate and fair way to participate in our economic wellbeing.

Debate (on motion by Mr Nairn) adjourned.

COMMITTEES
Public Works Committee
Approval of Work
Mr NAI RN (Eden-Monaro—Special Minister of State) (4.11 pm)—I move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Fit-out of new leased premises for the Department of Agriculture, Fisheries and Forestry in Civic, ACT.

The Department of Agriculture, Fisheries and Forestry proposes to lease the whole of the proposed new building in Canberra city known as 18 Marcus Clarke Street, with overflow office space into the adjacent new building known as the NICTA building, at 3-5 London Circuit. The developer commenced work on building construction in January this year. Subject to parliamentary approval, the proposed integrated fit-out will commence in March 2007. Both works are due for completion by September 2007.

In its report, the Public Works Committee recommended that this work proceed, noting
that the estimated cost of $36 million may be less, due to lease incentive arrangements. The Department of Agriculture, Fisheries and Forestry accepts and will implement the recommendations of the committee. On behalf of the government, I would like to thank the committee for its support. I commend the motion to the House.

Question agreed to.

Public Works Committee
Approval of Work

Mr NAIRN (Eden-Monaro—Special Minister of State) (4.13 pm)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Fit-out of new leased premises for the Australian Taxation Office at the site known as section 84, precincts B and C, Canberra City, ACT.

The Australian Taxation Office proposes to undertake a fit-out, at an estimated cost of $76.879 million inclusive of GST, of new leased premises at Civic in the Australian Capital Territory. The new premises will replace a number of existing leased premises of varying quality fit-out within the Canberra CBD and is planned around the expiry of existing leases. Construction work on the new buildings, known as section 84, commenced in November last year, and the Australian Taxation Office proposes to undertake a fit-out of these new leased premises.

Subject to parliamentary approval, the proposed fit-out and associated installation of services will, to the maximum extent possible, be integrated with the base building construction in order to reduce costs. The buildings are planned for completion in May and November 2007. The Australian Taxation Office anticipates occupying the buildings progressively throughout 2007 and 2008.

In its report, the Public Works Committee recommended that these works proceed, noting that any money saved due to lease incentives will be returned to consolidated revenue. The final negotiated agreement with the developer involves a lease incentive to the Australian Taxation Office, which will be offset against part of the cost of the fit-out. On behalf of the government, I would like to thank the committee for its support. I commend the motion to the House.

Question agreed to.

Public Works Committee
Reference

Mr NAIRN (Eden-Monaro—Special Minister of State) (4.15 pm)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Facilities upgrade to Shoalwater Bay training area, Rockhampton, Qld.

The Department of Defence proposes the facilities upgrade to the Shoalwater Bay Training Area, Rockhampton, Queensland. The proposed facilities upgrade will provide, firstly, an exercise control building to accommodate the significant increase in personnel and systems that are required to control large joint and combined exercises; secondly, an urban operations training facility to allow combat team training for defensive and offensive operations, screening, search and rescue operations, aid to civil power and evacuation operations; and, thirdly, a live fire capable urban assault range which complements the urban operations training facility. The estimated out-turned cost of the proposal is $11.16 million. Subject to parliamentary approval, construction could commence late this year and be completed by April next year. I commend the motion to the House.
Question agreed to.

EMPLOYMENT AND WORKPLACE
RELATIONS LEGISLATION
AMENDMENT (WELFARE TO WORK
AND OTHER MEASURES)
(CONSEQUENTIAL AMENDMENTS)
BILL 2006
Second Reading
Debate resumed.

Mr HAYES (Werriwa) (4.16 pm)—Once again, we have the Welfare to Work initiatives that were introduced by this government back before us with the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006. They are not here to be improved and certainly not because there is a flaw in the way that they were announced in the budget that is therefore being addressed; they are here simply because of the government’s rush to get the original piece of legislation through, because of their shoddy draftsman-
ship and because they are now seeking to correct those problems. That is the basis of this bill before us today.

I have to make it clear from the outset that Labor will not be opposing the measures contained in the bill, not because we support the initiatives but because to oppose them would mean that those who are affected by this bill would be further marginalised by the government’s incompetence. Let me make it clear and take the opportunity to state the position of this side of the House: Labor believes that if people can work they should work. There is absolutely no debate about that. However, unlike the government, Labor also believes that reducing the support to people who are not working will not equip them for a job. It is simply going to make them poorer. That is what it is designed to do.

Changing the nature of the welfare payments so that some people receive less will not address the issues at the heart of why these people are not working in the first place. A lower payment does not of itself improve the employment prospects of the unemployed—or the disabled, for that matter. A lower payment does not equip people with a range of skills, abilities and experiences that an employer seeks when they are looking to put a person on in their particular workplace. Placing people on a lower welfare payment, even in a time of historical low unemployment, does not make them any more employable. It does not give them any more opportunity to get a job. As I said, it simply makes them poorer. To tackle unem-
ployment, to tackle issues of labour market disadvantage and to improve the employment prospects of the unemployed you need to address issues at the core of why people find it difficult to find employment.

Members opposite, as they have in the past, will obviously paint the Labor Party as defending dole bludgers and defending welfare recipients, and this is because the government’s Welfare to Work measures simply do nothing. Our opposition is because they do nothing to improve employment prospects of people who find themselves unemployed and unable to find work. It is not a matter of simply defending welfare recipients; it is a matter of supporting them in their desire to find real and meaningful work.

Labor understands that, quite frankly, people do find it difficult to find reasonable and gainful employment. I know that is true in my own electorate of Werriwa. Unfortunately my electorate has a high rate of youth unemployment. That does not mean we need to take a stick to the kids who cannot find employment; it challenges us to bring in policies to help equip those young people with the necessary skills that are being sought by employers. That is what real wel-
fare to work reform should be about, and that would be the preferred option. If we were serious about Welfare to Work, we would certainly be designing legislation to assist, to support and to encourage the acquisition of skills and to help people become more competitive as they compete for places in the labour market.

Everybody benefits from being part of the economic mainstream, being part of the labour force. It is certainly infinitely better for someone to be gainfully employed, not simply because they are out of the unemployment statistics and not simply because they are no longer a burden to the welfare system. It is better for them for a range of different reasons: they are personally more satisfied and able to see that they can look after their own families, make a contribution to the economy and also participate in the economic mainstream activity that most of us tend to take for granted.

In my electorate thousands of people are dependent on the disability support pension, Newstart allowance and parenting payment single. I recognise the social importance of economic participation and I am a keen supporter of improving their participation in the workforce. But, as I said, it is not a matter of taking a stick to people; it is a matter of applying the proper infrastructure to facilitate the acquisition of skills that will allow people to either rejoin or, in many instances, join the workforce.

However, the government’s Welfare to Work measures that are being cleaned up by this bill will not necessarily lead to an increase in mainstream economic participation. The government has previously conceded that more than 200,000 people will be worse off financially under the Welfare to Work changes. The government has also admitted that it expects only 109,000 people to gain employment. Assuming that those who secure employment receive wages above their level of benefit, the net result will be that 91,000 people will be worse off because of these changes.

This government, with some twisted version of logic, intends to make almost 100,000 people worse off than they were before without assisting them in any way. This has to be the most offensive thing about these changes. While the amendments before us today are welcome insofar as they clean up anomalies in the government’s original, hastily drafted Welfare to Work legislation, it is nevertheless a fact that around 100,000 people will be worse off due to that legislation. They are going to be worse off financially and worse off generally because they will not receive the support they need to seek and secure employment. They will receive less money, no training and no support services and yet they will be expected to find work.

This government has, in effect, thrown these people on the economic scrap heap to survive as best they can. That is not a real form of motivation, particularly when it is often beyond the immediate capacity of people in that situation to do anything to change their position—particularly people on the disability support pension, and let us not forget about those receiving parenting payments.

As I mentioned earlier, when it comes to moving people from welfare to work, it is not about simply replacing their welfare payment with a job, because it just does not happen as easily as that. This is a difficult time for people; it is a time when people need to be supported and encouraged into work where possible. These measures should be about replacing a handout with a hand up, and that is simply not occurring. There is no support whatsoever contained in the government’s measures.
It is absolutely correct to target welfare dependency and to seek ways to move people off welfare and into work. Labor has advocated, and will continue to advocate, for real welfare reform that achieves that objective. Labor will continue to argue that policies that seek to facilitate the transfer from welfare payments to wages can be achieved only through real welfare reform and should be pursued only if the reforms tackle the reasons why people cannot find work and deliver practical solutions to accommodate this transition. But this is not what the government is about. This government is not about these practical solutions, and that was my objection to the original legislation. The government is about handouts, but not, unfortunately, to those who need them the most.

On budget night we saw just how addicted this tax-and-spend government is to delivering handouts as it goes on its big spend. It spent up big on tax cuts, it spent up big on superannuation and it claimed to be making changes to child care. One thing that was conspicuous by its absence was spending on education. The Treasurer did not even mention a word about that in his budget speech. In fact, Tuesday night’s budget actually reduced the overall percentage of federal funds spent on vocational education and training.

The people who will be impacted most by the measures contained in the bill before us are those who need education and training opportunities the most. Australia is experiencing a skills crisis—there is no doubt. In fact, the government is so sure of this that it has increased skilled migration intake and has come up with the new training visa for those coming from overseas to work in Australia. So, on the one hand, the government has acknowledged that there is a skills crisis where businesses are screaming out for skilled employees while, on the other hand, it is doing nothing to increase the pool of those skilled employees available to businesses throughout this country. The government is looking around and saying that there are some people out there on welfare who should probably be in the workforce, but it does not act to support them or to help them acquire the skills that employers are presently looking for.

Real welfare reform needs to give people a chance to get the skills that an employer is looking for. Despite this reasonably logical view as to how best to assist people’s transition from welfare to work, the government seems to be obsessed with the view that people on welfare should be punished because they are not working. For some reason the government has decided that a much better approach to get people to seek employment is to reduce their payments and at the same time reduce their bargaining power through the government’s extreme industrial relations laws. The people we are talking about who are subject to this legislation are the most vulnerable in our society. There is no question that these people do not have a bargaining position, yet we are using a threat to reduce their welfare payment as their motivation for finding employment. And, as they go to find employment, under the new Work Choices law they really find out the level of their bargaining position.

I take a small liberty in connecting the industrial relations laws with the Welfare to Work provisions, but I would contend that these laws must be looked at simultaneously to see how they impact on people on welfare. They need to be considered together because we are going to see in the not-too-distant future people who have been shifted from one welfare payment to a lower one out there looking for a job—desperate to find work because they are struggling on a lower welfare payment. At the same time an employer out there knows that they are desperate for a job. An employer out there knows that they have no bargaining position. An employer
out there knows that these are the ultimate pricetakers in our society. So, from the very start, you have an even greater imbalance in the bargaining power of the parties. The employer by far and away has the great advantage, when we look at people at this end of the scale—particularly a person who has a disability, a single mother trying to re-enter the workforce or a person on Newstart.

Added to the fact that a number of people seeking employment are likely to be, as I said, disabled or lacking skills and experience, you will find that the government has created a situation where a whole group of people with a limited range of employment options find themselves having to negotiate employment agreements with an employer who is in a massively superior bargaining position. That is not reform. That is certainly not what you would expect in a prosperous country such as Australia. Creating an environment in which employers know that the prospective employee in front of them is faced with the situation of accepting the job, no matter what the terms and conditions are, or losing their benefits hardly creates a reasonable environment to encourage participation. Everyone would know that it is preposterous to seriously believe that this will result in improvements for existing welfare recipients moving to work. Breaking down barriers to participation should be about addressing the starting point to welfare reform.

Earlier today I heard the Treasurer in an interview mention the importance of investment in the promotion of productivity growth and, as a consequence, economic growth. Although that was said in the context of investment in capital, the investment in the skills and education of those in the labour market is also important in the promotion of productivity growth and economic growth. That is why it is a little disappointing that, to encourage people to move from welfare to work, the government has passed up the opportunity to use a carrot and stick approach and has decided to just use the stick.

Most reasonable people would consider that it is appropriate for the unemployed to be assisted with training to improve their skills and employment prospects. Most people would also consider it appropriate to address the root causes of long-term unemployment as a sustainable way of facilitating a transition from welfare into work and increasing participation levels in work. Sadly, it seems that the government is not filled with such an ambition. The impacts of shortsighted and hastily introduced Welfare to Work provisions that have resulted in this bill before us today are not confined to the domain of the disabled and the low skilled. The provisions also impact on single parents—and in the main, as you would appreciate, Mr Deputy Speaker, that really refers to single mothers.

Contrast with the position of this government, which, under family tax benefit B, goes out of its way to encourage mothers to stay at home, the situation in the bill before us which seeks to encourage people off welfare. Mothers returning to work do need to have special support. Great fanfare greeted the child-care measures the government announced in the budget. Those measures may actually assist single mothers re-entering the workforce if more child-care places were created. (Time expired)

Mr McARTHUR (Corangamite) (4.36 pm)—I have listened very carefully to the member for Werriwa and I cannot fully understand the argument that he put forward except that he said that a number of Australians will be worse off. He had no argument against the Welfare to Work legislation that has been put forward by the government. I note his argument is in contradistinction to the former member for Werriwa, who was very strong on these issues and who wrote
I also note the presence of my good friend the member for Throsby and I will be interested in her point of view as she argues the case on behalf of the opposition. I am pleased to contribute to the debate on the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006. This is a bill providing consequential changes as a result of the introduction of the federal government’s important Welfare to Work policies that were passed through this parliament last year and which I spoke to on that occasion. The Welfare to Work policies are an important element of the Howard government’s strong plan to assist families and to keep our economy strong and our nation secure. The government’s Welfare to Work policies and our industrial relations reform are all part of a considered long-term plan to build a better Australia and provide enhanced opportunities for working families and for people who have the capacity to work but who are currently out of work.

In general terms, the Welfare to Work measures introduced by the government last year encourage and assist more people of working age to participate actively in the workforce. A couple of principles underline these measures. Firstly, people who have the capacity to work and are able to work should do so. That is different from the member for Werriwa who argued that 100,000 people would be disadvantaged. I think that nobody in Australia could argue with that first principle. Secondly, the best form of family income comes from having a job rather than welfare. I am sure the shadow minister for immigration at the table would agree with that because he has had a bit of first-hand experience of those situations. For people, having a job rather than being on welfare means more than receiving an income. By being meaningfully employed, a person gains an improved sense of self-worth and dignity from making a contribution to our society and undertaking an activity that is valued by an employer. People who are in employment also have greater control and security over their own life and are not reliant on government agencies. During my contribution to the Welfare to Work legislation debate last year I noted some statistics which highlight how vital it is for the government to act to assist people of working age on welfare into employment. Again, this is contrary to the view of the member for Werriwa, who was talking about those who were disadvantaged. We are actually trying to get people back into the workforce rather than letting them stay on welfare.

It is appropriate to reiterate these points. Australia’s welfare state has grown immensely over the last 40 years and without reform is fast approaching an unsustainable position. Even those opposite would agree with that—the member for Throsby would agree with that if she looked at the figures. You cannot continue to have the workers of Australia sustaining the welfare state as in the UK and other welfare nations. In June 2005, if you look at the figures, we had 705,000 working age Australians who were on disability support—I reiterate, 705,000. We had 630,000 working age Australians on parenting payments, of which there were 450,000 single parents and we had 500,000 working age Australians on unemployment benefits. We know that that is a very low figure, about 5.1 per cent of the population. If you look at the actual figures spent on disability, you see in 2004-05 spending on the
disability support pension exceeded $10 billion. Governments of all colours and those opposite, when they eventually reach government—Mr Deputy Speaker Hatton, you might eventually be there; maybe when I have left the parliament—will have to look at this issue very carefully.

The total welfare budget for the current year, 2005-06, is $60 billion. The parliament needs to take a very careful look at this figure. The major challenge for our country is the fact that, in these prosperous economic times when unemployment is at the lowest level for a generation—as I mentioned before, a 5.1 per cent unemployment rate in April 2006—one in five people of working age is on welfare. Again, I wonder what the member for Throsby will say about that. A total of 2.6 million people out of 13.7 million Australians aged between 16 and 64 years are welfare dependent. That is a very disturbing figure for everyone in this parliament. It is disturbing that we would encourage this welfare dependency and the government is trying to make a change of attitude and approach to this very difficult problem.

Unless checked, such a high level of welfare dependence will have lasting impacts on future generations. Already it is estimated there are 700,000 children growing up in homes where neither parent is in employment. There is a risk in such families that a culture of not working could be created and handed down from one generation to the next. Members in the parliament are aware of that particular scenario. We do have families of three and four generations who have not had a working person in their living families.

In the interests of equity for all Australians, it is vital that the government acts to break the chain of intergenerational poverty and unemployment and to encourage people back into the workforce. It is in this context that the government has acted positively to assist people who have the capacity to work to move out of welfare and into meaningful employment through our Welfare to Work provisions. In particular, the government’s Welfare to Work legislation will address the situation of people who are on the disability support pension—and there are now more people on the disability support pension than there are people on the unemployment benefit. Once people get on the disability support pension, they could stay on the pension for life, irrespective of their ability to work. The most common problems reported by disability support pension claimants are bad backs, feeling stressed and like problems such as musculoskeletal ailments. If you look at the figures, I think it is 34 per cent of recipients who have these hard to diagnose psychological and psychiatric difficulties.

As an active local member in Corangamite, I have visited the local Centrelink office and have inspected some of the forms that disability support pension claimants must sign. Once the box is ticked for the disability support pension for a sore back or a psychological or psychiatric problem, it is very difficult for the administration of Centrelink to check on those individuals to see whether they might have some remedy for those ailments, such as the musculoskeletal—the technical word for a sore back—and to make a judgment as to whether this person has been restored to reasonable health. I think those opposite looked at those problems when they were in government some time ago. However, in many cases people who are on the DSP, especially at young ages, have a capacity to work and it is appropriate that, where this is the case, these people are encouraged to undertake some work. They are not being disadvantaged; they are just being encouraged both financially and by some of the tests to look for work.
The Welfare to Work measures also help encourage single parents on the parenting payment single and those parents on the parenting payment partnered to seek part-time work once their youngest child turns six years old. This is an important measure to help reintegrate into the workforce, in a considered way, those parents of children who are in schooling. These reforms the government has introduced, which were passed through the parliament last year, are important to help assist working age people back into the workforce, to break the cycle of intergenerational welfare dependence and to ensure the national welfare system remains sustainable going into the future. I emphasise the point to both sides of the parliament that the welfare system should be sustainable over time and that if a government does not address the problems of welfare they become almost impossible to fix. I think we have seen that situation arise in the United Kingdom.

The measures in this bill will extend eligibility for certain government benefits to persons not currently eligible to ensure that government payments for working age persons and full provisions of the Welfare to Work policy are consistently applied. Again, the administration of this is important. The minor changes introduced in this bill will cost the government a further $4.8 million over four years. The bill will allow parents who receive the parenting payment partnered who have a temporary incapacity exemption to gain access to the pharmaceutical allowance. In recognition of the impact of the death of a child on parents, the bill will also allow single parents who are receiving the Newstart allowance or youth allowance to continue to receive the same rate they were receiving before their child died for another 14 weeks after the death of the child. The government is trying very hard to accommodate some of the human problems that some of the people on these pensions encounter.

Another assistance measure extended in this bill is designed to help people with the costs associated with commencing employment by extending the employment entry payment. Income support recipients who have breached compliance with activity requirements—that is, people who are subject to a non-payment period—under this bill will still be eligible for the employment entry payment if they find and commence employment or increase the number of hours of employment during the non-payment period. This is a sign of the Howard government’s commitment to assisting people to make the transition from welfare to work. It is a relatively small point, but it does show that some of the changes that we have introduced in this bill before the parliament do assist people to make that sometimes difficult move from welfare, where they collect their money every two weeks, back into a job. That is sometimes quite difficult to achieve, and we are trying to make that transition as easy as possible.

Earlier in the week the Treasurer, Peter Costello, handed down the budget, which has been very well received, as all members understand, by commentators and by the community. The budget will help Australian families with the challenges they face in meeting household costs and planning for their future. The budget delivered personal income tax cuts, enhanced family assistance payments and substantial reform and simplification of our superannuation arrangements. The budget also funded important investment in national infrastructure, including roads and rail networks, which are so vitally important to facilitate the movement of freight around Australia. Efficient transport infrastructure helps our industry to be world competitive, encourages investment and jobs growth, and ultimately lowers transport costs.
and therefore helps to pay for the price of essential goods.

The economy is in good shape. That helps with this bill before the parliament. These reforms, the tough decisions of the past 10 years and the hard, disciplined work of the Howard government have allowed the Treasurer to deliver a budget this week which cuts tax, provides additional assistance to families and invests in infrastructure so that we are better prepared as a nation to meet the future challenges of an ageing population. Just as the government’s past reforms have allowed the delivery of a positive budget, so will the government’s Welfare to Work policies—in conjunction with other elements of the Howard government’s plan, such as our Work Choices industrial relations reforms—be important in helping the economy to continue to grow and to deliver more positive budgets next year and the year after that.

I take the opportunity while speaking on this bill to commend the Minister for Employment and Workplace Relations, my good friend and colleague the Hon. Kevin Andrews, not only for his work in drafting and guiding through this parliament the important reforms—such as Welfare to Work, which we are talking about now, and the Work Choices industrial relations reforms—but also for moving around Australia trying to prepare businesses to implement the reforms in the community to generate job opportunities for unemployed Australians.

Recently, the minister came to Geelong and Corangamite and spoke at the Workforce Tomorrow Industry and Employer breakfast. He was there demonstrating and arguing the case for these transitions for the new industrial relations changes, which I am sure the member for Throsby will embrace in her speech. She is very supportive of these changes. As she sees the light and understands the value and importance of these industrial relations changes, eventually she will understand the merit of the case. If she had been in Geelong, she would have understood the importance of these changes and the advocacy of the minister.

The minister told the meeting that labour market research conducted last year predicts that Australia will face a potential shortfall of 195,000 workers over the next five years. Even the member for Throsby would understand that if we are short of workers that is going to be a problem for industry and the workforce. The ageing population is expected to steadily apply a brake on the potential growth for all major occupational groups forecast to be adversely affected. This will happen even in Corangamite. The minister told the meeting that businesses across the Barwon region would be nearly 3,000 workers short by 2011. That is not far away and businesses will be suffering from not only the shortages of skills but also the actual availability of workers.

In this context Geelong’s employers were told they would face an increasingly limited labour supply and that businesses would need to focus more on the recruitment and retention of workers. Importantly, the point was emphasised that businesses will need to look to recruiting and training people from the Geelong region who would be encouraged to leave welfare and enter the workforce as a result of the government’s Welfare to Work reforms. We see on the ground in Corangamite and in Geelong that these important reforms will assist local businesses and assist people to go back into the workforce because they will be needed and they will be appreciated for their contribution.

The Minister for Employment and Workplace Relations told the meeting that there were 32,000 working age people in the Geelong region in December 2005 who were in receipt of allowances and pensions—more
than one-fifth of the civilian working age population. Again, in my own home town, we have this large percentage of working age population who possibly can go back to work and are receiving allowances and pensions. If employers want to remain viable and competitive and want to continue to grow, they will have to look towards recruiting sole parents and disabled people who are on the disability support pension to meet their workforce needs.

I personally have been very supportive of the Karingal organisation. They have done a fantastic job with some of the local employers in the Geelong region in encouraging some of those people with some disability to go back into the workforce and to receive some payment for their activities. I commend Karingal and some of those companies which have done such a good job in encouraging those people to go back to work, although they are suffering some form of disability.

I commend this legislation. I commend the thrust of the Welfare to Work legislation that has been before the parliament, both on this occasion and on previous occasions. I think this measure and the philosophic thrust of the policy behind it is very important for both sides of the parliament. In the longer term for Australia we will be encouraging people who have some disability, who have some perceived difficulty, to do what they can to get back into the workforce, to reduce that welfare bill and to have an attitude of mind that here in Australia we will not have forever a ballooning welfare bill. I commend the bill, I commend the policy and I hope those opposite will support the broad thrust of the elements of this bill and the policy behind it.

Ms George (Throsby) (4.54 pm)—I am not going to answer everything that has been asserted by my good friend the member for Corangamite. I understand his passionate support for the Minister for Employment and Workplace Relations’ so-called Work Choices bill, as he is a known member of the HR Nicholls Society, but I have always found the member for Corangamite to be a rather fair and compassionate person. Yet his analysis today of the Welfare to Work legislation reveals a cold-hearted bean counter approach that I had never detected before. One might be forgiven for thinking that the member might have had a finger in the pie in developing the government’s Welfare to Work legislation. I would be interested to get an answer from him on that matter, because he seemed to be suggesting in his comments that people with disabilities and sole parents actually choose that state of being and that existence.

I can assure you that I for one support the notion of moving people in a supportive framework from welfare into work, as does the Labor Party. It is good for those people and it is good for the economy. It meets a major economic challenge that we face with an ageing population, but neither he nor the minister or the government have ever answered the fundamental question: how do you help people move from welfare to work when the government’s first response is to cut their existing entitlements—in the case of disability pensioners, with the new work test, by $77 a fortnight, and in the case of sole parents, $44 a fortnight—as some kind of precondition for them finding work? That is what I find most objectionable in this legislation: not the principle, but the actual means of implementing that principle.

I awoke the morning after the budget to the screaming headlines. One of the headlines particularly grabbed my attention: 'Manna from heaven'. I thought: would the people whom I represent in my electorate—the 6,000 people on the disability support pension and the 4,000 mums on the sole par-
enting payment—think that the budget delivered justice and manna from heaven for them, knowing at the same time that the very wealthy were getting the benefits of the largesse, and that come July they in their very low levels of entitlement will be facing quite severe cuts? You have only to look at the largesse. If you happen to be on $20,000 a year, a $7 tax cut per week; on $100,000, a $52 tax cut per week; on $150,000, a $119 tax cut per week. That is $37 billion in tax cuts over four years. I would have thought that a government with that amount of expenditure—with the amount of money it can put out there to try to assist families deal with the pressures of rising inflation, petrol prices and mortgages; with the $37 billion it can afford on tax cuts—might have rethought the very mean-spirited approach it will be taking to sole parents and people on disability support pensions from July this year.

It was not just the tax cut. On top of that there was the reduction in the top marginal tax rates and of course the very generous superannuation concessions. One thing you can be assured of is that sole parents and disability pensioners will never see the generous superannuation concessions that flow, because they are finding it hard to eke out an existence to look after their children. It is no wonder that a growing number of them are among the working poor. It is a mean-spirited approach that really upsets me in a country as wealthy as ours. It upsets me that, with the largesse that flowed to the top end of town, the government in all conscience thinks it is fair to proceed to place an estimated 171,000 Australians at the lowest end of the income scale on lower payments than those under current arrangements. I wonder, again, how those 10,000 people in my electorate feel about this government’s budget.

The other thing that concerns me most about the Welfare to Work changes is the obvious hypocrisy of the government’s position about which families it supports and which it does not, and which families get support to look after their children at home and which families will miss out on that support. As the member for Corangamite well knows, the Labor Party has been pursuing the issue of the very generous concessions for wives of very wealthy people who make the choice to stay at home and look after children in a system that has no means test attached to it. If you happen to be the wife of one of the 76 millionaire families that receive from our welfare system $3,300 in benefits each year, or one of the wives of the 350 men who earn over half a million dollars a year, you are okay: you can stay at home with your child and Australia’s generous welfare support will provide over $3,000 for you to exercise that choice. But if you happen to be a sole parent, when your child turns eight, you will go onto a lesser benefit and your entitlement will in fact be cut by $1,144 from 1 July this year. Is that fair? Is that an incentive to help move people from welfare to work?

I ask why it is that this government, with the means that it has, continues to pursue the stick approach to sole parents, most of whom are there not through any choice of theirs but because of marriage failure. Why is the government going to punish them by reducing their benefits, all in the supposed theory that somehow this will provide them with work, while at the same time extending largesse to people who can well afford alternatives?

The third reason I find inconsistencies in the government’s approach is that it has not, despite all the money that was available, despite the huge surpluses in the last year and in the next couple of financial years—we are talking about $10 billion, $11 billion; huge of amounts of money that have been raised from the community, from working families—addressed the obvious inequity that exists in the very high effective marginal tax
rates that women face. Women in two-income families tell me, ‘Look, Jennie, there’s no point looking for work.’ These are people who would voluntarily go back to work but for the huge disincentive with marginal tax rates of 50 per cent or more. Women in households where there is another income earner tell me that that presents a huge disincentive. By the time they go back to work, pay their transport and petrol costs and find child care—if they are lucky enough to find it—they bring home 50c or 40c in the dollar.

That is exactly the same problem that the sole parent will face. I looked this morning at the headline: ‘Slaving for $2.66 an hour’. I thought: ‘This is a great government. If you happen to be very wealthy and earn $100,000 a year you will have a $52 tax cut but, if you happen to be a sole mum with children, you will be forced to work and you will be getting $2.66 an hour.’ If you do not believe me, let me just quote from where that analysis came:

A budget analysis by the Brotherhood of St Lawrence found a sole parent of two school-age children who takes a 30-hour-a-week job at the minimum wage of $13 an hour would lose about 64 per cent of their extra earnings.

“This parent will also have to pay around $60 a week for child care,” the Brotherhood’s executive director Tony Nicholson said.

“This leaves him or her—usually her, as we know—approximately only $80 a week better off by working. They are effectively working for an hourly rate of $2.66. The government has squibbed. People want to move from welfare to work but the budget doesn’t encourage it.

Our shadow Treasurer, in his earlier portfolio and in his current one, has consistently said to the government that effective marginal tax rates on second-income earners, in terms of the interaction of the tax and welfare system, are really very punishing to people who want to re-engage in paid employment. If you do not believe me, member for Corangamite, I suggest that you look at a very authoritative study recently released by Professor Apps from Sydney University, an expert in this area, who concludes that second earners in Australia face an average tax rate of around 50 per cent, the second-highest in the developed world. She says that the tax and family benefits system is a very unfair system and that it also has very negative impacts on the labour supply or the hours worked by mums.

These effective marginal tax rates are the main reason why we have had a fall in the labour force participation rates for mothers in the 25- to 49-year age group. The participation rate has actually fallen between 1990 and 2003, because women make the judgment that there is no economic incentive as a second-income earner wanting to do some part-time work to actually go to work. They exercise some choice but, for sole parents with children aged eight, from July onwards there will be no choice. The only choice will be that you go, you take the job on offer—and I will come to that in a minute—and, if you do not like the job or if you give it away, even though you might effectively be earning $2.66 an hour, you will lose your benefit for eight weeks at a time. Is this something the government could be proud of?

I shake my head in despair sometimes, thinking about the growing inequity in income distribution, growing inequality, growing levels of poverty among the working poor. When I read and listen to all the fanfare about the wonders and virtues of the budget, when I see the Treasurer smirking and taking great delight in how the top end of town has been so well catered for, and then I think about all those people who, come July, will be hit so hard, I think surely we can do better as a nation than to take the stick to the most disadvantaged and the poorest people in our community.
Nothing that the member for Corangamite said today in his speech answered the fundamental question: how does the slashing of entitlements of people eligible for the DSP or the sole parent payment help them find work? Until he answers that question in a rational way, he cannot expect that this side of the House will just accept the kind of economic parroting arguments that we constantly hear. Yes, of course it is important that people move from welfare to work, of course we need to increase the participation of women—particularly married women, because in Australia the participation rate of married women with children is much lower than the rate in comparable OECD countries. But you cannot do it by taking a stick. You have to do it by looking at the disincentives in returning to work and you also have to put in a supportive framework.

The member for Corangamite mentioned disability providers in his electorate. I have wonderful providers in my electorate too. The Greenacres Association do a wonderful job. I visit them regularly. They do provide assistance to enable disabled people to return to work where they can. But it is not as easy as the member for Corangamite suggests. If it is that easy, can he explain to me why the rate of employment for people with disabilities in the government’s own purview—in its employment—has dropped from 5.6 per cent to 3.8 per cent? If it were that easy, surely governments would lead the way.

I think it is rather simplistic to say that we have to move all these people—implying that they are making the choice to stay—into jobs that often do not exist. For example, if you look at the people on the disability pension in my electorate, the majority of them are mature-age people. Try finding a job in the Illawarra if you are 50 or over. It is not that people are not looking for work. In January this year, in my electorate the full-time teenage unemployment rate was 35 per cent. Those young people are desperate to find employment, and we have some good pilot projects that are working at placing them into apprenticeships. So you also have to have the jobs that will take up the people who are on disability pensions, who are unemployed or who are sole parents. I think you have a very simplistic view of how this operates, with due respect.

I cannot fail to respond to the comments the member made about how the government sees the Welfare to Work program working in harmony with its Work Choices legislation. Of course, the two do intersect and that is another great cause for concern. We know the changes in the Work Choices legislation will drive down wages and conditions. We know there will only be a handful of minimum conditions. We know that things like penalty rates, overtime and shift allowances will no longer be guaranteed. We know that people who do not have much industrial bargaining power will find it very hard to retain their current entitlements. But when the government forces sole parents and people on the disability pension into work, with all the power in the hands of the employers, I know where they will end up: they will end up on the bottom of the negotiating scale. I know there are a few extra places in the JET program for retraining, but what ability will a sole parent who has been out of work for a long time have to negotiate a reasonable job offer? It will be the job on offer. As the member for Corangamite knows, if a sole parent does not take that job she will be in a situation of having her entitlements cut for eight weeks. Just imagine it: if you are offered a job on the most miserable of conditions, and you decline that job, you will be without any income support for eight weeks. So the eight-week non-payment period will apply to sole parents for refusing a reasonable job offer—‘reasonable’, I guess, means a job that provides the legislated minimum
conditions—or, if you decide to leave the job because you think you are being ripped off, you will find that your entitlements will be cut for eight weeks. So it is an issue of how women in that situation are going to put food on the family table.

No-one has explained to me the rationale behind the punitive suspension regime. I cannot believe that, with the largesse that extends to the top end of town, this government could in all conscience support legislation which would leave children and their mothers with no income support for eight weeks—that we would go back to the days of charity where they go to Centrelink and Centrelink says, ‘Well, go to St Vinnies and see whether you can get money to pay your bills.’ I think that is absolutely unconscionable.

Let me quote the words of St Vincent de Paul who raised this matter in their submissions to the Senate inquiry that investigated this legislation. They said:

Our concern lies primarily with the way in which the combination of these two reform agendas—that is Work Choices, the industrial relations legislation, and Welfare to Work—will result in some of the most vulnerable members of the community being pushed off social security and into low paid jobs that will be offered on the proviso that an Australian Workplace Agreement be accepted, even if that agreement results in the lowering of real income and a loss of conditions such as penalty rates. The potential for those AWAs to wreak havoc on the lives of Australian families, especially the precarious positions of single parent families, is very real and profoundly disturbing.

I conclude by saying this to the member for Corangamite. I understand your rationale and your longstanding view about the supposed benefits of industrial relations reform—interestingly, the HR Nicholls Society does not embrace the changes with great gusto; I think it was someone from the HR Nicholls Society that said all the overly prescriptive regulation reminds them almost of a Soviet style command and control economy in terms of what can and cannot be in agreements—but I do not understand how, in the context of a budget that some describe as manna from heaven, the member for Corangamite, whom I always considered to be a fair and reasonable person, can look so well after the interests of the top end of town—the people who do not need a hand-up, the people who are relatively privileged and fortunate and who will benefit not only benefit from tax cuts but from a reduction in the top marginal tax rates and extremely generous superannuation contributions. How in all conscience can you live with yourselves while at the same time punishing and taking a stick to the most vulnerable in our community—people with disabilities and sole parents who are not there by choice—and saying to them, ‘The way you find work is by this government cutting your entitlements,’ in the case of disability pensioners by $77 a fortnight and for single mums by $44 a fortnight, and then telling them to go to the local charity if they refuse to accept a job that should not be on offer and that is exploitative. I do not think in all conscience the government should proceed. (Time expired)

Mr HENRY (Hasluck) (5.14 pm)—The Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005 was recently passed by this parliament. Several additional amendments to social security law are required to ensure that the policy intention of the Welfare to Work changes is achieved. These amendments are contained in the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006, which I am speaking to today. Terminology and provisions in social security law
will be replaced, amended or repealed to clarify the policy intention in relation to particular Welfare to Work measures.

It has certainly been interesting sitting here and listening to the contribution by the member for Throsby on this legislation. She started out by talking about the mean-spirited approach of the Australian government and the impact of this and other legislation on those who are disadvantaged in our communities. But let us just look at the record. Let us look at what previous Labor governments have done to the Australian workforce and community. Under the Labor government’s administration we have had the highest levels of unemployment and interest rates at 18 per cent plus. Compare that with what has been achieved by the Howard government—the lowest rates of unemployment in over 30 years and low interest rates that enable many more people to get into homes, to the point where we have long waiting lists for houses. It is an incredible suggestion that we are mean-spirited. We are providing employment for all—that is, everyone who wants to work—with employment levels at about 5.1 per cent. Talk about mean-spirited!

Let us just look at the net wage increases over the last 10 years. Wages have increased by something like 18 per cent under the Howard government, but during the term of the previous Labor government they increased by just over one per cent. So who is the better government to provide the best advantage, the best opportunity and the best employment outcomes for all Australians? I think the electorate out there have been voting with their feet in the last four elections, because they know who is doing the right thing by them.

This bill contains a number of provisions which effect minor changes in some areas of social security law, such as amendments to allow parenting payment partnered recipients who have a temporary incapacity exemption to have access to the pharmaceutical allowance. The bill will also allow single principal carer parents who are bereaving the death of a child and are receiving Newstart allowance or youth allowance to continue to receive the same rate they were receiving before their child died for another 14 weeks after the death of the child.

This bill also recognises the special circumstances of partnered parents receiving parenting payment who have a partial work capacity due to an illness or disability. It will give them access to various benefits and concessions on the same basis as Newstart and youth allowance recipients who have a partial capacity to work, including the pension concession card. These and other measures in the bill build on the announced Welfare to Work policy and ensure consistency across working age payments.

The Welfare to Work legislation is built on three main principles. The Howard government believes that people who have the capacity and are available to work should do so. There is nothing better than a job. The best form of family income comes from a job rather than from welfare. Services provided to people who have an obligation to seek work should focus on getting them into work as soon as possible. I would have thought that these principles were basic common-sense, but it seems that the Labor Party have a problem with this, although they seem to have no alternative policy. In fact, Labor are a policy-free zone when it comes to addressing welfare dependency and increasing workforce participation. Anyone in our society who cannot work should be provided with a pension, but I would think that the number of people who cannot work is very low.

The Howard government introduced the policy of mutual obligation in relation to
welfare payments, and I am proud to support that policy. It is a policy designed to encourage people to work if they can, to ensure that people do not come to rely on government handouts and to ensure that people who are receiving assistance from the community contribute to the community where they can. The Labor Party is opposed to this policy—a policy which rightly has the support of the vast majority of Australians.

Part of the Welfare to Work package is a change to the parenting payment, requiring single parents who receive it to return to work for at least 15 hours per week once their youngest child reaches school age. I am sure that most Australians would wish they had the luxury of waiting until their youngest child went to school before returning to work, but the Labor Party thinks this is unfair, that it is punishing the parents. In a second reading debate on 30 November last year, the member for Jagajaga said:

This is not the Australian way. Australians look out for each other when they are down on their luck. We give people a hand so that they can get back on their feet. There is no doubt about that. Australians do look after each other and give a hand to get people back on their feet. However, the member for Jagajaga thinks the best helping hand for single parents is to leave them out in the cold, on welfare, until their youngest child turns 16, offering them no encouragement to enter the workforce earlier to maintain or develop their skills. Welfare to Work gives parents a 10-year head start, helping them to build their work skills, to gain work experience and confidence and, most importantly, to move away from reliance on welfare.

With the skill shortages that we are experiencing across Australia today, we do not have the luxury of allowing people who are capable of working and who are willing to work to sit on the welfare fence. Australia’s unemployment rate is at a 29-year low at 5.1 per cent. There is now a shortage of workers, not a shortage of jobs as we experienced under the previous Labor government with an extreme level of unemployment. The shortage of jobs will only accelerate with the ageing of the Australian population. The potential shortfall of Australian workers over the next five years could be as high as 195,000, according to research by the Centre of Policy Studies at Monash University.

Currently, Australia’s participation rate for working-age people is 73.6 per cent. This is well behind other OECD countries such as Canada, Denmark, Switzerland, the United Kingdom and the United States. In order to meet the skill and labour shortages we will experience in the future, we need to ensure that as many Australians as possible are able to participate in the workforce to their highest level of capacity and availability. The Howard government has introduced Welfare to Work as one part of a comprehensive approach, along with a focus on vocational and technical education and training to safeguard Australia against these future problems. It works in harmony with Work Choices for a caring Australia that puts opportunity and employment in the reach of everyone.

The measures contained in the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006 will cost $6.5 million over four years. These measures will ensure the proper delivery of the Howard government’s Welfare to Work legislation, and I commend the bill to the House.

Dr Emerson (Rankin) (5.22 pm)—Labor strongly supports improving the incentives for people to move from welfare to work. Labor believes that those who can work should work and should be encouraged
to work, and that involves removing obstacles—disincentives—for people to move from welfare to work. The member for Hasluck has just said that the coalition introduced the concept of mutual obligation, but it was during the Hawke-Keating years—the member for Hasluck was not in the parliament at the time—that the concept of mutual obligation was introduced, most particularly in relation to unemployment benefits. Activity testing of unemployment benefits was introduced back in the 1980s. It was a controversial move, but it was the right thing to do. So the mantle of mutual obligation belongs to the Labor Party. Labor has always believed that it must be a two-way street—that you need to assist and encourage people to move from welfare to work rather than getting out a great big stick and whacking them on the head, which ultimately is not very effective and is certainly not consistent with a compassionate society.

The amendments before the parliament today in the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006 are minor and technical in nature and reflect the inadequate and poor drafting of previous legislation. Of course, where we can clean up poor drafting, we will endeavour to assist. For that reason, Labor does not oppose this legislation. But Labor did strongly oppose the legislation that was put through the parliament last year, and budget measures have been introduced since that time. I want to take the opportunity to comment on those budget measures and to provide an evaluation as to whether those budget measures have fundamentally changed the position that was contained in that legislation.

The Welfare to Work legislation introduced into the parliament and passed by the government last year is a disgrace; it is a brutal piece of public policy making. About five years before the passage of that legislation, the McClure report was brought down. That report analysed and described a number of ways in which the incentive to move from welfare to work could be improved. After five years of deliberation the government produced this legislation. If you wanted to design a piece of legislation heavily calculated to weaken the incentive to move from welfare to work and keep people on welfare, it would be the perfect legislation. You could not conceive a more damaging piece of legislation which so greatly weakens the incentive to move from welfare to work. Indeed, the legislation strongly encourages sole parents to move from welfare to welfare. Let me explain. The legislation obliges sole parents to move from sole parent pension to Newstart allowance when their youngest child turns eight. In so doing, sole parents lose $29 a week.

Mr Laming—What happens in Europe, Craig?

The DEPUTY SPEAKER (Mr Hatton)—The member for Bowman will get his turn.

Dr Emerson—They are required to move to a second form of welfare, Newstart—a transition from welfare to welfare—and that involves a loss of $29 a week. We heard from the member for Hasluck—and I am sure we will be hearing from the member for Bowman—that we have a great and compassionate government. But sole parents, immediately upon their youngest child turning eight, lose $29 a week. Let us understand who sole parents are. Overwhelmingly, sole parents are women who are struggling to bring up their children. They have been deserted—and, in many cases, physically and sexually abused—by a male. They deserve our support and they deserve our encouragement to move from welfare to work when that is feasible. But they do not deserve the
brutality of the legislation that was intro-
duced and passed by this government in this
parliament last year—and that is what they
get.

In addition to losing $29 a week as they
move from sole parent pension to Newstart,
when sole parents look for work—and they
are obliged to—the income-free area for
Newstart is narrower than the income-free
area for the sole parent pension, which
means they start paying tax and losing ben-
fits at a lower level of earned income. In the
transition from sole parent pension to New-
start, and then into work, there is an in-
creased disincentive to move from welfare to
work. In addition, the rate at which Newstart
is phased out is harsher than the rate at which
sole parent pension is phased out—a second
strong disincentive to move from Newstart
into work. Rather than encouraging sole par-
ents to move from welfare to work, the legis-
lation obliges them to move to a lower level
of welfare and, in the process, erects heavier
and more punitive barriers to moving from
there—Newstart—to work. That is why I say
it would be very difficult to come up with a
scheme that is more calculated to weaken the
incentive to move from welfare to work than
this government has managed to come up
with after five years consideration.

The government announced a review be-
cause it knew there were problems with this
legislation. We on this side of the House felt
that perhaps the government had listened to
the pleas by welfare organisations, other rep-
resentative groups and the Australian Labor
Party to provide genuine incentives—a carrot
to move from welfare to work—rather than a
very big stick. But the government made no
such amendments in that direction. And so,
as a result of this legislation passed last year,
the stick got bigger and the carrot got
smaller—and member after member of this
government has stood up and said, ‘Aren’t
we a great and compassionate government
helping people in this way?’

The truth is that, even given the budget
measures announced on Tuesday night, those
disincentives for single mothers to move
from welfare to work remain very heavy.
Calculations performed by NATSEM and
some calculations that I did myself confirm
that female sole parents in this situation who
move off the Newstart allowance and into
work lose so much through the loss of bene-
fits, income tax paid, child-care costs and
work and travel costs that they are effec-
vitively working for between $2 and $3 an
hour. The government did do something
positive in the budget on Tuesday night by
increasing the low-income tax offset from
$235 to $600 a week. I am especially happy
to acknowledge that, as a number of my col-
leagues have, because I proposed it in the
prebudget submission that I sent to Treasury.
In fact, I proposed that the low-income tax
offset be lifted from $235 to $625. The gov-
ernment lifted it to $600, but I acknowledge
that provides some benefit because there is
effectively a tax-free threshold for sole par-
ents of around $10,000 compared with the
smaller threshold before that.

But, even after taking account of that ef-
f ective lift in the tax-free threshold for low-
inecome earners to around $10,000, according
to the Brotherhood of St Laurence, who have
had the time to do this work, a sole parent of
t wo schoolchildren aged over eight years
who is on the minimum wage and is taking
up a 30 hour a week paid job will still lose
around 64 per cent of their additional earn-
ings, such that they are effectively working
for an hourly rate of $2.66. So the figure is
still in the same range that I and NATSEM
calculated: that is, poor single mothers are
required by this government to work for be-
tween $2 and $3 an hour.
But let us have a look at the story for high-income mothers who are in millionaire families. They are paid $3,300 a year to stay at home while poor single mothers are required by this government to go out and work when their youngest child turns eight for as little as $2.66 an hour. That is this government’s idea of fairness. It is a brutal piece of legislation.

Mr Laming interjecting—

Dr EMERSON—The member for Bowman should know better. The member for Bowman, who has got a medical degree, would have seen plenty of poor people. He would have treated plenty of poor people, yet he is going to stand up in this parliament and say it is all right for poor single mothers to be required by this brutal government to go out and work for $2.66 an hour while wealthy mothers in millionaire families are paid $3,300 a year to stay at home. This piece of legislation is an absolute disgrace, yet one after another government MPs stand up and say, ‘Aren’t we terrific; aren’t we fair; aren’t we compassionate.’ This legislation should have been thrown out. I would have much preferred to see these amendments today contain a line that repealed the legislation that was introduced and passed through this parliament last year.

Mr Laming interjecting—

The DEPUTY SPEAKER (Mr Barresi)—Order! The honourable member for Bowman will get his chance to contribute very soon.

Dr EMERSON—Before I go on to describe measures that would genuinely provide incentives for single mothers to move from welfare to work, put yourself in the situation—if some of the government MPs could do this—of poor single mothers, many of whom have been brutalised by their partner, who are trying to bring up children. They are told by this government that from 1 July and from when their youngest child turns eight they will go from the sole parent pension, losing $29 a week as they go to the Newstart allowance, get activity tested every week and then have large disincentives, big obstacles, to move from welfare to work put in their way. Put yourself in their situation and say: ‘How can I get out of this horrible situation that the government is putting me in? I know: have another baby. That will put the whole issue off for another eight years.’ So let us understand that this government’s legislation specifically has the effect of strongly encouraging poor single mothers to have more children.

If that is the government’s social policy agenda, fine—stand up in this place and say the government’s response to the problem of the ageing population is to encourage poor single mothers to have more children, to perpetuate the cycle of dependency in order to stop the situation where those women are effectively punished for moving from welfare to work. In addition to the disincentives for those mothers to move from welfare to work, if they have a baby not only do they put the problem off for another eight years but also they pick up a $4,000 baby bonus. That is why I say you could not conceive of a set of measures more calculated to keep poor single mothers on welfare all through their baby-bearing lives, continuing to have babies and then creating and perpetuating the cycle of dependency and the cycle of despair. What the government should have done is give poor single mothers some genuine incentive to move from welfare to work and a capacity to do so by offering them proper education support.

Here is yet another chapter in the saga. When they do move and when they are required to move from the sole parent pension to Newstart, eligibility for the education and training support programs is less. It is weakened, not strengthened. So the government is
effectively saying it does not want, and will not support, the training of poor single mothers to improve their workforce skills and to create not only an incentive to move from welfare to work but a capacity to do so. OECD analysis shows that one obstacle that can be removed for mothers moving from welfare to work, which would produce greater participation and help them and help us combat the problem of the ageing population, is to improve child-care benefits. The government did announce some measures on Tuesday night which slightly improve for a limited period of time—

*Mr Hockey interjecting—*

**Dr Emerson**—It does slightly reduce the cost of child care for a limited period of time. But then the mothers are back in the situation of earning $2.66 an hour. The Minister for Human Services at the table says, ‘Oh come on, be generous, be fair.’ What is fair about $2.66 an hour, Minister? You live on the North Shore of Sydney. Do you know anyone on the North Shore of Sydney who would work for $2.66 an hour? Do you expect your wife to work for $2.66 an hour? Do you expect poor people generally to work for $2.66 an hour? That is why I say this legislation is so brutal.

What should happen is that the child-care benefit, which is a good measure, should be increased for people on low incomes. You will then, according to OECD analysis, get some genuine incentive and genuine responses from people to move from welfare to work. But, instead of increasing child-care benefits, the government introduced as a result of the last election the child-care rebate. The child-care rebate is specifically targeted towards higher income earners. Why do I say that? Because it is 30 per cent of the out-of-pocket child-care expenses after taking account of the child-care benefit. The child-care benefit is a properly means-tested benefit. Obviously the government said, ‘We’ve got all these people on high incomes who are saying, “I want help with my child care; this child-care benefit does not give me that help.” Good idea, we’ll come up with a child-care rebate.’

You will not get the increase in participation through the child-care rebate that would have been obtained by increasing the child-care benefit. But, no, the government does not want to do that, because it would be a fair measure to increase the child-care benefit rather than to introduce the child-care rebate, which is absolutely riddled with anomalies and administrative problems. It has been a disaster from day one and an embarrassment to everyone except this government, which is very difficult indeed to embarrass.

If we want genuine incentive to encourage women to move from welfare to work, we would lift the child-care benefit. We would make sure that those mothers get a reasonable take-home hourly rate of pay rather than making the stick bigger and the carrot smaller. I hope I have been able to demonstrate here this evening how unfair and how brutal this legislation is. The government in Tuesday’s budget will spend $20 billion extra over four years and found savings of $2 billion. If you are going to spend an extra $20 billion out of all of the largesse that has been flowing into the government’s coffers through the resources boom, surely you would try to make some extra effort to improve the incentives for sole parents and people on disability support pensions to move from welfare to work.

But this miserable government has not improved those incentives, and the Brotherhood of St Laurence confirms that. Those poor single mothers are still expected to work for $2.66 an hour. The legislation is a disgrace. It just shows that the Liberal Party
of Australia is a brutal administration that believes it can punish poor single mothers for being single mothers and is trying to make their lives evermore a misery. We should be taking the opportunity to repeal this disgraceful legislation instead of debating nitty-gritty points about minor amendments.

Mr LAMING (Bowman) (5.42 pm)—My neighbour the member for Rankin is probably the only person on the other side of the chamber who does take an active interest in OECD comparisons. Quite commonly they are quite unflattering for the opposition in their time in government, so I appreciate that he took the time to even acknowledge them today. Unfortunately for the argument that omitted so many OECD comparisons that were convenient to the member for Rankin, in the very situation he described in great detail throughout most of his contribution, pertaining to single parents who have children turning six and turning eight and being required to attempt to return to the workforce where possible, the simple fact is that throughout most of Europe they are compelled to do so. In fact, there is barely another economy in the OECD that has a system as generous as Australia’s. For that reason I think Australia is completely vindicated in this last 10 years of working to address the very skills shortage we have heard articulated so commonly on the other side by moving towards an active workplace participation model.

It is worthy to just cast our minds back through the range of improvements that have been made over 10 years, which were utterly required as Australia attempted to become a nation that could keep up with its international competitors in what is a very competitive race to preserve quality of lifestyle and to preserve a GDP that makes us competitive internationally, that ensures that our exports are strong and that our population are adequately trained and have an opportunity to enjoy their own endowments and participate in this strong economy that only yesterday was acknowledged by the OECD to be the second most competitive and the second best performing of the economies with a population over 20 million.

Before going into a response to the many speeches we have heard from the other side, it is important to acknowledge that the changes being proposed in the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006 today are in fact very good ones. They pertain to partnered parents who are receiving payments. They extend the right to access a pharmaceutical allowance and, for those who have a partial work capacity, the right to access Newstart and youth allowance and, most importantly, where relevant, the right to access the pension concession card. That is an important change. For single carer parents who do lose a child, this also allows them to access for 14 weeks Newstart or the youth allowance. These are commonsense amendments, and I know there is probably universal support for those changes on both sides of the chamber.

I want to go back to 1998, because the debate that is heard today may seem novel to new members like me. In fact these debates have been held by our predecessors since 1998, when the first proposal was made to end the Commonwealth Employment Service and move to a new and revitalised model. I do not need to read out the quotes that were spoken in parliament at that time, when the end was forecast by the opposition. The belief was that with the end of the CES would come burgeoning unemployment and a collapse in the Australian economy. The same thing was predicted again in 2002 when, following the McClure report, Participation support for a more equitable soci-
We heard that same echo as things continued to improve on virtually every economic marker, with the active participation model in July 2003, which was that very revolutionary model to individually link up those who were receiving support and looking for work with a job provider. I will just make the remark on the side that, as long as unemployment was over 10 per cent of Australia’s population, how could you ever hope to have a personalised approach to engaging people and helping them back to the workforce?

Of course, what has changed in the last five or 10 years is not so much the proportion of people in part-time employment. Australia has been increasing its part-time proportion of employment. It still falls behind one or two European nations, but in the end what we have is a more flexible workforce, an easier workforce to access. I want to give a personal anecdote, because there are certainly plenty of them articulated here. My view, as a person who grew up with a mother who worked part time but did not want to—and there were plenty of mothers out there who could not work part time but wanted to—is that, if there has been one change in the last 10 years, it is that people are no longer forced back to the workforce because they cannot afford horrendous interest rates. There are no longer people sitting outside the economic engine of this country because there are no options to engage in further training and there are no options in the form of jobs in the classified sections of the back end of our cities’ newspapers. The number of jobs being reported each month is extraordinarily high, and I do not need to repeat that unemployment sits at record low levels.

We need to remember that that is a significant change to just 10 years ago, when so many people may well have been working, with just as many part time, but when so many of them found themselves not maximising the very endowments that they had. They did not have the opportunities to study, train or be at home because the very people who wanted to be at home with their children could not afford to and the very people who found themselves working part time could not afford to leave. But what we have now is a completely different situation, with a workforce which is far easier to engage. You only have to walk through a shopping centre and talk to small business proprietors who cannot find people to employ. We have a completely different situation. As has been expressed here before, far better it is to have a shortage of skills than a surplus of labour and people completely disengaged from our own economy.

In 2002 the focus was on increased self-reliance, and that means giving people searching for a job an opportunity for a one-to-one relationship with a Job Network provider. For parenting payment recipients, those obligations really are very minor. I know that the case was made—and it is an almost preposterous proposition—that every
single parent who is on a payment, or at least a large proportion of them, are abused. I do not for a moment wish to dismiss anyone who has ever been in that situation, but to make a ridiculous claim, as the educated member for Rankin did previously, that we need to take our hands off single parents because they are in some way subject to enormous levels of personal and family abuse is just ridiculous. It then suggests that we have to have Centrelink making decisions every day on whether to engage people back into the workforce and whether violence within the home becomes some reason for opting out of the economy.

That is a preposterous claim, as is that it is a heartless proposition to have a form of mutual obligation. If there is one thing we have learnt from the last 10 years, it is the electorate’s willingness to take on the principles of Work for the Dole. Just 10 years ago one would not have dared stand up in a coffee shop and propose Work for the Dole, and now the notion of reciprocity is so accepted in the community. It has been fought tooth and nail from this side of the chamber—and even I, having not been here, acknowledge that that has been the case.

For every change that is made to the workforce and to workforce policy, I acknowledge there will be a battle with the other side of the chamber. And, while I am sure that in your own hearts you believe you are right and that you are often confronted with individuals who come to you with cases of hardship, I put to you that Centrelink does an extraordinary job of dealing with those very exceptions and, where it can within the rules, being as responsive as it can to a community that often has many and varying needs.

One thing you do not hear too much from members of the opposition is that pensions are too low. They themselves have an appalling record of not linking pensions to MTAWE, and there was enormous hardship until that was done by this government. But the proposal that people are then working for $2.60 an hour, as we heard from the member for Rankin, who has a PhD in economics, simply misses the point that this is a subtraction of a currently very strong welfare payment from average wages. That is where he gets the figure of $2.60 per hour. Prefaced upon that figure, of course, is his belief that every single person is entitled to a pension and that, if you go back to work, there has to be $200 a week to make it worth while for you. Once again, that is a preposterous way to treat the welfare system.

I am proud of the very strong welfare platform that this country can boast. If it is only an extra $200 a week one might earn to go back to work, that is a decision that every individual is free to make. But to say the marginal tax rates are unfair—and, sure, they are higher than they are in a number of other economies—only reflects that other countries have a lower pension system and that other countries may choose to taper out at a different rate. That is where a marginal tax rate is calculated from. A high marginal tax rate for those returning to the workforce is simply a product of a very high welfare payment and a tapering that does not extend all the way up to people earning $50,000 per annum. Were we to do that, I am sure we would be criticised by the other side for having middle-class welfare.

The Treasurer made the decision to increase family tax benefits to those earning $40,000 a year. That was an important decision—not criticised by the other side—which addressed those marginal tax rates, making it easier for people to return to the workforce. It is also important to note that the changes to participation requirements are not as onerous as has been proposed by speakers from the other side. There is already a range of
automatic exemptions available for some parents and applied case by case. I think we too easily tend to criticise Centrelink in their efforts to apply those case-by-case exemptions, but I know personally from having observed the work of the Centrelink offices in Cleveland and Capalaba that they are doing that and doing it every day.

For very long term job seekers a system called Wage Assist is valuable. There are full-time work for the dole activities for the very long term unemployed, particularly those who have made a genuine attempt to look for work—and that is what is asked for. It is never noted by the other side that there is not an obligation to go back and work for a certain hourly rate; an option as part of the obligation is to participate in voluntary engagement. There is always the option to do voluntary work as well, and it should be noted that that does not affect payments. In addition, people with disabilities will have access not just to vocational rehabilitation through Job Network, which we well know, but to the disability open employment services as well.

The supporting employer strategy promotes involvement by employers in these partnerships, which is important. Principal carer parents do not have to accept work if there is no appropriate child care or supervision available in the hours during which the parent is working. These sorts of details are often glossed over, papered over, by the opposition when they attempt to portray an effort to do what is only responsible for a government—to return our participation rates to somewhere near OECD and developed economy averages. They attempt to paper over these very important exemptions, including those for single parents of large families, and portray them as being unnecessarily heartless.

When we make these comparisons, it is worth noting that the number of jobless families in this country is the third highest in the OECD. We also have the lowest employment rate of people receiving disability support benefits of the major OECD economies, which means that once a person is on a disability payment in this country they stay on it for an average of 10 years, and the number of people who earn additional money on top of their disability payment is around 10 per cent. For seniors who are receiving a seniors payment, that figure is around 38 per cent. We know by comparison that these figures are extraordinarily low. I think it is a responsible government that engages that proportion and asks, ‘Why is there not an incentive for this proportion of our population to return to work?’

We just need to look at the basic numerator that we are talking about here: there are 2.6 million Australians receiving these payments out of 13.7 million people of working age. That is 20 per cent. In very few countries in the OECD is it more than 10 per cent. It does not take a great deal of maths to ask, ‘Why are there 20 per cent of disability payment recipients in Australia and around 10 per cent or fewer in other OECD economies?’ I am not for a moment saying that one person is or is not disabled, but there needs to be a very good case made by the other side of this chamber for why 3.7 million Australians are receiving disability payments when we are not seeing that reflected overseas. I think a responsible government would look closely at those figures.

Of course, we know that, when you are without a job and are receiving income support in isolation, that is correlated with—not a direct cause of but correlated with—lower wellbeing, and with that comes all of the socioeconomic ailments that we are aware of, including engagement with schools and outcomes for children. These are the reasons
why we are working very hard to see families re-engage with the economy. That is the underlying drive—that is why these three small but worthy amendments are being proposed today and why I support in here and in Bowman the changes being made both today and through an ongoing process to give every Australian, regardless of their background, an opportunity to engage with the economy. It is all starting with local Centrelink offices and it is a campaign that I support strongly.

Ms HALL (Shortland) (5.57 pm)—In the very short time that I have to contribute to this debate on the Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) (Consequential Amendments) Bill 2006 tonight, I would like to pick up on some of the points raised by the member for Bowman. I start by saying very strongly that I support the right of people to work. I appreciate the fact that people, where they are able to work, should be able to work. Prior to entering parliament, I had a lengthy career of fighting for people with disabilities to have the opportunity to enter the workforce. It is because of my background in working with people with disabilities, assessing their suitability for work and looking for suitable employment for them that I have been so opposed to the Welfare to Work legislation—not because it is about moving people from disability support pensions into employment but rather because I have always believed the legislation is quite flawed. I believe that, when drawing up this legislation, the government have disregarded a lot of professional advice that they have been given.

One of the most important things for a person with a disability is to feel that they can move from the disability support pension to work. The role of government in that is to minimise the risk and to empower them to feel that they can succeed. The moving of a person from welfare to work should not be about moving them from one benefit to another, which is what I believe has happened with this legislation. The government has decided, in its wisdom, that people on disability support pensions should be moved to Newstart allowance. That will make it even harder for a disabled person to return to the workforce.

People with musculoskeletal disabilities have been targeted by this government as having insignificant disability. Anybody who has had any experience working with disabled people can attest to the fact that these people are just as disabled as those who suffer from other injuries. The government has shown its lack of understanding and direction, and this has been reflected by punitive legislation. The original Welfare to Work legislation, which we debated in December, was flawed, and it is because of its flawed nature that we are here today debating this amendment. I seek leave to continue my remarks when the debate is resumed.

Leave granted; debate adjourned.

BUSINESS

Rearrangement

Mr HOCKEY (North Sydney—Minister for Human Services) (6.00 pm)—I move:

That business intervening before order of the day No. 7, government business, be postponed until a later hour this day.

Question agreed to.

Sitting suspended from 6.00 pm to 7.30 pm

APPROPRIATION BILL (No. 1) 2006-2007

Second Reading

Debate resumed from 9 May, on motion by Mr Costello:

That this bill be now read a second time.
Mr BEAZLEY (Brand—Leader of the Opposition) (7.30 pm)—This budget fails Middle Australia and mortgages our kids’ future. That is why tonight I want to speak to the families of Australia about our shared hopes and aspirations for the future. I want to speak directly to the millions of Middle Australians at home with their families in the suburbs, the country towns, the cities and the bush. This is for them. Probably they are just finishing dinner, washing the dishes, helping the kids with their homework, all the time trying to keep half an eye on the TV—managing the competing demands that crowd each waking moment; sitting at tables in kitchens where the magnets chase the bills around the fridge door until payday; figuring out if there is enough in the bank to cover this month’s mortgage or if there is enough petrol in the car to get to the child-care centre, then school, then to work and then home; doing the mental arithmetic of family life; tired at the end of another working day, knowing it starts all over again tomorrow. They are the ones I really want to speak to—not the politicians, not the journalists. The people who are important to me and crucial to our nation’s future are the families of Middle Australia, the ones who have built our prosperity, because after 10 long years of the Howard government they deserve a break—not an easy ride or a handout, just a fair go; reward for all the effort they have put in to build our national wealth; recognition that our future prosperity rests squarely on them.

I have one critical message for them: millions of Middle Australian families will build the next generation of prosperity and I will reward them for it when they do. Middle Australians need a government that makes their lives simpler, not more complicated—that lightens the load, not weighs them down; a government that gives parents the time and flexibility they need to do the most important job there is—raising the next generation; a government that looks at those kids and sees the prosperous future of an entire nation and that understands that investment in the hopes and aspirations of Australian families brings the dividend of a modern dynamic economy.

Mr Speaker, through you, I say this to the families of Middle Australia: tonight I seek a binding agreement between us—between you and the government I will lead. Tonight I announce my pact with Middle Australia because, quite simply, it is your hard work, the hard slog of Middle Australia, that has generated our economic good fortune. Looking ahead, Australia is counting on you to do the next round of heavy lifting that will deliver future prosperity. We are relying on you to drive a new wave of economic prosperity and it is about time you got something back.

So my pact with Middle Australia has at its core one promise. Through you, Mr Speaker, it is this: under a Beazley Labor government, when you put in you get back. Here is the deal: when you work hard I will make sure you get a tax system that rewards you. When you put in those long hours at work and at home I will give you more time with the kids. When you do your job properly you will have the certainty that job security provides. When you work overtime and on public holidays I will protect your penalty rates. When you want to learn and train I will ensure you get all the support you need. I will ensure that when you put in you get back.

And I will correct a great wrong imposed on Middle Australia, on the people who built the good times but who have long been dudged by the government and again this week by the Treasurer. There have been five budgets without a decent tax break. Then $10—$10 already gone, gone on the triple
whammy: wages threatened, rising interest rates and soaring petrol prices.

Fair dinkum, this Treasurer is like a poker machine. You put in, you pull the arm—nothing. You put in again, another pull—nothing. Time after time—nothing. And then, at last, the lights flash, the bells ring, crowds gather round, ‘Jackpot!’ the Treasurer crows—10 bucks. That is the drop—10 bucks. Surely, Middle Australia deserves better than this.

Day in day out, they are putting in and getting too little back, giving so much, working so hard for so little in return. No wonder they are thinking, ‘If the economy is so good why am I under so much pressure?’—why paying the bills and filling the car and servicing the mortgage gets tougher, not easier; why they are forced to endure all the pain of extreme industrial relations changes without any economic gain for the country. How can this government be so pleased with itself? It has dunned Middle Australian families and mortgaged our kids’ future.

My pact with Middle Australia

The Treasurer has a budget for today—and we have a pact for tomorrow. He smirks at the future; we embrace it. I look ahead to a deal with the millions of Australians he has neglected—a deal that will guarantee our future prosperity. My pact with Middle Australia has that one core promise: when you put in we will put in. We will get rid of the ‘double drop-off’.

Skills

Second, when Australians want to learn a traditional trade to become one of the skilled workers the country desperately needs, they should not have to pay. My government will get rid of TAFE fees for the traditional trades. If you do a traditional apprenticeship, you will not pay TAFE fees. I want to get more of the skilled workers our economy needs. So we need to get rid of TAFE fees for the 60,000 traditional apprentices who start training each year.

Labor’s priority is clear: train Australians first and train Australians now. That is why I announce tonight that a federal Labor government will set up what I call skills accounts to help Australian families save for training and skills. And we will make an initial deposit of $800 per year, for up to four years, in an apprentice’s skills account to get rid of up-front TAFE fees—$800 a year for the kid in Blacktown who wants to be a plumber; $800 a year for kids in Wynnum.
and Townsville who want to train to be electricians, welders, motor mechanics, chefs and hairdressers.

To help solve Australia’s massive shortage of child-care workers, I will extend my skills account plan to get rid of TAFE fees for the thousands of Australian trainee child carers who start courses each year. So I announce tonight that a federal Labor government will get rid of TAFE fees for eligible child-care courses by making an initial deposit of $1,200 per year, for up to two years, in a trainee’s skills account. Young people training to teach and care for our kids can use this to pay up-front fees at a TAFE or eligible provider—or they can use it for materials and resources charges.

This country made a mistake when we turned our back on trades education in schools. So tonight I make these commitments. Labor will give every Australian student the opportunity to study at specialised trades schools. We will give younger students the chance to try their hand at a trade with the Trade Taster Program. For older students there will be more school based apprenticeships. I will invest in real apprenticeship schemes, not the fake apprenticeships that use our kids as cheap labour and give them no skills. And I will deliver a $2,000 trade completion bonus to encourage kids to finish their courses and produce an extra 10,000 tradespeople—the plumbers, the builders, the child-care workers that we need now.

My commitment tonight is this: when Australian kids want to learn a trade my government will be there to help them, and when mums and dads need child care to go back to work I will make sure they can find the child care they need.

Unfair dismissal

Third, no unfair dismissals. When you do the right thing at work, you will not be unfairly dismissed. I will tear up this government’s extreme industrial relations laws and establish genuine protection for anyone who is unfairly dismissed. The Howard government’s law gives supervisors and bosses the green light to sack a worker for any reason or no reason at all. What we need are balanced laws to protect both employers and employees from rogue behaviour, not one-sided rules that give employers all power over their staff—a system that gets Australian values back into the way we work.

That is why I announce tonight that a federal Labor government will put in place a new system to protect working Australians from the threat of unfair dismissal—a simple process for resolving claims which gets the balance right, protecting both sides. In addition to that, we will let employers and employees negotiate over family-friendly conditions and safety training, without any exceptions, and which are capable of being incorporated in any agreement that they arrive at. That is my commitment to working Australians. When you put in every day to build our future prosperity, I will give you the job security you deserve.

Foreign apprentices

Fourth, no foreign apprentices. If you are prepared to learn a trade, you will not have to compete with foreign apprentices. I want young Australians to get the training opportunities they deserve and which the Australian economy so badly needs. As long as young Australians in Launceston and Gosford are being turned away from apprenticeships and TAFE, I will not allow foreign apprentices to take away their chances in life. We have already had 270,000 extra skilled workers enter this country over the last 10 years, but 300,000 young Australians have been turned away from TAFE. And we are seeing Australians laid off while foreign
workers take their places on conditions no one should have to put up with.

Now the Prime Minister is allowing foreign apprentices to come to Australia and take apprenticeship places here. He is even giving businesses incentives to take them on. These foreign apprentices are headed to regional areas where youth unemployment is already too high and wages too low. To get their visas, foreign apprentices must accept whatever wages and conditions are on offer—and young Aussies have to compete with them. If they do not like it, they lose their visas and they are out. Over time, this will ruin the job prospects of young Australians.

That is why I announce tonight that a federal Labor government will abolish foreign apprenticeship visas. No government I lead will import foreign apprentices from overseas while Aussie kids are turned away from training. It is just plain wrong. So this is my commitment: train our kids first, before you train anyone else’s.

**Broadband**

Fifth, real broadband for your kids and your business. If you invest in a computer for your kids’ education, they will have real broadband to equip them for the learning of the future. Australia needs a ‘fibre-to-the-node’ broadband network across the country. To you and me, this means a broadband system 25 times faster than the sorts of speeds available in Australia today.

That is why I announce tonight that a federal Labor government will invest in a joint venture with telecommunications companies to build this super fast computer network. Labor would draw on the $757 million Broadband Connect program as well as provide an equity injection from the $2 billion earmarked for the Communications Fund to deliver the public funding of this partnership with the private sector.

This will deliver broadband that can instantly download documentaries, educational software and digital books; broadband that can host virtual classrooms where children could video conference around Australia—a digital school of the air for all. Plus we will offer a ‘clean feed’ to parents who want to make sure their kids are learning on the internet, not being exposed to pornography and violence.

Half a century ago Labor imagined an Australia where every child had a desk with a lamp to study on at night. Tonight this is my commitment: when you put a computer on that desk, I will give you a connection that plugs you into the world and brings every book ever written into your home. This is an investment in national infrastructure that equips our kids for the future—part of my plan to rebuild Australia’s crumbling road, rail, ports, electricity and communications networks.

We will take the politics out of infrastructure spending with an independent expert body—Infrastructure Australia. We will make it easier for super funds to invest in infrastructure, and we will set up a Building Australia Fund to invest in the productive infrastructure of the future. When Australians want to compete in the world I will make sure they have the 21st century infrastructure to take on the world’s best and win.

**A pact for future prosperity**

Why a pact like this for Middle Australia? Because it is Middle Australia that has driven 14 years of prosperity. With proper rewards and the right incentives, Middle Australia will have the capacity and the will to lead the next generation of economic growth too. Right now our country has great opportunities. And I have great hopes for our future—an unshakeable faith in the Australian people. I know their talent, ingenuity, hard work and good humour is unmatched. The Bea-
consfield miracle is proof enough of that. If only I could say the same of this government. If only I saw at the cabinet table the values I see at the kitchen tables of ordinary Australian families.

World economic conditions have given this government the best luck, the best opportunities and a real chance to do something for the nation not just for themselves. Australia is part of the fastest growing region in a world economy that is growing at its fastest rate in 30 years. This on top of mineral prices soaring to record levels, export prices at their best in half a century and, globally, lower interest rates than anyone can remember. The minerals boom is putting an extra $160 billion straight into this government’s pockets. There has never been anything like it. Yet where has it gone? What can we point to that lasts?

With the minerals boom, the Treasurer had a once-in-a-lifetime chance in this budget to set Australia up for the 21st century and he blew it. Just imagine what we could be achieving. Just imagine if this government were making real investments in our schools, TAFE colleges, universities and research labs so that we led the world with the best trained workforce. Instead, Australia is the only advanced country that has actually cut its public investment in training in professions and trades—minus eight per cent over the last 10 years; the next worst industrialised country, plus 15; OECD average, plus 38.

Imagine if they were building a communications network that gave all Australians access to world class internet infrastructure. Instead we lag behind, with internet infrastructure that leaves us trailing the rest of the developed world and even Slovenia and the Slovak Republic. Imagine if people could drive through cities like Sydney, Brisbane and Melbourne without it taking half a day’s work to get to work. Imagine if we had a government with the foresight to deal with climate change now, so that great Australian icons like the Great Barrier Reef and Kakadu are still there for our grandkids. Imagine if we had a government which thought enough of pensioners to give them a decent break. Imagine if infrastructure decisions were taken in the national interest not just the interests of The Nationals. Imagine if we had a government that governed for Middle Australian families instead of governing for themselves and their mates.

If this government thought that any of these things were important, it would be doing more, much more—more to lift workforce participation and productivity; more to build a better future for our kids; to fireproof our economy from future risks; nation building. Instead our kids’ inheritance from this government is foreign debt reaching half a trillion dollars and growing faster than ever before—one of the world’s highest foreign debts.

For our kids, this government leaves a massive burden—already $500 million of interest payments every single week, while Australia racks up even more debt with the worst run of trade deficits in our history. Even the Treasurer’s own department has finally warned this year that Australia’s foreign liabilities ‘cannot continue to rise forever’. Things are good right now because of the years of hard slog by Middle Australia. But, according to the Treasurer, he is the one who has created the good times.

Government members interjecting—

Mr BEAZLEY—They are into the self-congratulations again. You had nothing to do with it; it is all them. You only have to look at the Treasurer’s smug capering on the day that interest rates went up. We remember that. He was like Wile E Coyote in momentary triumph before the anvil falls. You only need to see that to see what he really thinks
of Middle Australia. For 10 years he has ignored the long hours they have put in and the sacrifices they have made to achieve our nation’s economic success. And still he refuses to acknowledge that, if we are serious about building our future prosperity, Middle Australia must start getting something back.

Mr Speaker, what has this budget done? When the budget party is over, when the back slapping is done, when the tuxedo has been dry-cleaned and the champagne has run out, what is left in the morning? Nothing to help Middle Australia build the nation’s future prosperity because, to build that future prosperity, Middle Australia needs a lot more than just tax relief. I support the modest, overdue tax relief that Middle Australian families received in the budget. They will need every cent of it, especially when they are facing the triple-whammy of higher interest rates, higher petrol prices and extreme industrial relations changes. So of course I welcome this tax break for the families of Middle Australia. But I make this point: no tax cut can make up for your losing your penalty rates. No tax cut can make up for your being unfairly dismissed. No tax cut can find you extra time to spend with your family. And no tax cut will give back the jobs that the Ballarat apprentice welders lost to Chinese workers.

My point is this: sure, the government is offering tax cuts, and I support them, but I will also deliver job security, education and training, child care and nation building. That is my pact with Middle Australia because, like me, Middle Australia is asking: what else? Where is the down payment on the future? Where is the investment in skills, in kids and in families? Where is the vision that Australia needs—the vision we need to build prosperity?

This budget fails Middle Australia and mortgages our future. It has no plan to take pressure off interest rates. If interest rates go up again, Middle Australia knows who to blame—the Prime Minister. Prime Minister, if your failure to fix the skills crisis forces interest rates up again, the buck stops with you. If your failure to show national leadership on infrastructure forces up interest rates up again, the buck stops with you. And if your failure to turn around Australia’s current account deficit forces interest rates up again, the buck stops with you.

Mr Speaker, there are dangerous holes in this budget. There is no plan to free us from being hostage to Middle Eastern oil prices, no plan to develop new Australian fuels, no plan to fix our crumbling infrastructure—clogged roads, slow internet connection, near empty dams and overburdened ports—no plan to stop kids from being turned away from TAFE colleges or, if they get into uni, ending up with a debt the size of a home mortgage, no plan to tackle the growing crisis in kids’ health and no plan for child care.

We have these plans and we have these ambitions. And I can do these things because there are some things I will not be spending money on. Unlike the Howard government, I will not splurge a billion dollars on advertising—and they have got millions more through these budget papers. I will not spend a billion dollars on their war in Iraq—the wrong war, a war where Australian money bought Saddam’s bullets—and I will never spend half a billion dollars with lawyers and consultants to impose a nasty dog-eat-dog industrial relations system on hardworking, decent Australians.

This government’s legacy is this: a nation not equipped for the future, an economy vulnerable when the sun stops shining, a government that does not reward Middle Australia. Under its watch, the boom times are not building future prosperity; they are building foreign debt. This government is not laying
the solid foundation our kids need for a prosperous future. That is what Middle Australia needs—a government that will build a future for our kids and the country—one that builds prosperity; a government with new economic policies based on Australian values—one that will protect the Australian way of life; a government with my blueprints to tackle skills and infrastructure, climate change and children’s health, Australian fuels and national security; a government with my pact with Middle Australia—a pact to end the ‘double drop-off’, to get rid of TAFE fees in trades and child care, to end unfair dismissals, to train Australians first and to give our kids a high-tech future. In short, a pact with one crucial promise: you put in you get back—a promise at the heart of every policy I will take to the next election.

The Treasurer has always been arrogant. He has not changed. But the Prime Minister has changed. Remember his annual family holidays at Hawks Nest? Not anymore. Now it is Washington, Ottawa and Dublin. When the Prime Minister leaves Australia tomorrow, I will stay and fight for Middle Australia. I will not cut and run from a debate on industrial relations or a debate on our national future or from an election fought in Middle Australia. I will not cut and run from a debate on industrial relations or a debate on our national future or from an election fought in Middle Australia. When I am Prime Minister, expect three things: expect nation building, expect Australian values at work and, most of all, expect me to reward the hard work of Middle Australia—because, under a Beazley Labor government, when you put in you get back. My pact with Middle Australia is the way forward.

Mr Abbott—A speech by Bob Ellis, plagiarised from Newt Gingrich, I move:

That the debate be adjourned.

Question agreed to.

House adjourned at 8.03 pm

NOTICES

The following notices were given:

Ms George to move:

That this House

(1) expresses its concerns about the impact of the new guidelines for the CDEP program which are to apply from July 1, 2006;

(2) draws attention to the positive outcomes of CDEP, which has been the mainstay of employment for Indigenous Australians;

(3) recognises the unacceptably high rates of Indigenous unemployment across the nation;

(4) notes the small percentage of Indigenous Job Network participants who gain long-term and full-time employment;

(5) expresses serious concern about the future viability of CDEP in urban and regional areas with the introduction of a maximum limit of 52 weeks in CDEP for new participants; and

(6) calls on the Government to recognise the value of CDEP as the mainstay of employment and community development for Indigenous Australians.

Mr Baird to move:

That this House calls on the United Nations to:

(1) substantially increase the level of aid to the Darfur region of the Sudan;

(2) call upon member nations to provide peacekeeping forces to quell the civil war currently taking place in the country;

(3) lift the profile of this catastrophic situation that confronts Darfur and the conflict which has already claimed 300,000 lives and seen 2.4 million people displaced;

(4) work effectively with the NGO’s to ensure a substantial lift in the level of privately sourced aid going to the region; and

(5) ensure that maximum cooperation is given to peace negotiations.
Thursday, 11 May 2006

The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Mr David Hicks

Mr ALBANESE (Grayndler) (9.30 am)—The announcement today that the Howard government has reached agreement with the Bush administration for a prisoner transfer process if David Hicks is tried and convicted by the US military commission is an almost insignificant concession that goes nowhere near the need to address the principles here at stake. This small concession comes with further astonishing conditions. After spending 4½ years in Guantanamo Bay, if convicted, David Hicks would re-serve those years—that is, time he has already spent incarcerated would not be deducted from his sentence.

This is the deal the Howard government has cut with the US for an Australian citizen. It compares with British actions. Overnight, British Attorney General Lord Goldsmith has described Guantanamo Bay as a symbol of injustice. He stated that it undermines the United States’s position as a beacon of liberty, freedom and justice.

Some may think David Hicks is guilty; others may disagree. But, ultimately, what anybody thinks about David Hicks is irrelevant. His guilt or innocence is not for us to decide. It must be decided within the context of a fair and just trial, consistent with international law. Such trials are even afforded to dictators like Saddam Hussein and are the cornerstone of democratic societies, yet they are not afforded to prisoners of Guantanamo Bay, who face trial by military commission.

Britain, a key ally of the US in the war on terror, has successfully demanded the return of nine of its citizens from Guantanamo Bay, saying the military commissions do not uphold basic standards of international law. This has led to David Hicks applying and now being eligible for British citizenship. Other countries including Spain, Russia, Pakistan and Saudi Arabia have secured the release of their nationals. Highly respected legal figures such as Lex Lasry QC have said there is ‘an unacceptably high risk that there will be a miscarriage of justice’ if David Hicks is tried at Guantanamo Bay. In February this year, a UN report found that the US has failed to comply with international human rights and law of war obligations by detaining indefinitely and without charge hundreds of men in Guantanamo Bay. These facts are appalling.

In speaking against the antiterror legislation in November last year, I said that Australia’s response to the terror threat must be consistent with our democratic values and freedoms. This is as true for David Hicks as it is for any person accused of terrorism inside Australia. Civil liberties and democratic rights cannot be sacrificed in order to protect freedom, for in doing so we tear down and undermine what we claim to uphold. Justice is only done when it is afforded to all, even to those who seem least deserving. Of the estimated 500 or so prisoners still held in Guantanamo Bay, only 10 have been charged. Mistreatment, cruelty and other serious allegations of human rights abuses against prisoners have seeped out since the camp was set up. This is not justice. I applaud David Hicks’s parents for their resolve, and I also applaud David Hicks’s lawyer, Major Michael Mori. (Time expired)
Preston Beach Development

Mr RANDALL (Canning) (9.33 am)—I wish to bring before this House today an issue of concern in my Canning electorate in a tiny beachside hamlet called Preston Beach. Preston Beach, like many other parts of Western Australia, is undergoing potentially huge development. Currently there is a proposal on the board for something like 1,500 to 2,000 new blocks, just in what was once described as a ‘beach shack’ development on the edge of the Indian Ocean. What concerns me is that currently the Waroona Shire Council has approved a development of something like 150 so-called shacks. These shacks are to be developed by a company called Rapley Wilkinson as timeshare units on the former caravan park site. The biggest concern about this is not the fact that they are developing these beachside shacks to use for time share but the fact that they are developing them without an integrated sewerage system. I will explain this.

The Preston Beach area is located on what is called the Ramsar wetlands. In fact, the correct title is the Ramsar listed Peel-Yalgorup river system. Because they cannot connect to an integrated sewerage system in this area, they are going to put in, as a replacement, a biosewage system called BioMAX. BioMAX sewerage systems work on small lots but not on development sites of 150 lots, as in this case. They need to be continually maintained. It is not an ideal situation. When there is a huge development of more than 1,500 blocks, an integrated approach to sewerage and water in this pristine area of Western Australia should be considered. Not only is this Ramsar wetlands an area of environmental sensitivity; it has been listed as a World Heritage site because it contains within it ancient stromatolites. The concern about not having a proper sewerage system, as occurs in this case, is the seepage and drainage which may head towards these marvellous wetlands.

I have raised this issue with Senator Ian Campbell, as the Minister for the Environment and Heritage. I have carbon copied a letter to the state Minister for the Environment and the state Minister for Water Resources and his CEO, because I fear that this spot development allowed by the Waroona Shire Council will advantage these developers—when somebody else comes along at a later stage to put in a proper integrated system, they will get on the back of it without having made a contribution. There is so much more I could say. I would like to table the letter I have written to the environment minister, which will explain much more of my concern.

Leave granted.

Calwell Electorate: Medical Services

Calder Highway

Ms VAMVAKINOU (Calwell) (9.36 am)—On 28 March this year I rose to speak in this place about a massive reduction in the after-hours GP services at the Dianella Community Health Centre in my electorate of Calwell. I tabled petitions of 1,406 signatures of very concerned residents calling on the federal government to provide the much needed funding to continue this vital service. With the failure of the federal government to date to provide this funding—and we are talking about $150,000 per annum to restore our after-hours services—understandably our community’s frustration is growing. But so is the community campaign.

As such, today I have a further 818 signatures to add to this ongoing community petition, which I would like to table. The petitions that I would like to table today, together with the
ones that I tabled in the last sitting, give us a total so far of 2,224 signatures—not to mention over 700 letters that have gone to Minister Abbott regarding this matter. I want to make the point on behalf of my community that we will continue to petition the federal government until such time as those necessary funds are made available to restore this very vital community service.

The Dianella Community Health Centre is now engaging in a partnership with the Northern Division of General Practice and will be applying for funding under the government’s around-the-clock Medicare program. My constituents and I would like to plead with the federal government—in light of the massive budget surplus and its commitment to the wellbeing of the Australian community—to provide the funds required to continue this vital service.

I would like to table another petition today regarding an issue of concern to the people of Sunbury in my electorate of Calwell. I refer to the Calder Highway, which is a main arterial road, a federal road, that runs through my electorate and the neighbouring electorate of Gor-
ton. The Calder Highway is horrifically dangerous and congested between the intersections with Kings Road, Sunshine Avenue and Calder Park Drive. There have been a record number of serious traffic accidents along the Calder Highway resulting in deaths and injuries—not to mention the countless and endless delays for motorists who use that arterial road to go to work and to return home. In fact the situation has been so bad at times that VicRoads have had to temporarily seal off some entrances and exits.

The petition that I have today of some 492 signatures, and more to come, calls on the House to (a) acknowledge that this section of the Calder is in desperate need of upgrading, (b) guarantee funding for the construction of proposed interchanges at Kings Road, Calder Park Drive and Sunshine Avenue, (c) subsequently enable the intersections with Robertson's Road to be closed and (d) support the general improvements to the Calder Highway. The Victorian government recognises the urgency and is prepared to provide 50 per cent of the $40 million required to construct the proposed interchanges.

The petitions read as follows—
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.
This petition of certain citizens of Australia draws to the attention of the House the significant reduction of the after hours medical service at the Dianella Community Health Centre in Broadmeadows due to the rejection of funding for this service by the Federal Government.

We are concerned that the loss of this excellent, affordable and accessible 7 day per week service, which has operated successfully for the past 30 years, will disadvantage many patients, as over 250 patients use the after hours service each week, fifty-one percent of which are health care card holders, unable to afford other GPs.

We are further concerned that this reduction in service will increase pressure on the already over-stretched public hospitals as this is the only affordable and accessible after hours clinic in the area and 49% of patients seen by the clinic after hours would have attended a hospital Emergency Department if the after hours service did not run.

Your petitioners therefore ask the House to take immediate steps to provide funding to the Dianella Community Health Centre in Broadmeadows, to allow their after hours service to continue and expand.

from 818 citizens.
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament:

This petition of certain citizens of Australia draws to the attention of the House the dangerous and congested condition of the Calder Highway between the intersections with Sunshine Avenue and Calder Park Drive. We call on the House to:

(1) Acknowledge that this section of the Calder Highway is in desperate need of upgrading;
(2) Guarantee funding for the construction of proposed interchanges at Kings Road, Calder Park Drive and Sunshine Avenue;
(3) Subsequently enable the intersection with Robertsons Road to be closed; and
(4) Support general improvements to the Calder Highway.

from 492 citizens. (Time expired)

Moncrieff Electorate: Roads

Mr CIOBO (Moncrieff) (9.39 am)—I rise to raise an issue of great importance to residents on the western side of my electorate, those residents who live in the suburbs of Highland Park, Nerang, Tallai and Carrara. All of the residents in those suburbs suffer on a daily basis from a lack of investment by the Queensland state Labor government into the Nielsens Road interchange. Recently, I had cause to write to some 10,500 residents in that part of my electorate highlighting that I had heard and understood their concerns about how the massive traffic congestion, the dangerous roundabouts and the intersection of Nielsens Road and Alexander Drive with the Pacific Highway, the M1, were causing them so much concern, but also highlighting that that traffic congestion was a consequence of the Queensland state Labor government not following through on their promise to have improvements to that interchange completed by the middle of this year.

The response from residents has been overwhelming, and I have been very pleased to receive hundreds of postcards. As I undertook to do in my letter to those residents, I will deliver those postcards to the Queensland state Premier, highlighting how residents are calling upon him and the local Labor member, Dianne Reilly, to follow through on her promise to have improvements to that road completed. We already know that the roadworks will not be completed when they said they would be completed. Nonetheless, together with the residents, I am still calling for the interchange and the improvements to this road to be completed as soon as possible.

My concern, however, is that the Queensland Minister for Transport and Main Roads, Paul Lucas, took out another full-page advertisement—about the sixth that I have seen from the Queensland state Labor government, again blowing tens of thousands of Queensland taxpayers’ dollars—once again shirking responsibility for any roadworks that the Queensland government must undertake with respect to government roads. My principal concern is that, despite record funding of tens of billions of dollars under GST and financial assistance grants to the Queensland government and despite record funding under AusLink and Roads to Recovery programs, the Queensland state Labor government still considers the Gold Coast such a low priority that it would rather engage in petty politics and in taking out full-page newspaper advertisements, funded by Queensland taxpayers, to rub salt into the wounds of Queensland residents, especially those in my electorate, who simply want the state government to get on with the job. I will continue to highlight the poor work of the local Labor MP in my
area and to very strongly support the Liberal candidate for the sake of the residents in that electorate. *(Time expired)*

**Throsby Electorate: Child Care**

Ms GEORGE (Throsby) (9.42 am)—In the lead-up to this budget, the Treasurer certainly raised expectations. He talked about the government being very female friendly and said that he was going to respond to the calls of some of his backbench about the crisis in child-care provision. That crisis really relates to the issues of affordability and accessibility. Of course it is partly caused by the hands-off approach of the federal government, leaving it to market forces to determine where new child-care provision will be centred.

Just recently, in a survey of my constituents I learnt that, on average, the cost of long day care in my electorate is about $40 a day and that all the constituents who had problems in placement had children under two whose names were entered on a number of lists to gain access to a place. So, despite the hype surrounding the budget and the promises made by the Treasurer, while it appears that there is a lot going to happen in the child-care sector with the elimination of the cap for outside school and vacation care places and family day care, I think the community needs to realise that not one single extra place is actually guaranteed. It is quite ironic: there are currently 67,000 unused OOSH places and 30,000 unused family day care places, so all the announcement this week is doing is adding to the number of places that are available but not guaranteeing that one place is going to be filled.

I do not think that in my electorate the uncapping of the places will solve the problems that constituents tell me about. In Unanderra and Warilla and the surrounding suburbs, there is not one provider of before school, after school or vacation care. In my electorate we have about 740 OOSH places to service a primary school aged population of around 25,000, so you can see that the number of places per capita in my electorate is woefully inadequate. While the uncapping might be welcomed, there is still the question of who is going to provide the places.

The same problem exists for the under-twos. Most families want a place in long day care. The long day care places for the under-twos in my electorate are provided essentially by the community sector but, again, this sector has found itself in financial difficulties as a result of previous government policies. So it is with the unfilled family day care. It is a great service but the pay is poor and many women have judged that they are better off staying at home, raising their children and receiving family tax benefits. *(Time expired)*

**Paterson Electorate: Tourism**

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (9.45 am)—Today I rise to talk about tourism in my electorate. The main area of tourism is from Port Stephens to Forster and comes under mid-North Coast tourism, which was voted No. 1 in domestic tourism, having had an injection of $1.65 billion being spent by visitors to that region. In the area of Port Stephens, tourism injects some $300 million a year into our local economy and employs over 4,000 people directly, including casual and seasonal workers. That equates to some two million visitors, broken into one-day visitors and visitors—over one million of them—who stay longer than one night. I have those facts and figures from Bob Westbury, the Chair of Port Stephens Tourism.
So perhaps you can understand my concern when I see that the state government has just announced a marine national park that will stretch from Forster to Anna Bay. Twenty thousand hectares—20.6 per cent—of the 97,500-hectare area will be put into an area where fishing will be banned. This is not a commercial fishing ban; this is a recreational fishing ban. One of the key tourism markets in my region is recreational fishing. As I look at the plan that has been laid down, I see that, of the areas that have been protected, 70 per cent are the most fish-producing areas available. What I am saying is that the areas they have given for fishing are vast areas of low production. We can see what will happen. The next survey of the areas allowed to be fished will say, ‘Fish stocks are depleted; we’d better increase the no-fishing zones.’

We talk about crime and about family breakdowns, but one of the greatest savours of that is when mum or dad sit down with their kids, throw a fishing line in the water, spend some time together having a good time and communicate with each other. This is a direct impost on that.

But here is where the hypocrisy flies. In the Tilligerry Peninsula there is a sewage leak which has shut down the $14 million oyster industry in my region. There are 470 homes with septic tanks leaching faecal content into the water. This is a prime, pristine national park area that the state government have ordained, yet they are not putting in one cent to help clean up the Tilligerry Creek, which would allow oyster farmers clean, clear water for oyster farming—as you would know from your own electorate, Mr Deputy Speaker Causley. What I say to the state government is: you have rushed this through with a small group to deliver the votes of doctors’ wives on the North Shore and in the Western Suburbs of Sydney to prop up your ailing campaign for re-election to state government. (Time expired)

Telecommunications: AAPT

Ms HALL (Shortland) (9.49 am)—I want to bring to the attention of the House today the fact that a very dubious practice is taking place in the telecommunications industry, and I have to name AAPT. I have received a number of complaints in my office, and I am sure that members of this House have had similar complaints from people who have had their telephone services changed to AAPT without giving consent.

In one example AAPT rang and a young woman who has a disability answered the telephone. She advised the salesperson from AAPT that the telephone account was in her mother’s name. The telephone salesman regardless transferred her account to AAPT, without even verbal permission. Last week there was another incident raised with me, which involved two similar telephone numbers. One woman agreed to have her account transferred to AAPT, but unfortunately for my constituent AAPT transferred her number instead. The woman whose number was transferred was most upset, because she was getting much higher accounts from AAPT. Then she was given a bill from Telstra to transfer back to Telstra. Full credit to Telstra: they have fixed it up and got rid of that bill, and the problem has disappeared. Another example of AAPT’s aggressive behaviour is this: a business in my electorate, which is located in a shopping centre, agreed to go to AAPT; AAPT transferred the whole shopping centre over to their service.

I believe there is an issue here for the government. Apart from the fact that complaints have been lodged about the behaviour of AAPT, I think it shows that there are real problems with the regulation of the telecommunications industry. Something has to be done to prevent the
aggressive behaviour of telecommunications companies like AAPT. I sincerely hope that the minister deals with this so that this type of behaviour stops and people stop being hurt and disadvantaged by the actions of companies like AAPT.

**Suicide**

Mr LAMING (Bowman) (9.52 am)—Every avoidable death in Australia is one too many, but certainly there is no greater tragedy than an avoidable death through suicide. Those closest feel so much guilt that they could possibly have prevented it occurring. Many of us will not realise there are 2,100 suicides in Australia every year. While most developed economies do have extraordinarily high levels of suicide, Australia’s is unfortunately one of the highest in the world. There are five suicides a day, and 80 per cent of those are males. In my own age group of 25 to 44, 50 per cent of all Australia’s suicides occur.

Last weekend, 2 and 3 May, there was a national summit on male suicide, ‘Meeting the Challenge!’ It brought together, through the work of Terry Melvin, the efforts of those who work face-to-face with suicide, families that have experienced suicide, business and the non-profit sector in an effort to get a collaborative approach. They came away with 18 recommendations and 12 subrecommendations, if that is any measure of how productive those two days were. I would like to list some of those today. Emeritus Professor Ian Webster acknowledged that our notion of men’s health has so often been limited to the physical and it is time to broaden that very definition. That, I think, was achieved on the weekend.

They recommended that we have a real focus on recurrent support for suicide services, because only then will we bed down the services within communities so that people have faith, trust and awareness in them. They want us to review existing services to make sure that we can identify where the gaps are, both geographically and, of course, within services themselves. They wanted a national men’s health, wellbeing and suicide prevention strategy that is adequately funded—and I can understand they would be pushing all jurisdictions for that. They are seeking that all staff, whether they be police, hospital workers, first responders or even staff in some other areas like pubs and clubs, where males often spend a lot of their time, become more aware of suicide as a health issue. They noted the connection between physical activity and mental health and wanted more of a focus on areas where men are often involved, like sporting clubs, and to encourage physical activity amongst the Australian population. They also noted that outreach and community based services are still inadequate.

They have made a recommendation for a clearing house for best practice and global evidence on reducing suicide, given that the federal government invests around $10 million a year in its National Suicide Prevention Strategy, headed up by Professor Ian Webster. They also made recommendations for improving the national coronial database, having a particular focus on Indigenous suicide and providing health carers with information on the specific needs of Indigenous males and of those with culturally and linguistically diverse backgrounds.

I acknowledge John Mendoza, the Chief Executive of the Mental Health Council of Australia. The forum is setting long-term goals and I urge both government and opposition to support them. *(Time expired)*
Mr PRICE (Chifley) (9.55 am)—Given that the honourable member for Bowman has raised the National Suicide Prevention Strategy, can I place on record my very deep appreciation to the Minister for Health and Ageing, Mr Abbott. The Shed program has been a tremendous success, catering specifically to men, including Indigenous men, in my electorate. Mr Abbott was able to organise transitional funding of $60,000 over and above the initial grant. He also, with the assistance of his department, made it possible for them to reapply in the next round. So I want to acknowledge this act of the minister and the deep appreciation of those men who have successfully used and are continuing to use the program.

However, I want to raise a much more irritating problem—some may say it is petty, but I think it reflects very poorly on the government—and that is the administration of the Investing in Our Schools program. With any government program, I always go out of my way to ensure everyone in my electorate is aware of it. In this case, I have encouraged the schools to make appropriate applications and get the best advantage for the students in my electorate.

Unhappily, we see again this year the farce where schools in Labor and Independents’ electorates are somehow considered second-class citizens. All the schools in coalition seats that put in successful applications were notified one week ahead of those in Labor seats.

Mrs Gash—One day.

Mr PRICE—No, one week. I say to the honourable member for Gilmore, who I have a great regard for, ‘Why do it? Aren’t all schoolchildren of equal importance? Why aren’t all schoolchildren treated as being of equal importance?’ In fact, I was not going to mention it, but we contacted the appropriate ministerial office and we were told when it was going out to coalition seats and when we would be notified.

I cannot tell you the stress that puts on schools. Rooty Hill Primary School wanted to put in a first-class submission for their application and they spent $3,000 of their school funds to do so. Why do it—why put this pressure on schools? I say: if we have a national program, like Investing in Our Schools, then we should treat all schools equally. (Time expired)

A division having been called in the House of Representatives—

Sitting suspended from 9.57 am to 10.15 am

Fuel Prices

Mrs GASH (Gilmore) (10.15 am)—I was flabbergasted to read a press release from my colleague Senator Boswell that said that our national fuel deficit is running at something like 55.6 per cent of our total trade deficit. This is an astonishing figure. It crystallises the current debate on the fuel price spike we are all living through. Never mind prices going up today, the writing is on the wall and we have to get used to living with rising fuel costs for the future unless we can change our dependency on oil. Senator Boswell was commenting on this very fact when he urged a more determined move towards ethanol supplements, particularly by the New South Wales and Victorian governments.

The chamber would know that I have been an ardent champion of ethanol for many years. Several weeks ago, I wrote an article for one of our local papers about today’s fuel price shock. In the course of gathering information, I came across further disturbing information.
Australia has a mere 0.3 per cent of the world’s remaining oil reserves, while the United States has four per cent and the Middle East has about 66 per cent. The story with natural gas reserves is equally unfavourable for us, with Australia having two per cent of world reserves, the United States five per cent and the Middle East 36 per cent. On the other hand, the United States has 26 per cent of the world’s remaining coal reserves, Australia has eight per cent and the Middle East has just 0.3 per cent. If we could only turn coal to oil—and we can. The technology exists, but the cost is still far higher than extracting fuel from oil, and that will remain the case for many years to come.

In the early 1970s, during the first oil shock, the Australian coal industry began experiments with liquefying brown coal—a commodity which was in large supply, particularly in Victoria, but which was highly polluting because of carbon dioxide emissions. Nazi Germany used coal based synfuel to power its military aircraft during World War II when the country was shut off from oil supplies. The high price of synfuel has kept it from enjoying wider use, but, now that the price of oil has shot up above $70 a barrel, synfuel has suddenly become a cheaper alternative. The trick, of course, is to somehow contain or limit the damaging carbon dioxide emissions. Industry is not about to charge down the coal path until the technology becomes cheap enough for it to become commercially viable.

Today’s oil crisis is fuel for the doomsayers, some of whom are advocating a fortress mentality alternative of self-sufficiency. Unfortunately, that is regressive thinking and it does not work. Take the case of Cuba, for instance. When oil supplies from the USSR dried up, the Cubans opted to go back in time to a rudimentary society. More pushbikes were brought in to replace cars, oxen replaced tractors, rickshaws replaced taxis, small farms replaced distribution systems and self-sufficiency replaced trade with the global market. What was the end result? Cuba is still a basket case, impoverished and oppressed, with masses of the population doing a runner to Florida at the first opportunity.

This is not something Australians want, but there are some in our community who would delight in subscribing to an ‘us against the world’ lifestyle. I am sorry, but I do not intend to become an isolationist or a reclusive. I will not gather comfort from being a self-inflicted victim. Rather than seeing this as an insurmountable crisis, we should be seeing it as an opportunity to free ourselves from our oil shackles and to move on. We have done it before and we can do it again. (Time expired)

The DEPUTY SPEAKER (Hon. IR Causley)—Order! In accordance with sessional order 193 the time for members’ statements has concluded.

EXPORT MARKET DEVELOPMENT GRANTS LEGISLATION AMENDMENT BILL 2006

Second Reading

Debate resumed from 30 March, on motion by Mr Vaile:

That this bill be now read a second time.

Mr RUD (Griffith) (10.18 am)—I rise to speak on the Export Market Development Grants Legislation Amendment Bill 2006. In the context of this debate, I want to place clearly on the parliamentary record Labor’s concerns in relation to Australia’s continuing trade deficit; how that impacts in turn on Australia’s current account deficit; the impact which that has further on Australia’s record foreign debt; why improving Australia’s current account deficit is
critical, not marginal, to the future of our economy; the underlying constraints on Australia’s trade performance; the contribution that the Export Market Development Grants program potentially makes to our trading arrangements; and a number of specific areas where this bill could be improved.

The trade figures released by the ABS last week demonstrate the very difficult trading position in which Australia finds itself. Every month, the ABS releases another set of disappointing export figures, and regrettably last week was no exception. The data revealed that Australia recorded yet another trade deficit—this time, a monthly trade deficit of $1.5 billion for March, and this represented a massive $1 billion increase on February. This is Australia’s 48th consecutive monthly trade deficit, meaning that we now have had a continuous trade deficit for the past four years. It is not just the continuum of monthly trade deficits that is the problem; it is the quantum of these deficits as well.

Australia’s trade deficit is the single largest contributing factor to our current account deficit. In 2005, Australia’s current account deficit was a massive $55 billion, which represented six per cent of gross domestic product. Of this $55 billion, some $19 billion is derived from our trade deficit. This is yet another record for the government: the highest annual current account deficit ever. And, in Tuesday’s budget, the Treasurer forecast that Australia’s current account deficit will reach a new record of $62.5 billion in 2006-07. Given that the current account deficit is the deficit on our income to and from Australia, it contributes directly to our foreign debt. With Australia’s trade and current account deficits over the past two years at record levels, Australia’s foreign debt has consequently spiralled to unprecedented levels.

Australia now has a foreign debt of half a trillion dollars. On the day that, two weeks ago, the Treasurer was crowing about ‘debt-free day’, Australians owed the rest of the world half a trillion dollars. This is a number we are not used to hearing or using in the domestic economic debate in this country; it is a number we are going to hear a lot more about in the months and years ahead, up until the next election. That figure represents $24,276 for every single Australian. This half a trillion dollar foreign debt, along with four years of trade deficits and a record current account deficit, is being recorded at a time in the economic cycle when Australia’s external balance should be moving into positive territory.

The bottom line is that Australia has experienced a massive increase in both the demand for and the prices of our resource exports. The price of our largest commodity export, coal, has tripled over the last three years. The price of our next largest commodity export, iron ore, has doubled over the same period. Australia’s terms of trade—that is, the ratio of export prices to import prices—has increased by 34 per cent since December 2001 and is now at the highest level it has been in 30 years, since March 1974. At times in our history when Australia has had similar terms of trade to that which we enjoy today, our trade and current account balances have improved as a result. As Professor Ross Garnaut said last year to the Senate inquiry into Australia’s current account deficit:

There are a couple of features of that big number—or all those big numbers last year and the big number in the March quarter of this year—that make that big number even more unusual. One of those is that it has occurred at a time of historically extremely high current account deficits—prices for our exports relative to our imports. Other periods of peak current account deficits—they have never been quite this high before, but at other times they have got close to it—have usually been times when export prices have been relatively low. But at this time they are unusually high.
So why should we be concerned about Australia’s record current account deficit? The current account deficits that we have experienced in the last 12 months, with some quarterly deficits reaching well above seven per cent of GDP, are starting to get into dangerous territory. Such high external imbalances expose our economy to the vagaries of markets. And when international markets react to bad economic data and conclude that the current account deficit has reached unsustainable levels, interest rates almost inevitably rise. The real risk is that the boom that we have seen in commodity prices, which has kept our export earnings higher than they otherwise would be, will at some stage come to an end. In evidence again to the Senate Economics References Committee investigation into the CAD last year, Professor Ross Garnaut stated:

... I think the outstanding possibility is a retreat of the terms of trade towards more normal levels. This is the way that the boom of the late sixties and early seventies ended. This is the way that the resources boom of the Fraser era ended. This is part of the story of the boom of the late eighties which gave rise to recession. On each occasion, there was a large and fairly sharp fall in the terms of trade. I do not think there is any doubt that, if within a relatively short period we got an adjustment in export prices similar to that which has occurred a number of times in modern Australian history, we would have a very difficult adjustment ...

This is not to say that a rapid decline in the terms of trade is inevitable, but it is a risk—a big risk—that the economy faces. Just last month, in April, we saw what could be the first signs that world commodity prices have peaked. The ANZ Bank reported that coking coal producers accepted price cuts of around 12 per cent. The ANZ also stated:

Commodity prices cannot continue to rise at the stellar pace of recent years, and there are signs that non-rural prices could now be peaking as global growth eases back from unsustainably strong growth rates and as Asian purchasers play hardball in contract negotiations.

Importantly, the 2006-07 budget papers are forecasting a plateauing in Australia’s terms of trade.

What do we do about the rapid deterioration in our current account deficit? Why has Australia’s trade imbalance demonstrably deteriorated under the Howard government? The answer to this is complex, but the key is Australia’s export performance. In the week of the federal budget, let us look at Australia’s recent export performance. Let us also examine the Treasurer’s predictions for exports over the past few years. Since 2001-02, the government has overforecast growth in exports by an average of 5.5 percentage points each year. Each of these predictions has turned out to be a complete and utter joke in terms of the real export performance delivered in each of the years in question.

Let me demonstrate by going to the record. In 2001 the government forecast five per cent export growth when in fact exports fell by 0.8 per cent. In 2002 the government forecast six per cent export growth, then exports in fact fell again by 0.8 per cent. In 2003 the government again forecast export growth of six per cent, while exports grew by barely more than one per cent. In 2004 the government provided a truly heroic forecast of eight per cent export growth, whereas in fact exports grew by 2.5 per cent. In 2005 the government forecast seven per cent export growth, which was followed by an expected two per cent actual growth over the period. In the budget on Tuesday the government forecast again that exports will grow by seven per cent in the year ahead. We are deeply concerned as to whether in fact that figure will be realised in practice. It is important to note that over the past four years exports have averaged...
growth of just 0.6 per cent per year. This compares to yearly export growth of around eight per cent per year in the 1990s.

Of equal concern over the 10 years that the government has been in office has been the narrowing of our export base. Exports of ETMs—elaborately transformed manufactures—and services have declined as a proportion of GDP for the past five years. Let us take ETMs as an example. The Australian Industry Group succinctly summarised Australia’s manufactured export performance over the last five years in its 2006 Manufacturing futures: achieving global fitness publication when it reported:

... the total value of manufactured exports in money terms remains around $2 billion below the peak of November 2001, when manufactured exports totalled over $70 billion.

Indeed, Australia has lost a fifth of its global market share of manufactured exports since 2001. Tuesday’s budget once again reveals that Australia will be placing all its export eggs into one basket—that is, a resources boom driven by Chinese demand. The budget papers effectively haul up the flag of defeat and retreat when it comes to our overall performance on manufacturing exports.

Despite the clamour of warnings and advice to the government on exports, the government, regrettably, is still not listening. Core Australian export sectors are being neglected by the government while it focuses all of its attention, it seems, on the minerals boom. The budget papers state of Australia’s manufacturing sector:

Exports of elaborately transformed manufactures are forecast to grow moderately over the next two years, but are expected to continue to be hindered by a relatively high exchange rate and the increasing competitiveness of the manufacturing sectors in developing countries, such as China.

The story is no better when it comes to services exports. Again, the budget papers state:

Service exports are forecast to improve modestly in 2006-07, after two years of little growth. Competition appears to have intensified in the global tourism industry, with factors such as increasing price competition in the short-haul airline market out of major Asian hubs reported to have adversely affected Australia’s travel service exports. This may continue to constrain travel export growth in the near term.

These are references from the government’s own budget papers. These are not statements simply by the Australian Labor Party seeking to advance a partisan argument. The Reserve Bank has also provided commentary on this question.

A division having been called in the House of Representatives—

Sitting suspended from 10.30 am to 10.45 am

Mr RUDD—The Reserve Bank has also entered this debate. Referring to the commodity price boom, the bank said in its latest statement on monetary policy:

Australia’s export performance over recent years has been disappointing, considering the favourable international conditions.

Australian incomes have been substantially boosted by these developments, but almost all of the gain has come from higher export prices rather than from increased volumes. The volume of coal exports has been broadly unchanged over the past three years. Growth has been limited by capacity constraints in the mining sector, some infrastructure bottlenecks, and the long lead times required for large mining projects to come on line.
In addition, Felicity Emmett and Kieran Davies of ABN AMRO said of the billion-dollar blow-out in March’s trade balance:

Excluding price effects, we calculate that real net exports have remained a drag on growth in the first quarter, subtracting around 0.3 of a percentage point from GDP. This will be the 18th consecutive quarter of subtraction. With export prices up a sharp five per cent, real exports look to have posted a small fall in the quarter such that they have continued to zigzag around a broadly flat trend. This continues to be a source of disappointment for the economy as export volumes have failed to make any meaningful headway, despite strong synchronised world growth.

We should also look at the work of the Senate Economics References Committee, which last year investigated this current account deficit question, in particular the demand for imported goods and household debt. I draw the attention of the House to the committee’s report entitled ‘Consenting adults deficits and household debt’. The committee recommended that the government develop new strategies to promote the exports of ETMs and services to underpin a long-term improvement in Australia’s balance of trade. The committee recommended that the government introduce policies designed to bring about an improvement in the medium- to long-term average of the current account deficit, including improving domestic savings and increasing the diversity and international competitiveness of the export sector.

Unfortunately the government simply does not provide us with any evidence that it has developed a comprehensive, cohesive, consistent export strategy. Let us look at what trade policy this government has adopted to broaden our export horizon. This will be particularly important in upcoming debates around the Doha Round, which currently is under some duress. What the government has established instead is a tangled web of ad hoc bilateral free trade agreements.

However, so far these FTAs have worsened rather than improved Australia’s overall export performance. For example, in the first 12 months of the US FTA, Australia’s trade deficit with the US increased by 52 per cent to $1.5 billion. Over the same period, Australia’s trade balance with Thailand went from a surplus of around $100 million to a deficit of close to $150 million under the FTA with that country. And since Australia’s FTA with Singapore came into effect in mid-2003 our exports to Singapore have been static while imports have doubled, with the trade deficit bilaterally blowing out to half a billion dollars. In negotiating these deals, the Minister for Trade has demonstrated that he is quite happy to sell out the very constituents the National Party is meant to represent. Our trade minister is failing the interests of Australia’s exporters.

The 2006-07 budget contains no new export initiatives—simply a continuation of current programs such as the EMDGs, which we are debating in the legislation before the House, and trade smart. Existing export promotion initiatives have failed dismally to lift the number of Australian exporting firms. Four years ago—and this is a very important point—the trade minister set a target to double the number of Australian exporters, from 25,000 to 50,000, by the year 2006. By contrast, the number of exporters in Australia has actually decreased over the past two years.

Australia desperately needs a new export strategy that rebuilds the skills of our nation—the skills demanded by our export industry—lifts research and development, plans properly for our national infrastructure needs rather than standing passively by while infrastructure bottlenecks impede any increase in export volumes, lifts export promotion and better coordinates

MAIN COMMITTEE
federal and state government resources in this area, and rebuilds Australia’s export culture so that exporting becomes a logical extension to simply doing business in Australia. It is clear that Australia needs to be planning for its future prosperity. Addressing its continued trade balance problems with a new export strategy for the country should be front and centre to that planning. Regrettably, it is not.

My fear is that this government in many respects has become a one-trick pony when it comes to trade policy. There is no doubt that the government has focused much, and occasionally all, of its energies on establishing bilateral FTAs while not establishing a broad, comprehensive and multilateral trade policy for Australia’s exporting future. It is for this reason that it is critical that we enhance the schemes that have some capacity for success in promoting Australia’s export interests. That is why we speak today in support of the continuation of the EMDGs under the Export Market Development Grants Amendment Bill 2006.

Since it began operation in 1974, the EMDGs have provided substantial assistance to Australian exporters. From 1997 to 2002 funding for the EMDG scheme was capped at $150 million. In the 2004-05 budget the Australian government announced an additional $30 million for the scheme to be provided for 2005-06 and 2006-07. The latest available information demonstrates that in the 2004-05 financial year, $123.9 million and 3,277 grants were paid to Australian small and medium businesses to assist them with the costs of export marketing and promotion.

According to Austrade, for grants relating to the 2003-04 grant year, the average grant was $37,145, the median grant was $22,643 and 77 per cent of businesses receiving EMDG assistance reported annual income of $5 million or less. Over the past several years there have been a number of reviews conducted to improve the EMDG scheme. As per the requirements of the act, Austrade is required to review the EMDG scheme and make recommendations to the trade minister on whether the scheme should continue beyond the 2005-06 grant year. Austrade for this purpose used the Centre for International Economics, CIE, for the review, and concluded:

... the scheme is effective in increasing the number of SMEs that develop into new exporters, in increasing the number of SMEs that achieve sustainability in export markets, in generating additional exports, and in further developing an export culture in Australia.

Extending the scheme indefinitely would offer greatest certainty to industry. However, a five-year extension, with a review before the end of that period, would ensure accountability and give business, industry, governments and the broader community an opportunity to again review the program’s performance. A five-year extension would balance the need for certainty with the need for accountability and transparency.

The review made 14 recommendations on how the scheme should be improved. These recommendations have now been examined by the Senate Foreign Affairs, Defence and Trade Legislation Committee. The bill before us will therefore change the existing legislation to incorporate these 14 amendments, which would have the effect of (1) continuing the EMDG scheme to the end of the 2010-11 grant year and providing for a review of the scheme with a report to the Minister for Trade by 30 June 2010; (2) increasing the overseas visit allowance from $200 to $300 a day; (3) allowing Austrade to deem certain applicants eligible where they do not technically meet the act’s current principal status requirements; (4) modifying the
scheme’s Australian origin rules so that goods coming into their final form in Australia must be made in Australia to be eligible—for other goods to be eligible, Austrade must be satisfied that Australia will derive a significant net benefit from the sale of those goods outside Australia; (5) making applicants’ expenses eligible when they are incurred to increase the return on the disposal of intellectual property and know-how related to a company; (6) separating the claimable expense categories for overseas representatives and marketing consultants and capping expense claims for overseas representatives at $200,000 per claim and for marketing consultants at $50,000 per claim; (7) revising the rule covering changes in business ownership to make it clearer for applicants and easier to administer; (8) allowing Austrade to grant special approval status, including approved body status, for five years rather than three; (9) providing that the eligibility of cash payments made by applicants is limited to $10,000 per claim; (10) ensuring that the scheme’s rules clearly set out Austrade’s power to disregard any unsubstantiated, unreasonable, uncommercial or non bona fides expense claims; (11) removing the export performance test from the EMDG scheme; and (12) ensuring that, as intended, commission payments remain ineligible for the scheme. There are of course a number of other minor amendments to the scheme as well, bringing the total number of amendments to 14.

A division having been called in the House of Representatives—

Sitting suspended from 10.55 am to 11.14 am

Mr RUDD—As I have stated, the opposition will support this bill. The EMDGs potentially play an important role in assisting Australian exporters, and we want to see that this scheme is continually improved and provides real assistance to exporters on the ground to assist them in the task. The Senate Foreign Affairs, Defence and Trade Legislation Committee examined this bill and did, however, make a key recommendation. The committee noted:

... the Government’s intention to conduct a review of the scheme with a report to the Minister for Trade by 30 June 2010. While the Committee supports not just this review; it is concerned that the operation of the scheme, which involves substantial sums of money, is not subject to scrutiny by independent and experienced analysts.

As a consequence, the committee recommended:

... that the Australian Government request the Auditor General to conduct a performance audit of the scheme two years after the proposed legislation comes into effect.

We believe this is a sensible addition to the bill and ask the minister to consider its addition before this bill passes the House and the Senate.

We also note the bill’s attempt to modify the EMDG Scheme’s Australian origin rules to change the test of whether or not products under the scheme are made in Australia, giving the minister discretion, through ministerial guidelines, for determining the definition of ‘Australian origin’; and, further, the bill’s attempt to remove the export performance test for ongoing applicants, thereby removing the performance criteria which applicants must meet to be eligible for multiple grants under the scheme.

The opposition would like to see more detail with regard to the changes to the Australian origin rules, because we do not yet have any information from the government as to what those rules will be changed to. The bill states that responsibility for defining ‘Australian origin’ will now be placed in the hands of the minister, through ministerial guidelines; however, we do not yet know what definition the minister will apply.
We also note that this bill will remove the export performance test for ongoing applicants to the scheme. Labor opposes this move. The export market development grants should be about practically assisting Australian exporters in an attempt to improve our trade balance. The grants should not be turned into a form of unaccountable business welfare. It is critical that the EMDGs are well funded, but they should not be a bottomless bucket of money. Applicants should be subject to appropriate performance criteria after their export market has been established. The EMDG should reward those exporters who are genuinely trying to promote their businesses, not provide an ongoing source of funding for exporters unwilling to put in the hard yards and unwilling to subject themselves to proper testing on the question of whether, after an appropriate number of grants, they have in fact begun to export.

Rectifying our trade problems, our continuing problems with the current account deficit and our continuing problems with a half a trillion dollar foreign debt is critical if we are concerned about securing this country’s long-term economic future. That is the core deficiency in the budget which has just been passed. All three of these deficits are of deep structural concern to the long-term health of the Australian economy. In response to this challenge which faces us for the long term, we can either be passive, as the government has demonstrated itself to be with the response in the budget, or take an active approach. Part of an active approach lies in implementing the new export strategy for Australia, which the opposition outlined last year. Part of an active approach lies also, when it comes to specific programs like the EMDG, in ensuring that proper performance tests are applied to those businesses which successfully obtain grants for export promotion under the scheme. For these reasons, I move:

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

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

(1) notes the Government’s attempt to modify the Scheme’s Australian origin rules will change the test of whether products under the scheme are made in Australia and give the Minister discretion to determine the definition of “Australian origin”; and

(2) calls on the Government:

(a) not to proceed with the provision to remove the export performance test for ongoing applicants as this will remove the performance criteria which applicants must meet to be eligible for multiple grants under the Scheme; and

(b) to implement the Senate Foreign Affairs, Defence and Trade Legislation Committee recommendation that the government request the Auditor General to conduct a performance audit of the scheme two years after the proposed legislation comes into effect.”

The DEPUTY SPEAKER (Hon. DGH Adams)—Is the amendment seconded?

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

Mrs ELSON (Forde) (11.19 am)—I am very pleased to rise today in support of the Export Market Development Grants Legislation Amendment Bill 2006. This bill reflects the government’s response to the Jollie report, which resulted from the 2004-05 review of the scheme. I note the extensive community and business consultation that was carried out as part of the review, and I commend businessman Peter Jollie, who led the inquiry. Three hundred and ninety-four public submissions were considered, and there were 70 consultation meetings. The inquiry also considered the results of independent research by the Centre for International Economics.
There was a great deal of support for the continuation of the scheme, but I am not surprised by the high level of support because just about every member of this House would be aware of the many benefits that the Export Market Development Grants Scheme means for their local small to medium businesses. Essentially, the premise for the scheme is very simple. It provides grants to help businesses with the cost of some specific export promotional activities undertaken overseas. It is a program that has stood the test of time and scrutiny, with this latest review being the 17th since the program was first created, in 1974.

This bill will ensure the operations of the scheme for a further five years and provide certainty for exporters who are planning their expansion strategies for the coming years. This bill also makes a number of improvements to the scheme, in line with the review recommendations. This bill will increase the claimable overseas limit allowance to $300 a day, rather than the $200 level it has been set at for the past 15 years. This bill will also streamline the Australian contents rule to make it easier to understand. It caps claimable expenses for overseas representatives and marketing consultants, and it adjusts the scheme to better accommodate emerging export industries and practices.

This bill comes on top of the changes announced in 2003 which were aimed at ensuring the scheme was directly geared to small and medium enterprises by reducing the annual income ceiling and reducing the maximum grant. This was a move generally welcomed by the industry and business organisations because they recognise that the capping of benefits meant that more money would be available for new and smaller exporters. That is what the EMDGS is all about. It is not a subsidy, and it is not about lining the coffers of wealthy businesses. It is a kick-start; it is a helping hand, not a handout.

The very fact that the companies must pay out at least $15,000 a year before being able to claim any grant is evidence that it is about helping those who are prepared to help themselves. I understand that some submissions to the inquiry suggested lowering or removing the $15,000 threshold, but it is a good thing that this was not the final recommendation. As the Australian Chamber of Commerce and Industry said in their response to the Jollie report:

While eliminating, or even substantially reducing, the threshold may assist some potential micro-firm exporters, it would undermine the principle that claimants should demonstrate a worthwhile ... financial contribution to their own export efforts.

I agree, and I believe that one of the greatest strengths of the scheme is its very sound economic foundation, ensuring only legitimate and serious businesses actually receive the grants. There is no doubt that the scheme does exactly what it is intended to do: assist those small businesses and medium enterprises that are beginning to export. In fact, 73 per cent of the EMDGS’s claimant firms had fewer than 20 employees, with 56 per cent having fewer than 10 employees, and 77 per cent of the firms had incomes of less than $5 million per annum. It is clear that most claimants use the scheme to jump-start their export initiatives, with 70 per cent of the claimants being in the program for three years or less and only 13 per cent participating for six years.

To put the economic benefits of the scheme into context, let us look at the 2003-04 financial year. In that year, nearly 4,000 Australian companies received grants, totalling $150 million. Those companies generated exports worth $5.5 billion and employed around 122,000 Australians.
As I said earlier, I have seen first hand the benefits the program has had for many local businesses in my electorate. Over the years some innovative companies have really had a head start on the overseas market through the scheme. Recent recipients of the grants in my electorate include a food milling system manufacturer, a security door and window manufacturer, a fruit and vegetable processing company and several specialised tourism accommodation companies, as well as sporting event service companies. These are solid local companies that contribute to our local community and our local economy. They employ local residents and have great potential to achieve even more. I note that the sector that benefits most from these grants is manufacturing, which accounts for around 40 per cent of all grants. It has been said for many years that we must do more to support our manufacturing industry, and this program does exactly that.

I want to take a few moments to look at our overall export performance. There has been a great deal of negativity in the national press in recent times and many Henny Pennys have been running around, declaring that the sky is falling. The truth of the matter is that our export record has never been so strong. Exports during March this year topped $16.1 billion—the highest figure ever for the month of March—and, in this financial year, we are currently on track to reach record levels of exports. This is on top of last year’s record for Australian trade, which resulted in our highest sales ever of $176.7 billion, which is a 15 per cent increase on the 2004 figure. That does not mean that the government will rest on its laurels. We will continue to push forward with the most ambitious trade agenda in our nation’s history. I commend the trade minister for his ongoing dedication to this task; he is doing a remarkable job.

Many fear the very idea of globalisation, but the trade minister continually proves that we have nothing to fear and everything to gain from opening up to world markets. As the minister said in a recent speech:

It is true that growing economies like China and India will be strong competition for Australian firms, but they will also provide us with immense opportunities.

A combined middle class of between 400 and 800 million is predicted to emerge from China and India over the next two generations.

That is a staggering situation and one that has enormous potential for our Australian exporters—and our government is working hard to develop that potential.

We have already held four rounds of negotiations on a possible free trade agreement with China; we have recently signed a trade and economic framework with India; we are currently in the process of negotiating trade agreements with Malaysia, United Arab Emirates and ASEAN nations; and we are currently carrying out a feasibility study with Japan. The Doha Round of negotiations in the World Trade Organisation is also crucial, with the significant agreement to abolish all agricultural export subsidies by the end of 2013. Australia has been arguing for this for nearly half a century. So there is much that has been achieved and still more to be done. Once again, I congratulate the trade minister on his hard work and achievements to date. I know how committed and dedicated he is to securing the best possible climate for Australian exporters.

To support our exporting efforts, our government is doing more also at home. It is investing $12.7 billion to improve our transport links through AusLink—and I was delighted to see a further $2.3 billion investment in AusLink roads and rail infrastructure announced in the budget. Our aim is to eliminate export bottlenecks and to give our Australian exports every
possible chance of advantage. Many aspects of the budget do exactly that, including lifting the
diminishing rate for depreciation from 150 per cent to 200 per cent, which represents a saving
to Australian businesses of $3.7 billion over the next four years, and reducing compliance
costs for small business by $435 million over the next four years. The budget also provides
over $150 million over the next five years for the Export Market Development Grants
Scheme.

With huge boosts to apprenticeships and traineeships, the Howard government has helped
to create a greater number of skilled workers; this will be boosted further through the estab-
lishment of our technical colleges. Our economic and industrial relations policies have created
a climate of certainty, and exporters can plan for the future and expand with confidence. This
is all in stark contrast to the record of Labor when last in office. I will not go into that in detail
today, but it is worth noting that they still lack any effective policies that would demonstrate
they had learned anything from their last time in office, and there is economic structure be-
hind the few broad brush-strokes ideas that Labor have put forward so far. In fact, their main
policy on industrial relations is to wind things back—and the last thing our country needs is to
go backwards. Clearly, Labor is not a party fit enough to lead us through the economic chal-
lenges that the changing world presents. On the other hand, our government’s record speaks
for itself: 1.7 million new jobs over the last 10 years, a 16 per cent rise in real wages, record
investments, record exports, the lowest level of industrial disputation on record, record living
standards—and the list goes on.

This bill is a further step in a very positive direction. I am pleased that it has extended the
Export Market Development Grants Scheme for another five years. This scheme is not ex-
travagant; it is a relatively modest investment, but it certainly produces results. It is just one
small part of our trade policy but a very important one, particularly for new and emerging
businesses and their future. I am pleased to support this bill and I commend it to the House.

Mr MARTIN FERGUSON (Batman) (11.30 am)—I rise to address some remarks to the
proposed changes in the Export Market Development Grants Legislation Amendment Bill
2006 and, as was the case with the previous speaker, the member for Forde, to reflect on Aus-
tralia’s trade performance. Having listened to the member for Forde, I wonder whether or not
she has actually examined the budget papers at all. A close examination of the budget papers
proves beyond any doubt that Australia is putting all its export eggs in one basket through our
absolute dependency on the resources sector. This week’s budget is riding on the back of the
outcome of our success on the resources front. The truth is that we have effectively hung up
the white flag with respect to manufacturers and service exports. In that context, the budget
papers concede that our record current account deficit of $56.25 billion will blow out to a new
record of $62.5 billion through the year ahead—that is, 6.25 per cent of our gross domestic
product. We face some huge challenges with respect to our export performance. I can only
hope that, as a result of the changes to the Export Market Development Grants Scheme that
are currently being debated, we can assist in making some progress on that front.

On that note, as the shadow minister for trade and member for Griffith said, the opposition
welcomes the extension of this program under the Export Market Development Grants Legis-
lation Amendment Bill until 2010-11. However, from the opposition’s point of view and from
the point of view of many Australians, the Howard government cannot take much, if any,
credit for assisting exporters in this country. That is the truth of the matter. They are basically
benefiting from the work of the private sector and principally the resources sector. The budget papers clearly point that out to the Australian community. The truth is that the government has no industry or export policy to improve this country’s terms of trade. That is the real challenge for the Australian community at the moment. This woeful record is underlined by the fact that for the past five years export growth has failed to come even near the government’s projections. That is why we as a parliament have to seriously start to debate the need for a new and a real export strategy.

That export strategy has to include some of the following elements. Firstly, we have to start rebuilding the skills of this nation. I am talking about the skills demanded by Australian industry to lift Australian exports, not just in the manufacturing and service sectors but also in the resources sector. We are at a point now where we are starting to lose investment because we do not have the skilled labour to facilitate that investment. I can think of a range of projects potentially coming on stream all around Australia—be they in infrastructure or resource development—over the next three to five years which are going to present a huge challenge to Australia’s capacity to bring forward this capital investment.

On the infrastructure front I acknowledge, for example, the announcements this week on the Hume Highway. That is a goat track. I drove it again recently from Melbourne to Canberra. The 120 kilometres from Albury to Gundagai is an absolute disgrace. It is a deathtrap. It is unsafe. But where are we going to get the labour to actually do that work? I was in South Australia yesterday talking with the South Australian government about the proposed expansion of Olympic Dam, a project worth $5.5 billion. They have not found the edge of that open-cut mine yet. Just think about the workers that are going to be required for that development. We do not have them at the moment. If you go to Western Australia and up to the North West Shelf, you can see the work under construction. There are a whole variety of other mining operations proposed. Go to Queensland and see the proposed duplication of the Gateway Bridge and the new tunnel through Brisbane. All around Australia there are projects ready to come on stream for a variety of reasons. The real challenge for us is this: where are we going to get the skilled labour?

It is abysmal that we now have a government saying that the solution is to bring in apprentices from overseas. The northern suburbs of Melbourne, where I am from, still have high youth unemployment. We are turning away kids because there are insufficient TAFE places in Australia. We have to invest in the training of Australians. I simply say to my local community that I want to give the kids a leg up by training Australians rather than bringing in apprentices from overseas. That is also central to our export strategy.

I will now talk about lifting research and development. We have to do more on the research and development front because that is the key to innovation and creating export opportunities. I do not think that the government is really thinking through such a strategy.

We want to talk about infrastructure—but also plan it. We have to make the right decisions. For example, in this budget there is additional money to upgrade the Brisbane to Melbourne rail freight corridor. Perhaps we should have done an assessment first. Was that corridor as big a priority as Darwin to Alice Springs for our immediate economic requirements? We need to actually sit down with a plan, make projects and prioritise them based on our economic needs rather than our political needs.
So, yes, spend infrastructure money but spend it on the right projects: the projects that really stack up in growing the size of Australia’s economic cake. That also requires cooperation at the state, territory and Commonwealth government levels. All levels of government and all political parties have to stop playing games with project selection and actually work together towards the development of a national plan that means we select the projects through cooperation and coordination to get the outcomes, in association with the private sector.

I also think we have lost our export culture in Australia. We had a decade in the eighties and nineties when export was the order of the day. Industry by industry—be it food manufacturing, the resource sector or advanced manufacturing—it was the requirement of government to pursue an export culture and change the culture of industry to be more efficient and productive. Where in the Treasurer’s speech on Tuesday evening was the word ‘productivity’? That is what drives our competitive position. That is what drives our capacity to create jobs and training opportunities in Australia to earn export dollars. To maintain our export capacity, we have to be efficient and productive. The word ‘productive’ does not even enter into the mind of the Treasurer. I say that is a sad reflection on him because he is riding on the back of all the hard work in the eighties and nineties that I talked about: the foundations of the economic benefits that we are now receiving—because that is where the tax cuts on Tuesday evening came from. All the changes of the past are just about running out of steam. Unless we pull up our socks and think about the export strategy issues that I raised today, we are going to have problems.

China at the moment has a resources boom. When will the bubble burst? We as a nation have to think about how we ensure the bubble does not burst and how we ensure that we are not dependent on the resource sector and growth in China but have a broader view of life and a broader view of the global challenges that confront Australia, because the truth is that we are a small player in the world. That is why there is always greater pressure on us to do better on training and infrastructure issues and improve our productivity.

I raise these serious issues because I am worried about what this week’s budget papers revealed. They revealed the continuing blow-out of our current account deficit of $56.25 billion, potentially increasing to $62.5 billion. That is on the back of promises by the Howard government that we are actually going to do better. That is what they have told us for years about exports. I go back to the fact that, since 2001-02, the government—and the budget papers show it—have over-forecast growth in exports by an average of 5.5 per cent each year. That is their forecast of potential growth. Whether the Minister for Trade and the Treasurer like it or not, each of these predictions has become a complete joke. We have not achieved those predictions.

Let us take the example of 2001: the government forecast five per cent export growth when, in fact, exports fell by 0.8 per cent. In 2002—we can just pick the dates out of the air—the government forecast six per cent export growth, when exports in fact fell again by 0.8 per cent. I can tell you about 2003 and 2004, but let us go to 2005. The government forecast seven per cent export growth; actual growth was two per cent.

During all of this period we were told that something was going to occur, and it has not occurred. This is a real challenge to us, because, unless we try to work out where we are going on the export front, we are just going to run up debt and ride on the back of the resources boom. In the end, you have to start to scratch your head and worry about where we are going
as a nation economically, because we have seen resource booms in the past. As a Queenslander, Mr Deputy Speaker Somlyay, you have seen resource booms in the past and you have seen them blow out. So a lot of hard work has to be done to make sure that we come out of this resource boom well positioned for the future, because no-one knows how long it will go or how this rollercoaster will play out.

I think this is particularly important, not only from Australia’s point of view—and I am shadow minister for resources—but also with regard to another part of my responsibilities. That is my policy area of tourism, which is exceptionally important to Australia in export opportunities and in training opportunities. We have to seriously work out how we can increase apprenticeship and training opportunities in the tourism industry so that we can deliver a quality service for the potential growth of a market such as China. And what about Japan? Obviously we are doing well out of New Zealand at the moment. But it is not just about numbers; it is about high yield and a quality product—real challenges to the tourism industry in a very tough global market.

I say that because tourism export revenues have stagnated since 2001. We now hope that the strategy put together by Tourism Australia to promote increased recognition of Australia internationally through the advertising campaign works out and that in 12 months we will be able to start making a hard-headed assessment of whether or not we have succeeded. I wish the advertising campaign well; we have to make progress on this front, because we have stagnated in our performance since 2001. So it comes back to the need for an export vision to go hand in hand with the Export Market Development Grants Scheme proposals.

As we all know, this scheme was originally established in the 1970s. It was established for one reason: to foster an export culture in Australia at a time when Australian firms were largely protected by tariffs. We decided to confront the barriers. But, if we are going to confront the barriers, we also have to give people a hand in developing an export culture and chasing international opportunities, and there is clearly a role for government in working in partnership with the private sector. If we go back to that time, the record will show that there were very few incentives to assist Australian industry to seek export markets; hence the scheme. The key role, therefore, is for a program such as this to assist in growing our economy with benefits across society generally. I hope that we see benefits not only in metropolitan areas but also in regional Australia. A lot of regional Australia is struggling when it comes to economic prosperity at the moment, other than the major resource towns and communities around Australia.

The scheme is also about assisting labour markets through higher wages, efficiency and productivity. The benefits, as we all appreciate, are felt through microeconomic reform, economies of scale, competition, innovation and learning. In combination with the liberalisation of the Australian economy through reduced tariffs, the scheme helps to assist companies to look beyond the domestic market to sell their products.

By the late 1980s the grants scheme had become the main funding support for export promotion. In the 1990s the program was increased and changed to cater for small to medium firms—which is exceptionally important, because they are the engine room of potential jobs growth in Australia. This recognised the fact that these firms had the most to gain from government support to enter new markets abroad. They needed a push and a prod but also some assistance.
Subsequent research has confirmed the benefits of the program, in particular to small firms. I refer to the fact that the Centre for International Economics found that the scheme’s best return came from firms—and this is interesting—of less than $15 million in annual income, so it really is important to these firms. The report found that the greater the financial constraints of the firms, the greater the proportional return, with the scheme inducing up to 60 per cent in additional exports. For each dollar in grants, these firms facing tighter financial conditions were likely to spend one dollar or more towards export promotion. So they are intimately involved in making the decisions to spend a few dollars to chase export opportunities. It is not one without the other—as it should be. The report concluded:

The opposition, therefore, supports the continuation of this program, which it believes has been successful for Australian business. However, I point out that one aim of the bill is to broaden the eligibility criteria under which the grants are provided, incorporating businesses that, until now, have been excluded from applying.

The opposition have moved a second reading amendment opposing two features. This includes the attempt to modify the scheme’s approach testing whether or not the products are made in Australia. In addition to the obvious issues that arise with this issue, there is the question of discretion over grants programs, which the opposition have concerns about in terms of accountability and proper scrutiny. We also do not support the bill’s attempt to remove the export performance test; we think people have to be judged on performance. We believe the attempt to remove the criteria on which grants are based represents a challenge to government. It has been argued that up until now the performance criteria have helped the government to ascertain the benefits of the program. How are we going to assess these benefits in the future? I would be interested in the government’s response to these questions and the minister’s response to the debate.

The opposition has also called on the government to adopt recommendation 1 of the Senate Foreign Affairs, Trade and Defence Legislation Committee, which is:

… the Australian government requests the Auditor-General to conduct a performance audit of the scheme two years after the proposed legislation …

That is about all of us making sure the scheme performs and, if there are any difficulties, actually doing something to improve it.

I also want to raise a particular issue concerning the tourism sector, because it is one of our top export sectors; it will obviously have benefits for the whole Australian community. For the first time ever, Tourism Research Australia has quantified indirect benefits of the tourism industry to the economy. In 2003-04, tourism directly contributed $31 billion to gross domestic product. At the same time, it indirectly contributed more than $26 billion to GDP. In the same year, 407 of the 3,205 grant recipients were from the tourism sector. Tourism is also an industry that can benefit substantially from this scheme, as more than 90 per cent of the operators are small businesses. This means we have to think about the needs of this particular industry.

While all industries rely on marketing promotion, with respect to the tourism industry we also have to accept that it is dependent on visitor awareness of their destination. Moreover, while other exporters generally market their own products, the marketing of specific regional
destinations can be of benefit to more than one exporter, so you have to think outside the square. Under the scheme, grants can be provided to approved bodies, including peak industry associations. The opposition expresses some disappointment that the government did not consider allowing the extension of approved bodies to recognise regional associations, which are central to tourism in Australia.

I believe there is a strong argument that the tourism industry is distinct from other industries, and that it could gain from a change with respect to recognising regional bodies. If regional associations could receive grants for export promotion, then it is not one tourism operator that potentially benefits from marketing of the region but all operators within the region. We are trying to encourage these key tourism regions to work together, think regionally and cooperate in marketing their regions. Therefore, disbursing the funding to sole operators when marketing costs are so high may not have the broad impact on overseas markets needed to attract tourists. To put it another way, tourists are more likely to come for several attractions in a country or region, not just one attraction—and that is about promoting tourism regionally.

In conclusion, obviously the opposition supports the thrust of the changes. We have moved a second reading amendment raising some specific problems; also, from my shadow responsibilities point of view, I have raised an issue related to regional thinking concerning the tourism industry, which I have asked the government to take on board and think about in terms of where we might go with this act as potentially amended as a result of this debate. Obviously exports are too important to Australia to be treated lightly. We have a major challenge and I can only hope that the act as potentially amended actually assists us in improving our performance in a very challenging and competitive tough global environment. I commend the bill to the House including the second reading amendment moved by the member for Griffith.

Mr JOHNSON (Ryan) (11.50 am)—I am very pleased to speak in the parliament today on the Export Market Development Grants Legislation Amendment Bill 2006. It is a bill which I wholeheartedly support and which I am pleased to hear the federal Labor opposition is also going to support. That said, I am quite surprised that their support seems to come with much qualification and with very little enthusiasm. Indeed, having previously heard the shadow spokesman for foreign affairs and then the shadow minister for resources speak, I am terribly disappointed that they could not support this bill with greater enthusiasm and greater willingness. They have completely misrepresented the true position on exports and on debt. In terms of debt, what they are talking about is private sector debt. There is no government debt. They keep trying to mislead the Australian public—

Mr Gavan O’Connor—What did the Treasurer say about that?

The DEPUTY SPEAKER (Hon. AM Somlyay)—Order! The member for Batman was heard in silence.

Mr JOHNSON—There is no government debt owed by the Commonwealth government of this country, and to continue to go into the community and try to merge the two issues is most disingenuous. I will certainly be letting the constituents of my electorate know—as I am sure my friend and colleague here the member for Canning will let his constituents know—that the federal government owes not a single dollar to any external source at all. The debt that is in this country is private sector debt generated by the private sector, and taxpayers of Australia do not owe money as taxpayers of the country. I just want to make that very clear at the outset. The shadow foreign minister talks about a half a trillion dollar debt. I did not hear
him talk about the national economy of this country becoming a $1 trillion economy. You cannot have it both ways. You are talking about a half a trillion dollar debt but you do not talk about the GDP becoming a $1 trillion GDP. Let us get some facts on the table at the very outset.

As the member for Ryan—the electorate I have the great privilege to represent in my fifth year in the national parliament—I warmly support this bill. It is a bill that is important. It is a bill that could be quite easily forgotten in the hurly-burly of a very exceptional budget delivered by the Treasurer on Tuesday evening. It could easily be forgotten in the accolades and the applause that have come from almost every sector of the Australian community about the budget. That budget was one of the most significant budgets that has been delivered in this parliament—a budget, I might add, that includes fundamental reform which brings immediate tax cuts to millions of Australians across the nation. And importantly and relevantly in the context of this bill, it is a budget that does its bit to promote business, which is what this particular export market development grants bill is all about.

This bill is important because it is about economic activity. It is about jobs. It is an important bill because it is about creating wealth for this country and making the wealth pie larger and the job pie even bigger, and all that of course goes significantly to making the national economy much more prosperous. This government can be very proud of the achievements and policies that have been in place in the last decade that now see record levels of people in jobs and record levels of economic activity.

This scheme is one of the Howard government’s most successful initiatives. Since I was elected in 2001, I have had the opportunity of speaking on the Export Market Development Grants Scheme on two separate occasions, in 2003 and 2004. As my Liberal colleague the member for Forde alluded to, the growth of our export sector has been very strong in recent years. We can highlight many success stories. We should pay tribute to the entrepreneurship, innovation, skill, creativity, professionalism, adaptability, flexibility and sheer determination of Australian business operators across the country.

We can even be more encouraged that growth and involvement in the small business sector are going to increase. Small and medium sized businesses will continue to have many opportunities to grow. Small businesses in this country number some 1.2 million. They represent over 30 per cent of Australia’s GDP. I for one will continue to very strongly promote small business activity in this country. Over 96 per cent of all businesses in this country are small businesses. It is very important that members of the government continue to remind the electorate and the broader community of this very fact. Some 35 per cent of small businesses operate in regional Australia. I touch on small businesses because many small and medium sized businesses are in a position where they may be able to export to the world. The Export Market Development Grants Scheme allows them to seize the moment.

This bill is the result of a review into the scheme conducted by Austrade. The review was commissioned by the Deputy Prime Minister and Minister for Trade in 2004 as required by the sunset clause of the EMDG Act 1997. The review took into account 394 public submissions as well as meetings with business, industry associations and other relevant stakeholders. It recommended the extension of the program to the 2010-11 financial year as well as making other recommendations to improve the efficiency and effectiveness of the program. All but
one of the changes contained in this amendment bill were recommendations by the Austrade review. I will come to some of the key amendments in a moment.

At the outset of my presentation, I want to stress the success stories of the export market generally and some of the success stories in the Ryan electorate specifically. The year 2005 was a bumper year for Australian exports. Australia’s 30,000 exporters across the nation achieved a record sales total of some $176.7 billion, having engaged in business in over 200 countries. This represents a 15 per cent increase on 2004 sales figures. This record growth looks set to continue, as the Deputy Prime Minister continues to set a good example to the country with the policies of the government. As he announced recently, in March 2006 exports reached their highest ever levels, topping $16.1 billion.

The reasons for the growth are quite apparent. The achievement of this sort of growth and success does not come through sheer good luck; it comes because of the economic climate and the opportunities that the economic environment provides. Of course, all that stems from the policy framework that the government of the day sets in place. This government can hold its head high and be very proud of the economic environment that it has put in place, in which Australian businesses can flourish and go about what they do best—engage in business. I want to refer to the words of a former US President in the past century who said that the business of government is to get out of the way and to let businesses engage in business. That is a very good slogan, which we on this side of the chamber subscribe to very strongly. We are not about making business; businesses are about making business.

Let me continue to talk about the scheme for a moment. The Export Market Development Grants Scheme has become one of the key drivers of export growth in the last few years. The scheme was introduced by the Howard government in 1997 and, as I have said, will go into the 2010-11 financial year. It is the principal financial assistance program for aspiring and developing exporters. Changes in 2003 saw the grants program’s focus shift to small and medium sized businesses. In the 2004-05 financial year, the scheme paid out a total of 3,277 grants—some of those coming to the great electorate of Ryan, which I represent in the parliament. Of these 3,277 grants, 77 per cent went to small businesses with annual incomes of $5 million or less. Those who continue to question the logic of the government’s emphasis on trade and on the Export Market Development Grants Scheme should perhaps reconsider their doubts, because this is a meaningful scheme. It really makes a difference.

Exports currently account for 20 per cent of the total value of the goods and services produced by Australian business. I should put on the record again that one in five Australian jobs depends on exports, and that figure rises to one in four in regional areas. Over the decade of the Howard government it is estimated that some 1.7 million new jobs have been created through increases in Australian exports. Australia’s 30,000-plus exporting firms pay their employees on average some $17,400 more than non-exporting companies. That statistic speaks for the importance of the place of exporters in the Australian economy. All Australians know and appreciate the very significant and important place of exports in our country and how they can represent new opportunities for job creation and for furthering our national economic prosperity.

We live in a globalised world. We have global companies. Our global economy and our global companies are intertwined. Our big firms must trade with the world. They must deliver services to the world. In return, the companies of other nations want to do business in our part
of the world. Trade is eminently more powerful and more meaningful than short-term aid in the context of helping developing countries, and this government can also hold its head high for its part in pushing a conclusion of the Doha Round. If anybody thinks we can remain an isolated nation and an isolated economy—that we can just bury our heads in the sand, not trade with the world, not have foreigners come to this country and engage in work—they are kidding themselves in a very big way.

In my electorate recently I had the great pleasure and opportunity of assisting a local Brisbane company by the name of AHI Jensen with its successful bid in tendering for a $25 million project in the very large Chinese city of Chongqing. This company was successful against global competitors in winning this contract for $25 million to provide landscaping. It will now work in the very prestigious Nanshan botanical gardens arboretum project promoting Australian craftsmanship and ingenuity in a very practical sense to the residents of Chongqing. I had the good fortune to play a small part in promoting that business opportunity for that company located in the western suburbs of Brisbane, which is where my federal electorate is.

As the Australian economy enters its 15th straight year of economic growth, Australia’s strong and vibrant export sector is only going to increase in prominence. I am very proud that the export growth in this country continues to touch the people of the Ryan electorate. Since my election to the parliament in 2001, 129 export market development grants have been paid to Ryan based businesses. These grants total assistance of almost $4½ million. In 2005 alone export market development grants were made to businesses in Ryan that exported products and services as diverse as legal expertise, tourism activities, music, biotechnology, book publishing and horse supplements. Some of the bigger grants so far in the 2005-06 financial year have included $70,000 to a company called Blue Ribbon Seed and Pulse Exporters Pty Ltd, who export grain seed. Nanochem Pty Ltd, based at the University of Queensland in the St Lucia suburb in the Ryan electorate, received $70,000 to aid in the export of biotechnology services and technical knowledge. A company by the name of Bikestyle Pty Ltd, which conducts cycling tours, benefited to the tune of $61,248. They are some examples of success stories in the Ryan electorate.

I commend them very warmly. I commend all the other recipients of this scheme and the financial assistance that goes with it. This is a leg-up. It is a way of rewarding initiative. It is way of rewarding and acknowledging entrepreneurship. Those business constituents in the Ryan electorate are fine examples to the rest of the business community in Ryan because they are very much leading the way in providing jobs for their fellow residents in the Ryan electorate.

I will finish my presentation in the parliament today with some comments about the key points of the amendment bill. This continues the Export Market Development Grants Scheme past 2005-06 to 2010-11, with a report to the Minister for Trade by 30 June 2010. It increases the overseas visits allowance from $200 to $300 per day. Another key amendment is that it allows Austrade to deem certain applicants eligible when they do not technically meet the act’s current principal status requirements. This provides Austrade with the flexibility to give grants to companies that either are involved in emerging export sectors, even if they do not meet the act’s technical requirements, or have business structures in place for pragmatic or market reasons which previously would have excluded them, but that would otherwise comply with the general nature of the scheme.
An important amendment is that the bill modifies the scheme’s Australian origin rules so that, firstly, goods coming into their final form in Australia must be made in Australia to be eligible and, secondly, for other goods to be eligible Austrade must be satisfied that Australia will derive a significant net benefit from the sale of those goods outside Australia. The definition of ‘made in Australia’ is set out in ministerial guidelines and takes into account factors such as whether the product is mined, grown, raised or substantially transformed in Australia. The ministerial guidelines will also set out the definition of ‘significant net benefit’ and take into account issues such as job creation, the location of R&D activities, and value added and/or economic benefits to Australia. This amendment represents an effective widening of the grants eligibility criteria and also adds flexibility.

The fifth key point that I want to draw to the attention of the Ryan electorate is that the amendment bill makes applicants’ expenses eligible when they are incurred to increase the return on the disposal of intellectual property and know-how to a related company. The previous ineligibility of those expenses had effectively excluded those companies exporting intellectual property from receiving assistance under the EMDG Scheme. This removes that exclusion, in recognition of the growing market of trade in intellectual property. Some of the companies in the Ryan electorate will derive much benefit from this amendment.

The sixth point is that the bill separates claimable expense categories for overseas representatives and marketing consultants. It caps expense claims for overseas representatives at $200,000 per claim and for marketing consultants at $50,000 per claim. A final point that I want to draw to the attention of the Ryan electorate business community is that the bill removes the export performance test from the EMDG Scheme. This will mean that applicants will no longer have to show evidence of sales made to receive a third export market development grant.

I want to draw this important bill to the attention of the Ryan constituency. As I touched on earlier, this bill is about assisting business. It is about assisting the business community to tap into the opportunities that the world provides to men and women in business across this country. This is a result of good policies in this country which allow Australian businesses to position themselves financially to seize the opportunities. I commend all those in business in the Ryan electorate for their initiative. They go out of their way to seize opportunities to partner with other Australian companies and to seek partnerships internationally. They do a fine job. I am delighted to help any of them that come to my office. Many of them have been guests of the Ryan small business networking breakfasts that I hold in the Ryan electorate, where they have an opportunity to mingle, to network and to derive benefit from the experiences of other local businesses that have been very successful and very profitable in tapping into the global marketplace.

I think it is very important that we in the parliament do not forget in this week of budget success that this bill should be drawn to the attention of our business constituents. I am delighted that the opposition will support this bill—though, as I touched on earlier, it seems with much regret and little enthusiasm. But they also realise the importance of this bill. I am very pleased that they will support the bill.

This bill extends the successful scheme brought in by the government. By supporting Australia’s burgeoning exporters in this way, the Howard government will ensure that the export sector continues to grow and drive Australia’s economic prosperity, not only in the years to
come but also for decades to come. I am very proud to be part of this Howard government in its 10th year in office. I am very proud of this initiative. It is a fine example of policy at work, which the opposition needs to learn a lesson from. I warmly commend the Export Market Development Grants Legislation Amendment Bill 2006 to the parliament.

Mr GAVAN O’CONNOR (Corio) (12.10 pm)—I do not know where the honourable member for Ryan got the impression that we on this side of the House were not supporters of the Export Market Development Grants Scheme. It was a Labor scheme. I am absolutely delighted that the member for Ryan and those members opposite are such strong supporters of a Labor scheme. This is one scheme that has really stood the test of time. That proves it is a good scheme and good policy. Listening to the economic analysis of the honourable member for Ryan today and the criticisms that he levelled against the opposition in this area of economic policy reminded me of former Labor Prime Minister Paul Keating’s statement. When the member for Ryan lays into the opposition with criticisms of our export performance—which was far superior to yours—it is like getting mauled by a dead sheep. I am quite happy to match Labor’s performance in the export field and our predictions about what we want to do with those of government members any day.

Mr Johnson interjecting—

Mr GAVAN O’CONNOR—The member for Ryan can go on mauling me, but he won’t injure me. As I said, it is like getting mauled by a dead sheep. The problem that the honourable member for Ryan has is that Australia is awash with Liberal debt—a half a billion dollars of Liberal debt. I am willing to concede on this occasion to the honourable member for Ryan that I do not know anything about economic analysis, and nobody in the opposition knows anything about economic analysis, so I will defer to the honourable member for Ryan’s heroes. His heroes are in the parliament as we speak today. I refer to the Prime Minister and the Treasurer, who are feeding off the great economy that Labor left them.

How could a Treasurer of Australia, having been left four years of four per cent growth by Labor, and facing the best terms of trade Australia has ever had, engineer an economy to grow at only 2.75 per cent last year, and only 3.5 per cent this year? He is a whacko Treasurer for doing that, isn’t he?

Mr Johnson—He can’t control the rain!

Mr GAVAN O’CONNOR—Oh! Now we have a very incisive piece of economic analysis—now we are blaming the weather for Australia’s poor export performance. It has to be laid fairly and squarely at the feet of your ministers and your Treasurer. I want to quote the heroes of the member for Ryan, because we on this side of the House know nothing about exports or export performance! This is what Treasurer Costello had to say in an interview on 20 September 1995:

Australia has high foreign debt and because Australia has a current account problem, that puts premium on Australian borrowings, that flows through and every Australian pays for the consequences.

Hear, hear! Everybody in the parliament knows what a ‘genius’ this particular Treasurer is. We support that. But he is not the only ‘genius’ on the Liberal side. I will tell you what the current Prime Minister had to say at the launch of a debt truck. It was a measly little old truck back in 1995. Now we have the B-double or triple-double or whatever the terminology is—we have now got the Liberal debt road train. This is what the current Prime Minister said:
If it weren’t for the level of foreign debt, interest rates in this country would be much lower, and every Australian today who owes money on his or her home is paying a higher interest rate than would otherwise be the case because of the size of our foreign debt.

I am quite happy to take the Prime Minister at his word. He has a good record on the never, ever GST! He has a good record on ‘children overboard’! He has a good record on the weapons of mass destruction!

Mr Randall—Mr Deputy Speaker, I would like to ask the member for Corio if he would take a question from me.

The DEPUTY SPEAKER (Hon. AM Somlyay)—Will the member for Corio take a question?

Mr GAVAN O’CONNOR—I am quite happy to take a question from the economic imbeciles on the opposite side.

The DEPUTY SPEAKER—Order! The member for Canning will ask his question.

Mr Randall—I consider the reflection on me as a badge of honour coming from that member.

The DEPUTY SPEAKER—I ask the member for Corio to withdraw that comment.

Mr GAVAN O’CONNOR—I withdraw that comment.

Mr Randall—Mr Deputy Speaker, as the member for Corio has referred to the level of interest rates, I would ask him: what was the level of interest rates when the party he represents left government in 1996?

Mr GAVAN O’CONNOR—I would most certainly like to answer the honourable member’s question, but I preface my answer by giving you the level of Liberal interest rates: they rose to 18 per cent under the Prime Minister. I think the Prime Minister actually cited in the parliament yesterday business interest rates of some 18 per cent. I would note in answering the member’s question that, when the Prime Minister was Treasurer of this country, he engineered interest rates of around 11 per cent. As we know, the inflation rate underpins interest rates—that was 11 per cent as well. At that time the Australian economy was going backwards, was in negative growth, so I am quite happy to say that Liberal interest rates, engineered by the Prime Minister, were 18 per cent. If he is an economic genius and if Labor engineered interest rates of around 18 per cent then we must be geniuses too. I can only draw that conclusion. But let us get back to the Prime Minister.

The DEPUTY SPEAKER—Order! I ask the member for Corio to get back to the bill.

Mr Johnson interjecting—

The DEPUTY SPEAKER—And I ask members on my right to remain silent.

Mr GAVAN O’CONNOR—The honourable member for Ryan launched into this debate with criticisms of the opposition on foreign debt. As we know, exporting performance is very important to controlling those levels of foreign debt. I am merely making the point that the country is awash with Liberal debt. That is the simple point I am making. The Prime Minister said on 20 September 1995:

I can promise you that we will follow policies which will, over a period of time— like 10 years—
bring down the foreign debt.

Well! Unfortunately, the foreign debt is 2½ times what it was when Labor exited the treasury bench. So I am wondering whether this is another non-core promise that the Prime Minister made—a bit like the never, ever GST, the ‘children overboard’, the weapons of mass destruction and all of those fine promises that have been broken.

We on this side of the House always like deferring to the Treasurer on economic analysis! Honourable members who are new in this place probably do not remember the original debt truck, but they will remember the B-double truck, the road train, that is the Liberal debt truck. I remember the original truck quite well. I was impressed by the now Treasurer’s economic analysis at the time, being the ‘genius’ that he was. He said that, if you combine the net foreign debt with the government debt and you divide it per head of population in Australia, you come up with a figure of the debt for every man, woman and child in Australia. I have done that calculation today: it is $25,000. Every man, woman and child now has a Liberal debt of $25,000. Anybody who stands up in this place defending that sort of record really ought to go back and study their Costello economics. Study your Costello economics, have a look at your Prime Minister’s performance when he was Treasurer and then ask yourselves where you have been, because that is the question we are asking you: where has this government been on the issue of Australia’s export performance?

The EMDG Scheme was a Labor initiative designed to assist companies to earn export dollars for Australia and to change the culture of Australian industry to get them oriented to export. We were extremely successful. Every particular study that has been done here indicates that a dollar put into the EMDG yields anything from $10 to $15 in net benefit to the Australian economy. That is money well spent. I am pleased that members of the coalition support a good Labor initiative.

Having said that, I think it is time that we really did take stock of our export performance. My shadow ministerial portfolio is in agriculture and fisheries. They are major contributors to Australia’s great exporting effort. I come from an electorate which is a major regional centre and also a major exporter. So I have a very intimate interest in all matters of economic infrastructure and policy relating to export performance.

I need to say this honestly to the House: I do not mean to offer any criticism to any member of the government but, quite frankly, members opposite—it hurts me to say this!—you have got a dud as trade minister. I say this in all genuineness, because leadership is very important in this particular area. There would not be a member of the House that would say that the current incumbent in this portfolio holds a candle to Peter Cook or Bob McMullan, two of the great trade ministers of Australia. Anybody who can go into a set of negotiations on trade with the Americans and get so comprehensively creamed and then drop a major rural industry, the sugar industry, off the table in the negotiations really does not deserve to be in that particular portfolio.

All of us here understand the importance of Australia’s export performance to the creation of national income and to the task of keeping interest rates down. We all know that. But we know that it is more significant than that, because the exporting task spawns a whole range of side benefits, such as people-to-people cultural contacts with other nations that feed into the task of securing this nation.
We know that exporters are great wealth generators, in the sense that they create jobs and they spawn an innovative and go-getting culture within their enterprises. These are, as study after study has shown, the major drivers of innovation in our economy. So this scheme is very important to Australia’s future export success, and I am pleased that this government—and I will say it quite honestly to members opposite—has continually supported a great Labor initiative. For that we thank you. We are supporting this particular scheme in the main. We support some 12 of the 14 provisions unequivocally. We believe the scheme ought to be extended. We believe access ought to be there for the small to medium sized exporters particularly, and that is where this scheme is aimed. To be eligible for the Export Market Development Grants Scheme, an applicant must have an income of not more than $30 million in the grant year, must have incurred at least $15,000 of eligible export expenses under the scheme, and a principal status for the export business must be obtained. The criteria are very important. The moneys that are allocated here are very important, and of course we will be supporting the legislation.

But I hold grave fears about the direction of policy, and that was articulated by the member for Batman previously in this debate. He has joined us again in the chamber. He was most articulate in the way that he laid out the important factors that are going to contribute to the growth in our economic performance and to economic growth and wealth creation in this country. But I must say I am a little concerned at the government’s predictive capacities in this export area. I note that in 2001 the government forecast five per cent export growth, when in fact exports fell by 0.8 per cent. The Treasurer who gave that dud prediction should resign. In 2002 the government forecast six per cent export growth. So this great, economic-performing government had ministers in there saying, ‘Australia’s export performance is going to go up.’ But then it stayed down and fell by 0.8 per cent. In 2003 the government again forecast export growth at six per cent, while it grew at one per cent. In 2004 the government forecast eight per cent and it only grew at 2.5 per cent. In 2005 the government forecast seven per cent export growth, which was followed by an expected two per cent actual growth. You would have to be a dud to put your name to that, wouldn’t you?

That is the problem. We have got a dud in the portfolio and we have got a government that now cannot control the net foreign debt, and Australia is awash with Liberal debt. That is not a criterion that I have ever applied to this economic analysis. That is your Treasurer. I am using his analysis. And for every man, woman and child in this country there is now $25,000 of Liberal debt. What an extraordinary burden to bear! I have got to say to the honourable member opposite, the member for Canning, do not do what the honourable member for Ryan did and get up here and try and level the criticism on debt at the opposition when in fact you have got a hopeless trade performance and the country is awash with your debt. I hope you do not do that, because I did make the point that when members opposite get up on this issue and criticise us—I referred to what the former Labor Prime Minister said—it is like getting mauled by a dead sheep.

So do not even enter the zone, because this country is now awash with Liberal debt. We are up to our eyeballs—and higher—with Liberal debt, and it is going higher. The Liberal debt in this country is just going higher and higher. You have no strategy, and your budget tells us you have no strategy, to address the crippling Liberal debt that is now on every Australian household. The burden is this. According to your Treasurer and your Prime Minister, your foreign
debt has meant that every Australian household is now shouldering an increased interest rate burden, courtesy of the Liberal and National parties; every man, woman and child in Australia is now carrying $25,000 of Liberal debt.

Mrs Elson interjecting—

Mr GAVAN O’CONNOR—That is what your Treasurer said.

Debate (on motion by Mr Neville) adjourned.

ADJOURNMENT

Mr NEVILLE (Hinkler) (12.30 pm)—I move:

That the Main Committee do now adjourn.

Indigenous Affairs

Mr MARTIN FERGUSON (Batman) (12.30 pm)—The Minister for Families, Community Services and Indigenous Affairs has been visiting Aboriginal communities talking up ways to address the dire situation of many of these communities, yet at the same time his government actively undermines other avenues of self-determination for Aboriginal communities afforded through resource development of their lands. This concern was reinforced this week by the Minerals Council of Australia’s response to the budget. The council’s budget response highlighted three issues where the Australian government has failed—skill shortages, exploration incentives and resources for the effective operation of the native title system.

It would be fair to say that those in the Aboriginal community generally support resource development of their lands, provided it is with their agreement and they are able to reasonably share in the benefits, including training and employment opportunities. With recognition of native title, the ability of government communities to share in the benefits from resource developments has improved, as has the approach taken by major mining companies. Unfortunately, none of this has been enhanced by the policy of this government.

Ideally, supporting Aboriginal communities to negotiate with mining companies on an equal footing in order to share in resource wealth would be a commonsense approach to achieve the social, health and education outcomes to which governments in Australia are supposed to aspire. However, for our Indigenous communities to undertake negotiations with large companies, they require resources and funding. The state of funding for these negotiations is so diminished that Aboriginal groups have had to rely on funding from the project managers themselves, the resource companies.

In 1998, consultants to the federal government found that funding to bodies representing Aboriginal communities, such as land councils, had to be doubled just to meet their statutory obligations and to assist in facilitating economic development in Australia. This unfortunately has not happened; in fact, funding has declined in real terms since the report.

A recent paper on this issue by Professor Ciaran O’Faircheallaigh of Griffith University has exposed the system-wide bias against the Indigenous communities in such negotiations. In the end, successful negotiations now depend on the political capacity of the various Indigenous communities to navigate the system—and it is a complex system. What companies are prepared to offer Indigenous communities—and I quote Professor O’Faircheallaigh—‘depends very much on the political resources that Aboriginal people can mobilise and apply in negotia-
tions’. Yet, without the initial resources, they are not even in a position to negotiate on an equal footing.

These lopsided agreements are clearly not good for industry, not good for Australia, not good for Indigenous communities and frustrating for the resource sector generally. Indeed, ending Aboriginal disadvantage is in the interests of the business community and, in particular, the mining sector, which has identified Aboriginal communities as a key source of long-term skilled labour for the future. Yet, despite benefits for Aboriginal communities, industry and the Australian taxpayer, the Howard government has failed to provide either the services that these communities need or the support to negotiate with companies over minerals development of their lands.

The poor state of funding for Aboriginal bodies is one way that the government has undermined the ability of Aboriginal communities to successfully negotiate better outcomes for themselves and the Australian community generally. Other ways include the weakening of native title under the 1998 amendments, the stringent conditions on the use of funds and the government funding of non-Indigenous third parties to native title claims. It is these issues that contribute to ensuring that the environment for negotiations is ‘hostile to Aboriginal interests’.

The government should be assisting economic development opportunities for the Aboriginal community with a negotiation process; it should not be creating barriers. These people need resources so that we can get on with their development, start to improve their community activities and, in doing so, open up resource development in Australia. I simply say that it is time that the Howard government realised the long-term effects of its policies in undermining the ability of these communities to move forward and that it decided to put back in place environments that lay the groundwork for future progress.

If we are going to continue to ride on the back of the resource sector, we have to facilitate resource development in Australia. One way to open up the resource sector in Australia even more is to make sure that Indigenous communities are properly resourced so that they can conduct negotiations in a proper framework, achieve the necessary community outcomes and, in doing so, assist in the development of Australia. It is up to the government to take on this challenge in a realistic sense. (Time expired)

Beaconsfield Mine
Miss Sophie Delzeio
Australian Shooting Team

Mrs ELSON (Forde) (12.35 pm)—I stand today to place on record my admiration of the community of Beaconsfield, which had their quiet world completely changed over the past two weeks. They opened their doors and hearts to the rest of the world. They allowed us to share in the grief of losing Larry Knight, the anxiety of not knowing if Todd Russell and Brant Webb had survived, the elation on hearing they were both alive and then the long journey of their rescue. The true glory and happiness of seeing them emerge from the mine made us wish that we could reach into the television and give them a hug too.

Thank you, Beaconsfield, for tolerating our intrusion into your life and allowing us to share your highs and lows. Thank you to all involved in the rescue. You were truly professional and we are all very proud of your efforts. My deepest sympathy goes to Larry’s family for their
great loss. We all feel that we know Todd and Brant so well. We admire their resilience and bravery. They have stamped on Australia what mateship is all about. Their world has changed dramatically, and I want to wish them and their families the peace and privacy they deserve.

I would like to also wish young Sophie Delezio a speedy and full recovery. As a parent, my heart went out to Sophie’s parents. No parent deserves to go through so much anguish and fear, and no innocent little girl should have to feel so much pain. Sophie has demonstrated to us in the past, on many occasions, her beautiful and cheerful nature. I know this attitude will give her every chance for a speedy recovery. All of our special wishes are with her.

On another subject, I have been asked to bring an important achievement to the attention of the House. I have also been asked to put the contents of a letter on the public record, so I will read it out:

The Beaudesert Pistol Club would like to bring to your attention the outstanding performance of the Australian Shooting Team at the Melbourne 2006 Commonwealth Games.

A team of 29 athletes consisting of 10 women and 19 men won a total of 23 medals made up of 9 gold, 8 silver and 6 bronze. We are pleased, and to point out that our pistol squad of 6 men and 3 women won a total of 11 medals made up of 4 gold, 4 silver and 3 bronze medals.

It was good to see Prime Minister John Howard in attendance on day 3 of the competition congratulating our medal winners, thank you John Howard.

We would also like to mention that one of our members worked at the pistol range as a range volunteer.

The shooting team’s performance is very impressive when compared to other countries such as India who won a total of 27 medals in shooting and whose Government invest a lot of time and expense in their athletes preparation and we congratulate them.

Taking into consideration the generous outlays made by the Commonwealth and States in support of the Athletic and Aquatic sports compared to the more modest grants made to the shooting sports, this represents exceedingly good value for money.

It is also worth pointing out that the various shooting sports, for the greater part have to pay for their own shooting facilities, unlike the Athletic and Aquatic sports, whose facilities are provided by various levels of government.

Australian shooters have again proven their credentials as world class athletes and by their demeanour, have shown that they represent the highest ideals of sportsmanship and are worthy role models and ambassadors for their sport.

It is regrettable that there are still organisations and political parties in Australia who continue to vilify the various shooting sports and their practitioners.

We request that the Honourable Member brings the performance of the Australian Shooting Team to the attention of Parliament at its next sitting.

I am only too honoured to do that. I would like to congratulate all pistol club members in Australia and especially the Beaudesert Pistol Club for bringing this to my attention.

Visual Arts: Resale Royalty Scheme

Mr GARRETT (Kingsford Smith) (12.39 pm)—The painter John Olsen once remarked, ‘On the resale of art everyone makes money but the artist is forgotten.’ The government’s decision, announced in the 2006 budget, not to adopt a resale royalty scheme known as droite de suite for visual artists is a slap in the face to the arts community and particularly to Indigenous artists, who stood to gain both additional rights in their work and the prospect of future in-
come into the longer term as their paintings were on-sold at prices much higher than the first sale. The burgeoning Indigenous art market is now valued at well in excess of $100 million and provides many examples of the escalation in prices that a resale royalty scheme would apply to. For example, a Johnny Warangkula Tjupurrula painting, Water Dreaming at Kalipinyapa, was originally sold for $100 but was resold in July 2000 for $486,500. That is an extraordinary escalation in price for an Aboriginal artwork, and there are numerous other examples.

The Myer report of 2002 into visual arts considered this question in detail and recommended the introduction of a resale royalty scheme. This recommendation has subsequently been supported by the Australian Copyright Council, Arts Law Australia, the National Association for the Visual Arts and the Association of Northern Kimberley and Arnhem Aboriginal Artists, and former Minister Alston was in favour of it as well. The Labor Party has long championed the introduction of a resale royalty scheme, with former shadow arts ministers Kate Lundy and Bob McMullan both introducing private member’s bills to amend the Copyright Act and to provide for resale royalty. The government provided no support for these bills, yet recently the Attorney-General has spent 18 months considering the issue.

Similar resale royalty schemes are under way in the United Kingdom and Europe and embody the necessary recognition that visual artists’ rights extend beyond the first sale of an artwork. Artists often struggle to make a living from their work, even those who achieve success, and sometimes success is a long time coming. For Indigenous artists, many of whom live in impoverished communities, the situation is arguably worse as the options they have for supplementing their income are limited.

In Tuesday night’s budget the government, via the Attorney-General and the minister for the arts, dismissed a resale royalty scheme while announcing a package of initiatives to assist individual artists to build their commercial marketplace and business skills. The government was responding to a fierce lobbying campaign by former state president of the Liberal Party Michael Kroger on behalf of a number of leading art auction houses and, as a result of that big-end-of-town lobbying, has now quashed the prospects of visual artists having an ancillary right to a tiny percentage of the profits of their work when resold. This is a terrible decision for visual artists, who will note this occasion as the day when their rights and opportunities for earning a little more for their work were denied.

I acknowledge the government did announce $6 million for Indigenous art centres and commercial training for artists, and it will be a huge relief to the art centres, who do good work and who have been struggling with a chronic shortage of support due to earlier government cuts. But these necessary and much needed programs are no substitute for a resale royalty scheme for visual artists. In fact the announcements have all the appearance of being a sweetener for Indigenous artists, who, based on research published by art-e Australia, have missed out on something approaching $25 million of royalties since the Myer report recommended a resale royalty scheme in 2002.

To be denied the opportunity to access some $20 million to $25 million due to them if a resale royalty scheme of this kind were introduced, simply because the large auction houses in Australia do not consider it a necessary step in terms of the protection of artists’ rights, is a disgrace. The case for a resale royalty scheme remains strong and Labor will pursue it to en-
able visual artists, including Indigenous artists, to gain necessary long-term income for their work.

Surface Mines Rescue Competition

Mr Haase (Kalgoorlie) (12.44 pm)—I rise today to congratulate all of the rescue teams that took part in this year’s Surface Mines Rescue Competition. The event was held in Kalgoorlie-Boulder from 5 May to 7 May. BHP Billiton’s Iron Ore Newman team won the competition; Barrick Gold’s Plutonic took second place, with Placer Dome Kalgoorlie taking third position. We have a long and proud tradition of mine rescue in Western Australia, starting with Modesto Varischetti, who was trapped in a flooded Bonnievale mine in 1907—a well-known story amongst goldfield miners even today.

The BHP Billiton Newman team comprised of rescue volunteers. It was one of 16 teams from mine sites across Western Australia. To take the overall prize, the Newman team won the overall breathing apparatus skills, the rope rescue and the theory awards. This week’s successful rescue of two miners in the Beaconsfield mine shows not only the expertise and dedication of rescue teams, but also the importance of training for these occasions. Competitions such as this provide rescue teams with a simulated real-life situation, an experience that cannot be learned in a training room.

The other team award winners were Barrick Gold Plutonic for team safety, BHP Billiton Leinster Operations for vehicle extraction, Goldfields Australia St Ives for first aid and best new team, South Kalgoorlie Mines Harmony Gold for hazardous chemicals, Newmont Junee for team skills and firefighting, and Placer Dome Kalgoorlie for confined space rescue and overall first aid. Individual awards went to Vic Marwick, from BHP Billiton Iron Ore Newman, who won for individual theory; Kevin Broadbent, from BHP Billiton Leinster Operations, who won the much coveted Harry Steinhauser award; Tim Campbell, from Black Swan Nickel, who won for emergency coordination; Carmen Ter Rahe, from Goldfields Mine Management, and Sue Steele, from Mercury Medical, who won for the best scenario; and Cindy Lewis, from Newmont Junee, who won as best captain. Cindy Lewis is the first female ever recognised as best captain in this long-standing surface rescue tradition.

I also congratulate the owners and the corporate bodies behind those mines; they are usually unacknowledged in these competitions. They clearly recognise—in giving time off to these crews, in supporting the cost of travel, and supporting the cost of equipment and training—it is necessary to have this vital resource ready to go to any part of Australia with the ability to serve these rescues very well. I am very proud to say that integral to the Tasmanian operation were a number of underground miners from the Kalgoorlie goldfields region. I congratulate, once again, all involved in this operation: the people—their camaraderie that leads to team building and their ability to operate and train as a team—and the companies, which will continue to prevent the failure of training operations by making sure members of teams are recruited and supported with all of the resources that the companies can offer.

We do not know when we are going to need another major rescue operation. We have men working underground right around Australia, and every day their lives quite literally hang in the balance. In my opinion, as a representative of so many miners across Western Australia, the single positive thing that has come out of the Beaconsfield incident is the recognition of the product coming from the efforts of so many people working underground around Australia. The efforts of those competing in the Surface Mines Rescue Competition and the hard
work they put in will equip Australia to act in an emergency situation should it arise in the future.

Beaconsfield Mine

Mr ADAMS (Lyons) (12.49 pm)—Beaconsfield—it is the best of times and the worst of times. All Tasmania felt for the families anxiously awaiting news of their loved ones who were trapped in the historical mine at Beaconsfield, celebrated their recovery and were also deeply saddened by the loss of Larry Knight. I want to pass on the support of members of parliament, the community and myself to the families, to all those involved with the rescue of Todd Russell and Brant Webb, and to those who recovered Larry before the others were found.

Mining is dangerous business. It behoves those who gather wealth from the mining industry to ensure that workplaces are as safe as they can be and that no effort is spared when an accident occurs. Beaconsfield is a historical mine—because it is old it can have certain risks inherent in its structure. But there are times when things untoward happen with no warning. We were left to rely on those with the expertise to dig and drill, which left the rest of us to hope and pray that those men would be brought back to safety. It had that bittersweet ending.

At any time in history mining has been dangerous. The conditions people have worked under, and in some countries are still working under, are just horrific. Miners can be exposed to extraordinary health hazards, including lead poisoning, silicosis from inhaling dust from poorly ventilated shafts, and rheumatism from working in cold and damp conditions. Added to this, the dangers of working with explosives and unguarded machinery—not to mention the natural dangers of seismic conditions, which do prevail in Tasmania—make mining Australia’s most hazardous occupation. Tasmanians know this only too well, with a number of deaths occurring in mines in the last 10 years, and many of those could have been avoided. But the risks can be minimised, and working rules must be adhered to to ensure that those risks are limited.

These days miners are highly trained, and they have special groups that train the rescue teams, which make them multiskilled and allow them to attempt rescues where no ordinary SES person would go. This training is based on the union health and safety regulations and developed and run by unions. If you work underground, you get to know the signs. You can tell what is going on, and risks can be calculated up to a point, provided you are given the right information by those that plan the work. So, if those workers say no, you know the situation is highly dangerous—and this is what happened at Beaconsfield.

One miner, Larry Knight, died in this accident. Other miners would have known that it was only a matter of a minor shudder in the ground that could have seen the remaining workers crushed by the rocks that were shielding them. The workers and their union—in this case, the Australian Workers Union—knew the risks and swung in their very best to ensure a slow and painstakingly careful process was followed. The mine management and the union cooperated to undertake this miracle rescue.

However, I am not confident that, when the new workplace regulations bite, such a successful arrangement will be possible in the future. If unions are not allowed to undertake training in health and safety, the interests of those who take the risks are not being catered for. It is only human nature for those who are providing the capital to minimise costs, and they
may cut important corners. Training will be less stringent, leaving risks to be heightened. Sure, miners make good money, but they are not paid to risk their lives. All resource extractions—whether it be mining, fishing, forestry or manufacturing—have elements of risk. Machines and man do not go naturally together. Therefore, the utmost care must be taken and no expense spared. But, like risk, expense can be minimised if proper training is allowed and catered for. This exercise at Beaconsfield has proven that cooperation and careful work can ensure that risks can be overcome and that, if something does happen, it is possible to deal with it without further endangering lives. There will have to be a full investigation as to how Larry Knight died, because no-one should be put into a situation where they risk their life when they go to work.

I would like to say of the wonderful Beaconsfield township that when the chips were down they held together and worked hard. You will now need to keep the faith for Larry’s family, continue to help them through this awful time and help them to come out with happy memories and the spirit to move forward without him. The next move is to see what happens to the mine and to the community. The future is in the hands of the people of Beaconsfield to determine how they want to go forward—with or without a mine. It is a lovely place and it has the best people in the world living there at the moment. Good luck to everybody. I will be there supporting you every which way I can.

Flinders Electorate: Seniors

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (12.55 pm)—I want to address six steps for seniors in the electorate of Flinders. In particular, I want to start by noting that we had 31,891 people aged 60 and above as at June 2004—the latest figure available—and that now there would almost certainly be more than 32,000 members of the local community who are over the age of 60. In practice, that means that it is an electorate with particular needs for seniors. The Mornington Peninsula, Hastings, Koo Wee Rup, Lang Lang, Phillip Island and the Bass Coast area—all of these areas have a very high concentration of seniors. In acknowledging that fact, I want to pay tribute to the work that they have done but also, most importantly, to set out a practical, six-step plan. The first four of these elements come from the budget announced this week. Many of them are items that I have worked on with local residents and local seniors representation groups.

Firstly and most immediately, there will be a one-off payment of $102.80 to all pensioners to assist with utilities and to all self-funded retirees who are eligible for the seniors concession allowance by 30 June 2006. That payment will reach about 20,000 people in the electorate of Flinders, so that is a very significant payment for seniors within my electorate.

The second thing that I am looking at is that, significantly, for those who may not receive that payment, the government has announced a plan to dramatically simplify and streamline superannuation. The superannuation changes, which will come into effect as of 1 July 2007 because of the need to prepare them, will mean that anybody who has paid contributions and ongoing tax through their superannuation system—so that it is a fully taxed superannuation program—will thereafter be able to withdraw their superannuation tax free. That is an extremely important income initiative for self-funded retirees in Rosebud, Rye, Dromana, Blairgowrie, Sorrento, Mount Martha and so many different places on the Mornington Peninsula. It will make a real difference to the quality and level of their income and also to the simplicity with which their tax arrangements will thereafter be able to proceed.
The third initiative that I am very pleased about is to do with the fact that there are many seniors who are also carers. Many of them have children who have grown up and who are still in need of care. It is a situation in electorates all around Australia. About 700 recipients within the electorate of Flinders who currently receive the carers payment will receive a $1,000 one-off bonus by 30 June this year, and around 2,600 carers who currently receive the carers allowance within the electorate of Flinders will receive a $600 bonus. So that is the third element in the six steps for seniors.

The fourth element that I want to outline will affect only 100 families, but it is extremely important. It is largely to assist retired farmers and rural land-holders. From January 2007, people of age pension age who are currently capable of receiving the age pension, who have at least a 20-year attachment to their land and for whom it would be unreasonable to realise the value of that land by selling it or leasing it may have that land excluded from the calculation of the assets test for the age pension and other allied pensions. That is a critical step forward. It effectively ends the problem of curtilage. As rural land-holders and representatives will know, it is critical.

The fifth element is a step we are taking in the electorate of Flinders. Later this year, at a date to be announced, most probably in early October, we will be hosting a seniors forum bringing speakers and experts on health and wellbeing and creating an expo for seniors about seniors on the Mornington Peninsula. I think that is an extremely important step. That is a way of, firstly, bringing seniors together and, secondly, addressing their needs.

The sixth point that I am very pleased about is that at Point Nepean we will be establishing respite for carers of children and others who have disabilities. That is one of the components there. I commend the six-step program.

Main Committee adjourned at 1.01 pm
QUESTIONS IN WRITING

Telstra Mobile Online Short Message Service
(Question No. 1166)

Mr Martin Ferguson asked the Minister for Employment and Workplace Relations, in writing, on 10 May 2005:

(1) In respect of the provision of Telstra Mobile Online SMS Business Services or similar services to the Minister and the Minister’s staff, (a) does the Minister’s department provide such a service to the (a) Minister and (b) Minister’s staff; if so, when was the service first made available to the (i) Minister and (ii) Minister’s staff.

(2) What has been the cost of providing the service to the (a) Minister and (b) Minister’s staff since it was introduced.

Mr Andrews—The answer to the honourable member’s question is as follows:
No such service is provided.

Advertising Agencies
(Question No. 1884)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 9 August 2005:

(1) What is the estimated cost of the advertising campaign to inform the public of the Government’s industrial relations reforms.

(2) What are the names and postal addresses of the advertising agencies that the department has engaged to assist with this campaign.

(3) Has the department engaged any consultants to advise on the messages or directions of the advertising campaign, if so, which consultants and what are their postal addresses.

(4) Will (a) Mr Mark Pearson and (b) Mr Ted Horton play a role in the advertising campaign.

(5) Has the department engaged a consultancy in which (a) Mr Pearson and (b) Mr Horton is a partner or is otherwise financially associated.

(6) Has the department engaged Starcom Worldwide in respect of this advertising campaign.

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

(1) The total actual cost of the WorkChoices advertising campaign which covers all media advertising, media consultancy, public relations and research costs is expected to be $38.4 million.

(2) Dewey & Horton, Level 1 31 Flinders Lane, Melbourne Victoria 3000.

(3) Yes the Department has engaged a public relations consultant and a market research consultant to assist with the information campaign. They are Jackson Wells Morris Pty Ltd, Suite 16 81-91 Military Road, Neutral Bay, New South Wales 2089 and Colmar Brunton Social Research Pty Ltd, 39 Torrens Street, Braddon, ACT, 2601.

(4) (a) Yes, (b) Yes.

(5) (a) Yes, (b) Yes.

(6) No.
Employment and Workplace Relations: Staffing
(Question No. 2737)

Ms Macklin asked the Minister for Employment and Workplace Relations, in writing, on 29 November 2005:

(1) For the department and each agency in the Minister’s portfolio, what was the total staffing level in (a) 2001, (b) 2002, (c) 2003, (d) 2004, and (e) 2005.

(2) For the department and each agency in the Minister’s portfolio for (a) 2001, (b) 2002, (c) 2003, (d) 2004, and (e) 2005 how many New Apprentices (i) had commenced and (ii) were employed.

(3) How many of the New Apprenticeships referred to in part (2) were traditional apprenticeships (as defined by the National Centre for Vocational Education Research as an apprenticeship in an occupation in Australian Standard Classification of Occupations Group 4—Tradespersons and Related Workers—at AQF level 3 or above with an expected duration of more than 2 years full time).

(4) How many traditional apprenticeships does the department and each agency in the Minister’s portfolio intend to offer to commence in 2006.

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

(1) The Department of Employment and Workplace Relations was created in November 2001. Therefore, staffing figures are represented in the table below, as at 30 June for each of the remaining years in question.

<table>
<thead>
<tr>
<th>Year</th>
<th>DEWR</th>
<th>EOWA</th>
<th>OEA</th>
<th>NOHSC</th>
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<td>35</td>
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<td>31</td>
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<tr>
<td>2004</td>
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<td>28</td>
<td>145</td>
<td>96</td>
</tr>
<tr>
<td>2005</td>
<td>2871(a)</td>
<td>29</td>
<td>193</td>
<td>(b)</td>
</tr>
</tbody>
</table>

(a) Includes 256 employees from ATSIS and 334 employees from FACS transferred to DEWR between 1 July 2004 and 14 January 2005 as part of machinery of government arrangements.

(b) NOHSC ceased on 7 February 2005 when functions transferred to DEWR (to become Office of the Australian Safety and Compensation Council) as part of machinery of government arrangements.

ATSIS: Aboriginal and Torres Strait Islander Services
DEWR: Department of Employment and Workplace Relations
EOWA: Equal Opportunity for Women in the Workplace Agency
FACS: Department of Family and Community Services
NOHSC: National Occupational Health and Safety Commission
OEA: Office of the Employment Advocate

(2) Nil for each of the years in question. There are no New Apprenticeship occupations in DEWR.

(3) Not applicable.

(4) Not applicable.

Tax Exempt Income
(Question No. 2944)

Mr Fitzgibbon asked the Minister for Revenue and Assistant Treasurer, in writing, on 7 February 2006:
How many consultants employed under AusAID contracts as part of the Tsunami relief operations have claimed tax exempt income in 2004-2005 under (a) s23AF and (b) s23AG of the Income Tax Assessment Act 1936.

Mr Dutton—The answer to the honourable member’s question is as follows:
The Tax Office is unable to separately identify consultants employed under AusAID contracts as part of the Tsunami relief operations.

Trade Skills Training Visas
(Question No. 3076)

Mr Georganas asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 27 February 2006:
(1) How many Trade Skills Training visas have been:
   (a) received; and
   (b) approved.
(2) What evidence is required of the employer to demonstrate that local workers are not available.

Mr Ruddock—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable member’s question:
(1) (a) At 22 March 2006 seven visa applications had been received; and
   (b) At 22 March 2006 no visa applications had yet been approved.
(2) Before an overseas apprentice can fill a vacancy, an approved Regional Certifying Body (RCB) must certify that no Australian apprentice can be found to fill the vacancy, drawing on documentary evidence that must be provided by the potential employer.
   A RCB is a State or Territory or local government body or a body approved to be an RCB after consultation with a State or Territory government.
   In making a certification that an apprenticeship vacancy cannot be filled by an Australian, the RCB will seek evidence of methods used by potential employers to fill an apprenticeship vacancy and any other relevant initiatives necessary to recruit apprentices. Because of their local knowledge, RCBs are ideally placed to make these judgements.

Opinion Polls
(Question No. 3134)

Mr Bowen asked the Minister for Industry, Tourism and Resources, in writing, on 28 February 2006:
(1) What sum was spent on market research and opinion polls in preparation of the “Where the Bloody Hell are you” tourism advertising campaign.
(2) In which countries was market research or polling undertaken and what sum was spent in each.
(3) Which companies were engaged to undertake this research.
(4) Was any market research or polling undertaken in Australia; if so, (a) how was it conducted, (b) who was polled, (c) what sum was spent, and (d) what questions were asked.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:
(1) $6.2 million was spent on market research for Tourism Australia’s new global destination campaign. No opinion polling was undertaken.
(2) United States, Canada, United Kingdom, Germany, Italy, France, Scandinavia (Sweden, Norway, Denmark and Finland), Switzerland, the Netherlands, Korea, Japan, New Zealand, Australia, China (including Hong Kong), Singapore, Malaysia, Indonesia, Taiwan, Thailand and India.

Comprehensive individual cost breakdowns are not available by country as the research was commissioned by project not by country. Most projects encompassed more than one country.

(3) Tourism Australia engaged the following companies to conduct research—AC Nielsen, Taylor Nelson Sofres, Acacia Avenue, Ipsos U.K, Instinct & Reason, Roy Morgan Research and Harris Interactive.

(4) (a) It was conducted in focus groups.
(b) No polling was undertaken.
(c) $175,000 was spent on qualitative research in Australia.
(d) These were focus groups not surveys or questionnaires.

Consultancy Services
(Question No. 3136)

Mr Bowen asked the Minister representing the Minister for the Environment and Heritage, in writing, on 1 March 2006:
Did the Minister’s department engage Chris Hunt to provide consultancy services at a cost of $18,829; if so, (a) what services were provided under the terms of the contract and (b) why was it considered necessary to engage an external consultant.

Mr Truss—The Minister for the Environment and Heritage has provided the following answer to the honourable member’s question:
Yes,
(a) Mr Hunt conducted an independent investigation and provided reports and findings in relation to a suspected breach of the Code of Conduct and a concurrent complaint by an employee of harassment and discrimination by another employee.
(b) The external consultant was engaged to allow the investigations to be undertaken in a timely and independent manner. My Department does not retain dedicated full time resources to undertake such investigations.

Consultancy Services
(Question No. 3138)

Mr Bowen asked the Minister for Human Services, in writing, on 1 March 2006:
Did Centrelink engage Measured Insights Unit Trust to provide consultancy services at a cost of $11,000; if so, what services were provided under the terms of this contract and (b) why was it considered necessary to engage an external consultant to provide these services.

Mr Hockey—The answer to the honourable member’s question is as follows:
Yes, see Question in writing No. 3057.
(b) Engaging an outside consultant provided Centrelink with experience in a specialised field.

To answer this question, it has taken approximately 5 hours and 14 minutes at an estimated cost of $233.
Medical Students
(Question No. 3160)

Ms Macklin asked the Minister for Education, Science and Training, in writing, on 1 March 2006:

(1) Further to the answer to the question without notice on 27 February 2006 (Hansard, page 22) on the Government’s decision to increase the cap on fee paying medical places from 10 per cent to 25 per cent, does the figure of 400 students include the current intake of domestic fee paying medical places which occurred under the 10 per cent cap; if so, how many additional full fee paying places will the measure create.

(2) Does the figure of 400 students relate to commencing students only or to the total number of students eligible to be enrolled in a full fee-paying medical degree.

Ms Julie Bishop—The answer to the honourable member’s question is as follows:

(1) No.

(2) It relates to the potential additional commencing students in 2007.

Medical Students
(Question No. 3161)

Ms Macklin asked the Minister for Education, Science and Training, in writing, on 1 March 2006:

In respect of each medical degree offered by an Australian university, (a) how many domestic full fee paying medical students commenced in (i) 2004, (ii) 2005, and (iii) 2006, (b) what was the total number of domestic full fee paying medical students enrolled in (i) 2004, (ii) 2005, and (iii) 2006, (c) what is the maximum allowable intake under the 25 per cent cap, (d) what is the maximum number of full fee paying students allowed to be enrolled under the 25 per cent cap, (e) what is the expected length of the course, (f) what is the annual full fee charged, and (g) what is the sum of the annual fees paid by a full fee paying student for the degree.

Ms Julie Bishop—The answer to the honourable member’s question is as follows:

(a) (i) None. Universities were permitted to admit domestic undergraduate fee-paying medical students for the first time in 2005. However, there were cases where an international fee-paying medical student part way through their course, and part way through a year, was granted permanent resident status. In these circumstances, guidelines under the Higher Education Funding Act 1988 permitted universities to charge these students domestic fees for semester 2 of the specific year only. After that semester, these students were to compete for HECS-liable places. In 2004 there were 2.4 EFTSU reported for such students.

(ii) Higher education providers are required to submit final data for 2005 through the Higher Education Student Collection by 31 March 2006. It is expected that these data will be verified by late July and released shortly afterwards.

(iii) It is expected that data for 2006 submitted by higher education providers through the Higher Education Student Collection will be available by mid 2007.

(b) (i) Not applicable – see answer to (a)(i).

(ii) No data available

(iii) No data available.

(c) The limit on the number of domestic undergraduate fee-paying medical places applies only to Table A providers. The University of Wollongong and the University of Western Sydney will commence medical courses in 2007. Under the 25 per cent cap, the maximum allowable number of commenc-
ing domestic undergraduate fee-paying medical places in 2007 for Table A providers is estimated to be around 619.

(d) In 2007, the maximum number of domestic undergraduate fee-paying medical places that could be enrolled under the 25 per cent cap for Table A providers is around 990.

(e), (f) and (g) The information as supplied by universities is available on the ‘Going to Uni’ website at www.goingtouni.gov.au

**Australian Capital Territory Prison**  
( Question No. 3168)

Mr McMullan asked the Minister for Local Government, Territories and Roads, in writing, on 1 March 2006:

(1) In respect of the article in the *Canberra Times* on 24 February 2006 which reported that he had not yet heard of plans by the Member for Eden-Monaro to prevent the ACT’s proposed prison at Hume, has he been contacted since then by the Member for Eden-Monaro about the siting of the ACT prison. If so, when.

(2) Has he received a copy of legal advice the Member from Eden-Monaro has received from the Australian Government Solicitor’s office about ways in which the Commonwealth could override the ACT’s plans; if so, will it be released for public scrutiny.

(3) Is he aware of plans for a project or development of national significance which could use the land at Hume.

(4) Since the announcement of the ACT prison project, has the Member for Eden-Monaro ever raised the issue of the siting of the prison with him; if so, (a) when and (b) what was his response to the Member for Eden-Monaro.

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

(1) Yes. Mr Nairn wrote to me on 1 March 2006.

(2) Yes. The legal advice will not be released publicly.

(3) No.

(4) I have had numerous discussions on a range of portfolio issues with the Member for Eden-Monaro and indeed other members as well.

**Airport Development**  
( Question No. 3171)

Mr Murphy asked the Minister for Transport and Regional Services, in writing, on 2 March 2006:

(1) Has he read the article in the *Weekend Australian* on 11 February 2006 titled ‘Developers take off’ concerning the overdevelopment of designated airports, including Sydney Airport, which reported that he intends to amend the Airports Act to put beyond dispute that airports are free to develop all manner of non-aviation facilities on their 99 year leaseholds.

(2) Has he read the report in the *Sydney Morning Herald* on 4 February 2006 titled ‘The sky’s the limit’ which reported that in the near future, amongst other developments, Sydney Airport may have cinemas, hotels, offices, and a waterfront leisure centre.

(3) Has he read the article in the *Sydney Morning Herald* on 4 February 2006 titled ‘Airport retail plan turns deaf ear to noise limits’ in which it was reported that “a noise map in the Sydney Airport master plan showed the site earmarked for the 60,000 square metre shopping centre was not suitable
for a commercial building” and that by 2023 the site would be exposed to noise levels between 35 and 40 ANEF which is considered too high for that purpose.

(4) Can he say what types of developments are permissible at airports and does the Airports Act regulate the types of development permissible at airports.

(5) Has he consulted with the Minister for the Environment and Heritage on amending the Commonwealth Environmental Protection and Biodiversity Conservation Act 1999 to regulate development on airport land, including Sydney Airport, particularly with respect to changes to noise levels resulting from changes to the number of aircraft movements and type of aircraft; if so, what are the details.

(6) Will he amend the Airports Act to make developments at designated airports, including Sydney Airport, subject to state and territory planning laws, environmental and local government laws; if so, how; if not, why not.

(7) Will he act to make the owners of Sydney Airport accountable to the people of Sydney and NSW.

(8) Will he explain why the Government does not oblige airport lessees to observe the letter and spirit of state and territory laws, in this case the Sydney Airport Corporation and NSW state and local government planning and environmental requirements including noise and development laws, and will he also provide details on the social and economic objectives advanced by exempting airport lessees from state and local planning and environmental laws.

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

(1) Yes.

(2) Yes.

(3) Yes.

(4) Proposed developments at the federally-leased airports are assessed on a case by case basis. The Airports Act 1996 (the Act) and the associated Regulations are the statutory framework for the regulation of development at Australia’s leased federal airport sites. The primary mechanisms for managing development under the Act are Master Plans and Major Development Plans. Master Plans deal with matters relating to the development and operation of an airport including the development objectives of the lessee; the lessee’s assessment of the future needs of the airport; and forecast noise level exposure due to the operation of the airport. Major Development Plans deal with the objectives of a specific development to the extent that it meets the needs of users of the airport; whether the development is consistent with the final master plan for the airport; if the development could affect noise levels, the effect on noise exposure levels; the lessee’s assessment of the environmental impact of the development; and other matters as specified in the Regulations.

(5) No.

(6) No, the Australian Government has no intention of conceding any planning control over what are Commonwealth sites. Section 112 of the Act excludes State and Territory planning laws from applying to the federally leased airports. A number of factors underpinned the Australian Government’s decision to retain regulatory planning control over the leased airports in the lead up to the first Federal airports being privatised. Primarily these were:

(a) the Government’s original decision to lease rather than sell the airports, meaning that the airports remain ‘Commonwealth places’, and revert back to the Government at the end of the lease period;

(b) regulation by the Australian Government ensures a consistent national approach is applied at all 22 Federal leased airports;
(c) many of the airport structures, for example runways, taxiways and aprons, are regulated under Federal safety legislation and the States and Territories do not have technical expertise in determining these matters; and

(d) the Australian Government’s on-going responsibility for related aviation matters such as air safety, aviation security, curfews and protection of airspace around airports in compliance with Australia’s international obligations.

The original policy justification for the Commonwealth needing to retain planning powers for the Federal airports has not diminished.

(7) Sydney Airport Corporation Limited (SACL) is already a party to a Memorandum of Understanding (MoU) with the NSW Government that establishes a framework for consultation on matters associated with policies and programs that relate to the Airport. SACL and the NSW Government meet on a regular basis to discuss issues including those arising from the Airport’s development proposals and the potential impact on the surrounding infrastructure. In addition, the Airports Act provides adequate opportunity for consultation and, together with the arrangements in place through the MoU and its consultations, the NSW and Local Governments and the general public therefore have considerable opportunity to comment on development proposals at Sydney Airport.

In addition, the Australian Government has made a commitment through its response to the Inquiry into the Development of the Brisbane Airport Corporation Master Plan to develop, in consultation with major stakeholders and public interest groups, a standard set of guidelines to promote a shared understanding for how consultation processes should be managed. My Department has developed draft guidelines and will be consulting with local councils on their development.

(8) See answer to (6).

Jakarta International Film Festival
(Question No. 3175)

Mr Garrett asked the Minister for Foreign Affairs, in writing, on 2 March 2006:

(1) Why was funding for the 2005 Jakarta International Film Festival on 9 December 2005 withdrawn on 8 December 2005, a day before the festival opened, after it had been promised five months earlier.

(2) Did he, his department, or any member of his staff, communicate with the Cultural Counsellor of the Australian Embassy in Jakarta in respect of the program of the Jakarta International Film Festival during or after his visit to Jakarta on 6 December 2005.

(3) Who made the decision to withdraw funding at the last minute and was the decision approved by the (a) Secretary of his department and (b) Australian Ambassador to Indonesia.

(4) Is he aware that the Cultural Counsellor wrote to the Director of the Jakarta International Film Festival providing reasons for the withdrawal of funding and that the reason given was that the films proposed to be shown, The President v David Hicks, Dhayikarr v The King, We have Decided Not to Die and Garuda’s Deadly Upgrade did not meet the guidelines or objective of the Australia-Indonesia Institute.

(5) Is he aware that the screening of two of the films, We Have Decided not to Die and Garuda’s Deadly Upgrade, was not being supported by the Australia-Indonesia Institute grant and that all four films had been approved for screening in Indonesia.

(6) Is he aware that 45 per cent of the withdrawn grant was intended to support master class workshops for Indonesian film makers and that Australian filmmakers had already travelled to Indonesia to participate in these workshops.
(7) Did that portion of the grant intended to support the master class workshops meet the guidelines and objectives of the Australia-Indonesia Institute; if so, (a) why was it withdrawn and (b) will he review the decision to withdraw the grant.

(8) Was the Board of the Australia-Indonesia Institute consulted prior to the decision to withdraw the funding; if not, has it been formally informed of the decision subsequently and, if it has, will he provide a copy.

(9) Will he consider grants to support the Jakarta International Film Festival in the future.

(10) Has he replied to the correspondence from Erros Djarot, Chairman of the Indonesian Political party PNBK stating that the publicity about the withdrawal of funding was very damaging to Australian and Indonesian relations; if so, will he table the correspondence.

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

(1) It did not meet the Institute’s objectives.

(2) Yes.

(3) I did. (3) (a) and (3) (b) are not relevant.

(4) Yes.

(5) Yes.

(6) Yes.

(7) No.

(8) Yes.

(9) All applications for funding are considered on a case by case basis.

(10) I have not seen this correspondence.

Hamas

(Question No. 3177)

Mr Andren asked the Minister for Foreign Affairs, in writing, on 27 March 2006:

(1) May Australian citizens who wish to send support to Palestine provide support to Hamas now that it has been democratically elected by a clear majority of the Palestinian people; if not, why not.

(2) Will Australia revise the categorisation of Hamas and its various wings as terrorist organisations now that the democratic process advocated by Australia, the USA and other countries has been exercised in Palestine; if not, why not.

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

(1) No, Australian citizens may not provide support to Hamas. Hamas is a listed terrorist organisation under Part 4 of the Charter of the United Nations Act 1945 ("the Act") and the Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002 ("the Regulations"). The Act implements Australia’s international obligations under UN Security Council Resolution 1373 and successor resolutions and makes it a criminal offence for any person to provide funds or financial assistance of any kind to Hamas, whether directly or indirectly. The military wing of Hamas has also been listed as a terrorist organisation under the Criminal Code 1995 which provides for additional obligations and offences.

(2) Under the Act, the Foreign Minister may revoke the listing of Hamas if the Foreign Minister ceases to be satisfied that Hamas is a terrorist organisation as defined in United Nations Security Council Resolution 1373. Likewise, the Attorney-General may revoke the listing of the military wing of Hamas if he ceases to be satisfied that the organisation is directly or indirectly engaged in, preparing, planning, assisting in, fostering or advocating the doing of a terrorist act. The decision to list,
or to revoke a listing, is not determined by whether an organisation is elected. Australia supports
the calls of the international community for Hamas to renounce violence, recognise Israel and rec-
ognise existing agreements between the PLO and Israel.

Auslink Strategic Regional Program
(Question No. 3183)

Mr Martin Ferguson asked the Minister for Local Government, Territories and Roads, in
writing, on 27 March 2006:

(1) In respect of the $250 million Auslink Strategic Regional Program, what sum has been allocated to
each project and what was the date of each announcement.

(2) In respect of the priority projects receiving the sum of $93 million, (a) who selected each project,
(b) what criteria were used to select the projects, and (c) on what date was each project announced.

(3) How will the $30 million for roads in unincorporated areas be allocated.

(4) What criteria will be used to determine which projects receive funding from outstanding program
funding.

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

(1) The following provides a breakdown of the $250 million.

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Committed</th>
<th>Not committed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unincorporated areas/Indian Ocean Territories</td>
<td>$30 million</td>
<td>$30 million</td>
<td>Nil</td>
</tr>
<tr>
<td>Original strategic regional</td>
<td>$120 million</td>
<td>$93.185 million</td>
<td>$26.815 million</td>
</tr>
<tr>
<td>Additional funding</td>
<td>$100 million</td>
<td>Nil</td>
<td>$100 million</td>
</tr>
</tbody>
</table>

The $93.185 million has been allocated to projects as follows:

<table>
<thead>
<tr>
<th>Project</th>
<th>Commitment $m</th>
<th>Date announced</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Princes Highway black spots</td>
<td>15</td>
<td>7 June 2004</td>
</tr>
<tr>
<td>Pambula River Bridge</td>
<td>5</td>
<td>7 June 2004</td>
</tr>
<tr>
<td>Batemans Bay Bypass</td>
<td>10</td>
<td>23 September 2004</td>
</tr>
<tr>
<td>Warramalle link road</td>
<td>2.5</td>
<td>23 September 2004</td>
</tr>
<tr>
<td>Camden Valley Way traffic signals</td>
<td>1</td>
<td>September/October 2004</td>
</tr>
<tr>
<td>Bondi Beach infrastructure</td>
<td>2</td>
<td>28 September 2004</td>
</tr>
<tr>
<td>Lakes Way</td>
<td>2</td>
<td>1 October 2004</td>
</tr>
<tr>
<td>Main Road 301</td>
<td>2</td>
<td>1 October 2004</td>
</tr>
<tr>
<td>Main Road 301 and 101</td>
<td>6</td>
<td>1 October 2004</td>
</tr>
<tr>
<td>Vic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great Alpine Road</td>
<td>6.5</td>
<td>28 September 2004</td>
</tr>
<tr>
<td>Metung Boardwalk</td>
<td>0.5</td>
<td>28 September 2004</td>
</tr>
<tr>
<td>Yan Yean traffic signals</td>
<td>0.16</td>
<td>6 July 2004</td>
</tr>
<tr>
<td>Bryn Mawr Bridge</td>
<td>10</td>
<td>September/October 2004</td>
</tr>
<tr>
<td>Qld</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tablelands Road</td>
<td>0.6</td>
<td>No release</td>
</tr>
<tr>
<td>River Heads Road</td>
<td>0.8</td>
<td>6 October 2004</td>
</tr>
<tr>
<td>Bribie Island Road</td>
<td>0.125</td>
<td>20 October 2004</td>
</tr>
<tr>
<td>Russett Park Causeway</td>
<td>0.5</td>
<td>17 September 2004</td>
</tr>
<tr>
<td>WA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outback Highway</td>
<td>10</td>
<td>September 2004</td>
</tr>
<tr>
<td>Project</td>
<td>Commitment</td>
<td>Date announced</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Bass Highway - Sisters Hills</td>
<td>15.00</td>
<td>October 2004</td>
</tr>
<tr>
<td>Bridport Road</td>
<td>1.50</td>
<td>28 September 2004</td>
</tr>
<tr>
<td>Tasman Highway - Nunamara-Targa</td>
<td>1.50</td>
<td>28 September 2004</td>
</tr>
<tr>
<td>Port Sorell Road</td>
<td>.50</td>
<td>5 October 2004</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>93.185</strong></td>
<td></td>
</tr>
</tbody>
</table>

(2) (a) and (b) The majority of projects were announced in the 2004 election campaign and confirmed in the 2005 May budget by the Australian Government. (c) See answer to Question 1.

(3) The projects in unincorporated areas are selected by the jurisdictions. The distribution of the $30 million for unincorporated areas in NSW, Victoria, South Australia and the Northern Territory was calculated on road length and allocated as follows. The allocations for Christmas and Cocos (Keeling) Islands and the Lord Howe Island Board reflect previous allocations.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>$2,389,300</td>
</tr>
<tr>
<td>Victoria</td>
<td>$64,000</td>
</tr>
<tr>
<td>South Australia</td>
<td>$10,785,000</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>$16,000,000</td>
</tr>
<tr>
<td>Lord Howe Island Board</td>
<td>$125,700</td>
</tr>
<tr>
<td>Shire of Christmas Island</td>
<td>$453,000</td>
</tr>
<tr>
<td>Shire of Cocos (Keeling) Island</td>
<td>$183,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>30,000,000</strong></td>
</tr>
</tbody>
</table>

(4) The $127 million available through a competitive merit based process provides funding for both large projects (over $1 million and up to $10 million (notional) Australian Government contribution) and for small projects (up to $1 million Australian Government contribution). Projects will be assessed against the criteria set out in the Strategic Regional Programme Guidelines (pages 9-11) sent to all Councils and provided to Members of the House of Representatives and Senators.

**Live Animal Exports**

(Question No. 3184)

Mr McClelland asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 27 March 2006:

(1) To which countries does Australia export live animals and how many animals are exported to each country.

(2) Are statistics compiled on the casualty rates of animals in transit; if so, will he make them available.

(3) What controls exist to minimise the casualty rate.

(4) What inspections and regulations are made in respect of the export of live animals by government agencies.

(5) Do international standards exist in respect of the export of live animals; if so, does Australian practice comply.

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

(1) The number of livestock exported to each country during 2005 is listed in Attachment 1. Livestock species are cattle, buffalo, sheep, goats, deer and camels. The statistics are collated from the information on the Australian Quarantine and Inspection Service (AQIS) export permits. In addition 18,445 cats, dogs and horses and 18.69 million other species (e.g. fish, insects, hatching eggs, laboratory animals) were exported to wide variety of countries. Apart from a small number of horses, these animals are all exported by air.
(2) Statistics on animal mortalities during transport are compiled for all livestock species. I am required under the Australian Meat and Livestock Industry Act 1997 to table a report every six months, in both Houses of the Parliament, containing information on livestock voyages by sea and the mortalities for each voyage based on the information submitted by the Master to the Australian Maritime Safety Authority (AMSA). I have attached the last two reports to Parliament (attachment 2 and attachment 3). Please note the livestock numbers in the report to the Parliament differ from the information supplied in Attachment 1. The inconsistency is caused by the timing of the receipt of information. The information in Attachment 1 is based on AQIS data at the time of export but the reports from the Master of the vessel to AMSA are not supplied until some after voyages are completed.

(3) For livestock species, exporters must comply with the Australian Standards for the Export of Livestock (ASEL) which includes specific standards for the management of livestock during preparation and transport to prevent casualties during export journeys. The standards are jointly developed by industry, animal welfare and state and commonwealth agencies. Versions are endorsed by the Primary Industries Ministerial Council. The current version is version 1. The ASEL include requirements for the selection, preparation, transport and on-board management of livestock by sea and by air. The standards cover, amongst other things, minimum feed, water, space requirements, veterinary kits and hospital pen space for the various species during the export journey. For livestock voyages by sea, the standards include a requirement for accredited stockman to accompany the animals and provide reports to AQIS. AQIS also requires accredited veterinarians to accompany all voyages to Middle East destinations to report on the welfare and management of the animals during these voyages.

Exporters of other live animals must satisfy AQIS that the animals are fit to undertake the proposed journey and that appropriate travel arrangements for the particular species, number of animals and length of journey have been made. AQIS uses the International Air Transport Association (IATA) Regulations which are published annually as a guide to determine whether an exporter’s plans for the export of animals by air are satisfactory.

(4) Regulations and inspections relating to the export of live animals by government agencies are:

(a) Australian Meat and Live-stock Industry (Export Licensing) Amendment Regulations 2004 sets out the requirements, processes and conditions for livestock export licences;
(b) Australian Meat and Live-stock Industry (Standards) Order 2005 references the ASEL;
(c) Australian Meat and Live-stock Industry (Live Cattle Exports to Republic of Korea) Order 2002 sets out specific requirements for export of cattle to Korea;
(d) Australian Meat and Live-stock Industry (Export of Lives-stock to Saudi Arabia) Order 2005 sets out specific requirements for export of livestock to Saudi Arabia;
(e) Export Control (Animals) Order 2004 sets requirements for livestock to be inspected at registered premises prior to export and the capacity for AQIS or AQIS accredited veterinarians to supervise the selection and preparation of animals during the export process. Under these orders, AQIS may require an AQIS or AQIS accredited veterinarian to accompany any shipment of live animals on the export journey and report on the animals’ welfare during the voyage;
(f) Marine Order 43 administered by the Australian Maritime Safety Agency (AMSA) sets out the physical standards ships must meet to ensure the safe carriage of animals as well as obligations on the master to monitor and report on the health and welfare of the animals during the voyage. The order also references specific mortality levels which trigger investigations by a marine surveyor if exceeded.
(5) The two relevant international standards are the World Organisation for Animal Health animal welfare guidelines and the IATA Regulations. Both international standards are taken into account when formulating the ASEL.

Attachment 1
Species Sent by Market - 2005

<table>
<thead>
<tr>
<th>Country</th>
<th>Cattle</th>
<th>Sheep</th>
<th>Goats</th>
<th>Buffalo</th>
<th>Camels</th>
<th>Alpacas</th>
<th>Deer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>17</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Bahrain</td>
<td>510,778</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bangladesh</td>
<td>6</td>
<td>21</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Brazil</td>
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<td>21</td>
<td>6</td>
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<tr>
<td>Brunei</td>
<td>6,573</td>
<td>1,387</td>
<td>936</td>
<td>34</td>
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<tr>
<td>China</td>
<td>27,349</td>
<td>1,769</td>
<td></td>
<td>44</td>
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<td>Egypt</td>
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<td>35,000</td>
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<td>29</td>
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<td>Jordan</td>
<td>3,924</td>
<td>672,071</td>
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<td>Kazakhstan</td>
<td>219</td>
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<tr>
<td>Kuwait</td>
<td>3,003</td>
<td>875,300</td>
<td>12</td>
<td>10</td>
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<td>Malaysia</td>
<td>33,601</td>
<td>22,205</td>
<td>33,930</td>
<td>2,302</td>
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<td>17,399</td>
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<td>New Zealand</td>
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<td>163,755</td>
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<td>Sabah</td>
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<tr>
<td>Saudi Arabia</td>
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<td>540</td>
<td>5,636</td>
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<td>South Korea</td>
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<tr>
<td>Taiwan</td>
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<td>Thailand</td>
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<td>41</td>
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<td>Timor-Leste</td>
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<tr>
<td>UAE</td>
<td>1,210</td>
<td>238,441</td>
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</tr>
<tr>
<td>Total</td>
<td>535,711</td>
<td>3,912,398</td>
<td>45,329</td>
<td>3,347</td>
<td>34</td>
<td>562</td>
<td>789</td>
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Pensions and Benefits
(Question No. 3186)

Mr Georganas asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 27 March 2006:

(1) Why is rent assistance not payable to recipients of Austudy.
(2) What other regular Centrelink payments preclude recipients from receiving rent assistance.
(3) Will the Minister review this anomaly; if not, why not.
Mr Brough—The answer to the honourable member’s question is as follows:
Austudy recipients have never been entitled to Rent Assistance. Austudy is the only income support payment that does not attract Rent Assistance. While Austudy recipients cannot get Rent Assistance, the Government has included a generous personal income free area of $236 per fortnight using any credit accumulated to offset high income in other fortinights. This enables full time students on Austudy to continue to be engaged in the workforce and keep most of the money they earn from casual or part time employment. There is also a higher rate of Austudy for long-term income support recipients commencing full-time study or a New Apprenticeship.

Logan Motorway  
(Question No. 3190)

Mr Ripoll asked the Minister for Local Government, Territories and Roads, in writing, on 27 March 2006:

(1) What was the outcome of the 12-month trial which removed tolls for trucks on the Logan Motorway.
(2) What sum did the Commonwealth contribute to the trial and what sum would have been raised by tolls had the trucks paid the normal toll.
(3) How many trucks used the Logan Motorway during the (a) toll free period and (b) previous 12-month period.
(4) Why has the trial been extended.
(5) What evidence is there to indicate that the trial has reduced traffic travelling on Granard Road, Riwena Road, Kessels Road and Mt Gravatt-Capalaba Road in southern Brisbane.

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

(1) A post-trial report detailing the findings of the trial is not due before the end of August 2006.
(2) The Australian Government approved funding of up to $1.4 million towards the initial 12-month trial based on indicative estimates provided by the Queensland Department of Main Roads. Subject to validation, claims for toll revenue reimbursement have not been received to date and it is not expected that claims for the initial 12-month period will be finalised prior to submission of the post-trial report.
(3) (a) Data on the number of trucks that used the Logan Motorway and Gateway Motorway Extension during the initial 12-month toll free period will not be available until the draft post-trial report is received.
(b) The Queensland Department of Main Roads has advised that the number of trucks using the Logan Motorway and Gateway Motorway Extension during 2003/2004 for the equivalent time period was 119,067 and 83,394 respectively, for a total of 202,461.
(4) The toll free period was extended to ensure that there is adequate time to examine the impact of the initial 12-month trial before any further decisions are taken.
(5) The Queensland Department of Main Roads has advised, based on four months data collected to June 2005, that there has been only a slight reduction in the number of trucks and articulated vehicles using the BUC in the toll free period hours. Nonetheless residents’ perceptions, as reported in survey results, are that fewer trucks are using the BUC and that noise levels are reduced.
Trade: Projects
(Question No. 3191)

Mr Fitzgibbon asked the Minister for Trade, in writing, on 27 March 2006:

(1) What projects has he approved under s. 23AF of the Income Tax Assessment Act 1936 since 1 July 1999.

(2) Has he approved any AusAid contracts under s. 23AF since 1 July 1999 which involved Mr Trevor Flugge.

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

(1) Successive Ministers for Trade have delegated to Austrade the power to grant approved project status for the purposes of section 23AF. I do not approve projects.

Austrade advises that since 1 January 2000, 1,409 projects have been approved under the section 23AF tax exemption facility.

(2) No.

Trade: Export Licences
(Question No. 3192)

Mr Fitzgibbon asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 27 March 2006:

Are exporters of wine required to pay for an export licence; if so, in respect of the licence fee (a) do exporters of small and large volumes of wine pay the same sum; if not, (i) how is it calculated and (ii) what is a typical fee for a small and a large exporter, (b) what sum is raised by the licence fees, (c) what is the money used for, and (d) has the licence fee risen since 2000; if so, what was the justification for each rise.

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

Yes. Exporters are required to be licensed where individual shipments of grape products exceed 100 litres and fees are payable for both the initial export licence application and for the annual licence renewal.

(a) Yes, exporters of small and large volumes of wine pay the same sum for an export licence. Currently the export licence application fee is $298.10 for levypayers and $1,192.40 for non-levypayers and the annual licence renewal fee is $266.20.

(b) For the 2004/05 financial year the revenue raised from export licence fees was $436,555.00.

(c) The revenue raised from export licence fees is used to cover the costs associated with the issuing of export licences and maintaining the Australian Wine and Brandy Corporation’s (AWBC’s) export related services.

(d) The initial export licence application fee has not risen since 2000 but the export licence renewal fee was increased in 2004. The justification for increasing the renewal fee was a 2003-04 review that indicated the AWBC was not recovering costs associated with the issue of export licenses and the maintenance of its export related services.

Tax: Medical Expense Offset Payments
(Question No. 3193)

Mr Fitzgibbon asked the Minister for Revenue and Assistant Treasurer, in writing, on 27 March 2006:

Will he provide a list of net medical expense tax offset payments since 2003-04 for each electoral division.
Mr Dutton—The answer to the honourable member’s question is as follows:

The figures provided are categorised by state and reflect the amount of net medical expense tax offset claimed by taxpayers in their 2003-2004 income tax returns. As taxpayers complete their tax return using postcode details, a list by electoral division is unavailable.

Medical expenses tax offset for 2003-04

<table>
<thead>
<tr>
<th>State</th>
<th>No.</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW</td>
<td>183,429</td>
<td>116,049,219</td>
</tr>
<tr>
<td>VIC</td>
<td>133,944</td>
<td>69,995,270</td>
</tr>
<tr>
<td>QLD</td>
<td>82,261</td>
<td>41,924,022</td>
</tr>
<tr>
<td>SA</td>
<td>23,867</td>
<td>12,909,496</td>
</tr>
<tr>
<td>WA</td>
<td>36,294</td>
<td>19,089,003</td>
</tr>
<tr>
<td>TAS</td>
<td>5,639</td>
<td>3,244,553</td>
</tr>
<tr>
<td>NT</td>
<td>2,241</td>
<td>1,016,247</td>
</tr>
<tr>
<td>ACT</td>
<td>15,287</td>
<td>8,372,981</td>
</tr>
<tr>
<td>Other &amp; not stated(1)</td>
<td>20</td>
<td>14,612</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>482,982</strong></td>
<td><strong>272,615,403</strong></td>
</tr>
</tbody>
</table>

(1) ‘Other & not-stated’ represents individuals who have left out the postcode, given incorrect/illegible postcodes on their tax return forms or have stated an overseas address.

The data provided is for the 2003-2004 income year, processed up to 31 October 2005.

**Fusion Energy Research**

(Question No. 3196)

Mr Murphy asked the Minister for Industry, Tourism and Resources, in writing, on 27 March 2006:

(1) Is he aware of the comments made by Dr Matthew Hole, Dr Boyd Blackwell and Professor John O’Connor to the House of Representatives Standing Committee on Industry and Resources inquiry into developing Australia’s non-fossil fuel energy industry, that the fusion process offers a possible solution to baseload power generation and may provide millions of years of power with low radioactive waste and no greenhouse gas emissions.

(2) Can he confirm that the United States, the European Union, Russia, China, Korea, Japan, India and Brazil have committed $16 billion to a research program to bring fusion power to fruition; if not, why not.

(3) Is he aware that the fusion process was discovered by the eminent Australian physicist, Sir Mark Oliphant.

(4) Will the Government commit funding to ensure Australia can participate in the next stage of fusion energy experimentation, the International Thermonuclear Experimental Reactor Forum; if not, why not.

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

(1) Yes.

(2) The partners in the International Experimental Thermonuclear Reactor (ITER) have committed significant funding to the construction and operation of a research facility at Cadarache in France to advance fusion energy research. The original six partners in ITER were the US, the European Union, China, Russia, Japan and Korea. In December 2005 India joined the ITER consortium.

(3) I am aware of the important part played by the Australian scientist, Sir Mark Oliphant, in the discovery of fusion energy.
(4) Through the International Science Linkages Program the Government is supporting an international workshop organised by the Australian ITER Forum to increase awareness among Australian researchers and business of the potential for participation in ITER. The workshop is planned to take place in September 2006. Each ITER partner will be invited to nominate a representative to attend the workshop.

**AusLink Program**

(Question No. 3197)

Mr Price asked the Minister for Local Government, Territories and Roads, in writing, on 27 March 2006:

(1) What applications for funding under the AusLink program were made by (a) Blacktown Council and (b) Penrith Council in each year since the program commenced.

(2) Which applications were successful and what sum was granted.

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

**Roads to Recovery**

The Roads to Recovery programme has been operating since 2001, but has been part of AusLink only since the AusLink (National Land Transport) Act 2005 came into effect on 28 July 2005.

Councils lodge projects with the Department of Transport and Regional Services and these are funded provided they meet the legislative requirements. No formal applications are made. The Australian Government takes the view that councils are best placed to determine local priorities and to select the projects to be funded under this programme.

Funding provided to the Blacktown and Penrith City Councils over the period from July 2005 to April 2006 inclusive is set out below:

<table>
<thead>
<tr>
<th>Council</th>
<th>Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blacktown City Council</td>
<td>$353,364</td>
</tr>
<tr>
<td>Penrith City Council</td>
<td>$888,420</td>
</tr>
</tbody>
</table>

Details of Roads to Recovery projects lodged for funding can be viewed on the AusLink web site at www.AusLink.gov.au

**Blackspot Programme**

The Blackspot programme has been operating since 1996, but has been part of AusLink only since the AusLink (National Land Transport) Act 2005 came into effect on 28 July 2005.

Projects nominated by Blacktown Council are listed below:

<table>
<thead>
<tr>
<th>Location</th>
<th>Treatment</th>
<th>Cost</th>
<th>Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jersey Road</td>
<td>Install traffic signals with filter turns and pedestrian facilities</td>
<td>$160,000</td>
<td>No</td>
</tr>
<tr>
<td>Plumpton</td>
<td>Install traffic signals with filter turns and pedestrian facilities</td>
<td>$180,000</td>
<td>No</td>
</tr>
<tr>
<td>Plumpton Market Place access</td>
<td>Install traffic signals with filter turns and pedestrian facilities</td>
<td>$180,000</td>
<td>No</td>
</tr>
<tr>
<td>Vardys Road</td>
<td>Install traffic signals with no filter turns allowed</td>
<td>$180,000</td>
<td>No</td>
</tr>
<tr>
<td>Cobham Road</td>
<td>Install traffic signals with no filter turns allowed</td>
<td>$180,000</td>
<td>No</td>
</tr>
<tr>
<td>Kings Park</td>
<td>Install traffic signals with no filter turns allowed</td>
<td>$180,000</td>
<td>No</td>
</tr>
</tbody>
</table>

Projects nominated by Penrith Council are listed below:

<table>
<thead>
<tr>
<th>Location</th>
<th>Treatment</th>
<th>Cost</th>
<th>Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jamison Road</td>
<td>Median closure with “left turn” only island</td>
<td>$55,000</td>
<td>Yes</td>
</tr>
<tr>
<td>Castlereagh Street</td>
<td>Median closure with “left turn” only island</td>
<td>$55,000</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Mr Cameron Thompson asked the Minister for Trade, in writing, on 27 March 2006:

(1) Did the Government, before, during, or after negotiations with the United States on the Australia-United States Free Trade Agreement (AUSFTA), estimate the impact of the agreement on the trade balance between Australia and the United States; if so, what were the results and, in particular, did the Government expect that the AUSFTA would alter the trade balance in Australia’s favour, the United States’ favour or that it would remain the same.

(2) Is he aware of reports that in the first seven months of the current financial year that Australia’s trade deficit with the US has increased by $856 million to $7.7 billion compared with the first seven months of the previous year.

(3) Is he aware that Australian exports to the US for the first seven months of the current financial year have fallen from $5.5 billion to $5.3 billion and that Australian imports from the US during this period have risen from $12.3 billion to over $13 billion.

(4) What steps, if any, has the Government taken to improve the impact of the AUSFTA on Australia’s trade balance with the United States.

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

(1) A Centre for International Economics (CIE) study commissioned by the Department of Foreign Affairs and Trade and entitled Economic impacts of an Australia-United States Free Trade Area was released in 2001 and a further study entitled Economic Analysis of AUSFTA was commissioned in 2004. The focus of the studies was not on the bilateral trade balance between Australia and the United States. Rather, they attempted to estimate the overall impact of the Agreement on Australia’s output and welfare.
Both CIE reports did, however, include modelling which looked at changes in the direction of Australia’s exports and imports. In the 2004 report, the Global Trade Analysis Project (GTAP) model projected Australia’s exports to the United States would increase by A$3.3 billion and that imports from the United States would increase by A$6.5 billion in the long run (this part of the modelling did not look at short run effects). The report noted that the results of this part of the study should be regarded with caution due to the difficulties in modelling the complex factors affecting supply and demand.

It is important to note that the 2004 report predicted the expected liberalisation of trade and investment under the free trade agreement would result in an increase in Australia’s overall welfare (measured as real GNP) of A$52.5 billion over 20 years.

(2) Yes. These figures refer to Australia’s merchandise trade deficit with the United States and are correct.

(3) Yes. These figures refer to Australia’s merchandise exports and imports, but exclude services exports and imports. Australian merchandise exports to the United States have been falling since 2001 due in major part to the appreciation of the Australian dollar against the US dollar. This trend continued in the first 7 months of the current financial year. However, when volatile export items such as crude oil and passenger motor vehicles are excluded, Australia’s merchandise exports to the United States grew by 1.7 per cent during this time, even as the Australian dollar appreciated by a further 1.9 per cent against the US dollar. The fall in exports of crude oil and passenger motor vehicles to the United States was due to market factors unrelated to the FTA. The fall in our crude oil exports to the United States coincided with a surge in our crude oil exports to a number of our trading partners in Asia. Australia’s services exports, which comprise around one third of total exports to the United States, rose by 4.1 per cent to A$4.45 billion in 2005.

(4) The purpose of the Agreement is to increase Australia’s welfare by boosting two-way trade, investment, and domestic competition. Bilateral trade agreements are intended to boost the exports of both countries.

The Government is working actively to maximise the Agreement’s positive impact on Australian exports. The Government has expanded Austrade’s US operations to include 23 new export facilitators, now giving it representation in 18 cities (an increase of 12).

Under the FTA, Australian exporters gained access to the $200 billion US Government procurement market. In May 2005, Austrade established a Selling to Government office in the Australian Embassy in Washington. In this financial year, the Selling to Government team has assisted over 20 Australian companies to establish over $90 million worth of contracts.

Available evidence suggests that opportunities under the FTA are being taken up by Australian business. The 2005 Sensis Business Index has found that over one quarter of exporting SMEs nominated the United States as a major export destination, a rise of five per cent from the beginning of the year. A combined Austrade and Sensis study indicates that as of February 2006, the United States is now the most popular export destination for Australian small to medium businesses, growing 14 per cent in a year to now be ahead of New Zealand and Britain. In 2005 Austrade directly assisted 46 per cent more clients than in 2004 to achieve export success in the United States, and these clients achieved combined sales totalling 44 per cent more than in 2004. Invest Australia has recorded an increase in inquiries of thirty per cent in 2005 from potential US investors in Australia.

The Australia-United States FTA is a long term commitment to strengthening trade relations and economic integration with the world’s largest economy. The Agreement delivers benefits - and should be judged - across the breadth of the economic relationship.
Overseas Travel  
(Question No. 3220)

Mr Kelvin Thomson asked the Minister for Foreign Affairs, in writing, on 27 March 2006:

(1) Is he aware of the article in The Australian on 6 March 2006 which reported that he has also been busy handing out overseas trips and that Ms Bronwyn Bishop MP, Mr Michael Johnson MP, Mr Andrew Laming MP, Mr Andrew Robb MP, Dr Dennis Jensen MP, Mr Phil Barresi MP, Mr Bruce Billson MP and Mr Peter Slipper MP have all benefited from his largesse.

(2) What overseas trips have been undertaken by the Member for (a) Mackellar, (b) Ryan, (c) Bowman, (d) Goldstein, (e) Tangney, (f) Deakin, (g) Dunkley, and (h) Fisher since the 2001 election, not including trips which were taken pursuant to overseas study leave entitlements of the kind which are available to all Parliamentarians, as a member of a bipartisan delegation or by the Member for Dunkley in his former capacity as Parliamentary Secretary to the Minister for Foreign Affairs.

(3) In respect of each of the trips identified in (2), (a) when did it take place, (b) what were the destinations, (c) what was its the total cost, and (d) what was the purpose and outcome.

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

(1) Yes.

(2) Neither my department nor my office maintain comprehensive records of overseas trips taken by Members of the House of Representatives. Questions relating to official travel by Members of Parliament should be addressed to the Minister for Finance and Administration.

(3) Please refer to my answer to part (2) above.

National Information and Communications Technology Australia  
(Question No. 3244)

Mr Tanner asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 28 March 2006:

(1) What is the current projected expenditure for the National Information and Communications Technology Australia for (a) 2006-2007, (b) 2007-2008, (c) 2008-2009, (d) 2009-2010, and (e) 2010-2011.

(2) What proportion of the current projected expenditure is committed or otherwise obligated for (a) 2006-2007, (b) 2007-2008, (c) 2008-2009, (d) 2009-2010, and (e) 2010-2011.

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

(1) National ICT Australia (NICTA) is an independent not-for-profit company which receives funding from several sources, including from the Australian Government under the ICT Centre of Excellence program. Current projected Australian Government expenditure for NICTA under the ICT Centre of Excellence program, exclusive of GST, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Communications, Information Technology and the Arts Australian Research Council</td>
<td>23.970</td>
<td>24.449</td>
<td>24.938</td>
<td>25.437</td>
<td>25.946</td>
</tr>
</tbody>
</table>

(2) The proportion of current projected Australian Government expenditure committed or otherwise obligated for NICTA under the ICT Centre of Excellence program is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
<th>2009-10</th>
<th>2010-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Communications, Information Technology and the Arts Australian Research Council</td>
<td>23.970</td>
<td>24.449</td>
<td>24.938</td>
<td>25.437</td>
<td>25.946</td>
</tr>
</tbody>
</table>
Mr Bowen asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 29 March 2006:

(1) Did the department or any agency in Minister’s portfolio pay for massages for its staff in 2005; if so, what sum was spent on this purpose.

(2) What was the cost per massage.

(3) How many staff made use of the service.

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

The Department of Families, Community Services and Indigenous Affairs (FaCSIA) does not pay for any massages for its staff.

Media Training
(Question No. 3351)

Mr Bowen asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 29 March 2006:

(1) Did the department or any agency under the Minister’s portfolio engage the services of a media training company in 2005; if so, how many individuals in the department and each agency received media training.

(2) For 2005, what sum was spent on media training by the department and each agency in the Minister’s portfolio.

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

I respond to this question in relation to the former portfolio of Families and Community Services (FaCS), as constituted in 2005. The department did not engage the services of a media company in 2005. The Australian Institute of Family Studies is the only agency in the FaCS portfolio that engaged a media company in 2005 to provide training for 11 staff at a cost of $12,000.

Phillipines
(Question No. 3396)

Mr Albanese asked the Minister for Defence, in writing, on 30 March 2006:

(1) For 2005-2006, what sum in aid has been provided to the Armed Forces of the Philippines for Defence Cooperation (a) in total and (b) under each specific program of his department.

(2) Did Australia’s defence cooperation spending with the Armed Forces of the Philippines involve training by Australian Federal Police officers in Australia; if so, what sum was spent and how many officers were involved in 2005-2006.
Dr Nelson—The answer to the honourable member’s question is as follows:

(1) (a) In financial year 2005-06, up until 31 March 2006, $2,500,961.84 (not including GST), has been spent under the Defence Cooperation Program with the Philippines. (b) Strategy Group is the sole provider of Defence Cooperation Program funding.

(2) No.

Job Network Providers
(Question No. 3404)

Mr Melham asked the Minister for Employment and Workplace Relations, in writing, on 30 March 2006:

(1) How many Job Network providers are currently operating in the electoral division of Banks and what are their names and addresses.

(2) How many job seekers are currently registered with (a) each Job Network provider, and (b) each office of each provider operating in the electoral division of Banks.

(3) For 2005, in (a) Australia, and (b) the electoral division of Banks, how many Newstart or Youth Allowance recipients were placed into jobs through assistance from Job Network providers.

(4) For 2005, how many long-term unemployed people (a) in total, and (b) as a proportion of all unemployed people, participated in intensive assistance programs in the electoral division of Banks.

(5) For 2005, how many of the people who have participated in intensive assistance in the electoral division of Banks have participated on (a) one occasion, (b) two occasions, (c) three occasions, and (d) more than three occasions.

(6) For 2005, how many job seekers who participated in intensive assistance in the electoral division of Banks found employment and what proportion found (i) full-time, (ii) part-time and (iii) casual employment.

(7) For 2005, how many Work for the Dole providers are currently operating in the electoral division of Banks, what are their names and addresses and what programs do they offer.

(8) For 2005, how many people who participated in a Work for the Dole program in the electoral division of Banks found employment.

(9) For 2005, what proportion of people who participated in a Work for the Dole program in the electoral division of Banks found (a) full-time, (b) part-time, and (c) casual employment following their placement.

(10) For 2005, how many people who participated in a Work for the Dole program in the electoral division of Banks were in (a) full-time, (b) part-time, (c) casual employment three months after completing their placement.

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

(1) and (2) Job Network is administered on the basis of 19 Labour Market Regions and 137 Employment Services Areas (ESAs), the boundaries of which do not align with those of federal electorates. Job seekers choose Job Network members for a variety of reasons including location, proximity to transport routes and Centrelink offices, or the satisfaction of friends and others. Job seekers residing in one electorate or ESA may elect to be assisted through Job Network sites located in adjoining electorates or ESAs. For illustration, job seekers residing in the electorate of Banks may be assisted through Job Network sites located in the electorate of Barton. The Canterbury/Bankstown and St George/Sutherland ESAs are most closely aligned with the electorate of Banks and, therefore, answers are provided with reference to these ESAs.
At end March 2006 there were 15 employment services providers operating in the Canterbury/Bankstown ESA and 16 in the St George/Sutherland ESA. The names and office locations of all Job Network members and Job Placement Only organisations then operating in these ESAs are shown in Table 1.

Table 1: Job Network – Canterbury/Bankstown and St George/Sutherland Employment Services Areas

<table>
<thead>
<tr>
<th>Provider</th>
<th>Site Location</th>
<th>Address</th>
<th>Service Type</th>
<th>Caseload</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canterbury/Bankstown ESA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Adult Multicultural Education Services</td>
<td>Bankstown</td>
<td>Level 1, 2 Meredith St</td>
<td>JNM*</td>
<td>2,581</td>
</tr>
<tr>
<td></td>
<td>Campsie</td>
<td>59-63 Eivaline St</td>
<td>JNM</td>
<td>1,559</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>4,140</td>
</tr>
<tr>
<td>JOB futures Ltd</td>
<td>Belmore</td>
<td>38 Redman Pde</td>
<td>JNM/JPO*</td>
<td>725</td>
</tr>
<tr>
<td>Mission Australia</td>
<td>Campsie</td>
<td>Level 1, 281 Beamish St</td>
<td>JNM/JPO</td>
<td>636</td>
</tr>
<tr>
<td></td>
<td>Punchbowl</td>
<td>Ground Floor, 1-5 Breust Place</td>
<td>JNM/JPO</td>
<td>1,111</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>1,747</td>
</tr>
<tr>
<td>WorkDirections Australia Pty Ltd</td>
<td>Bankstown</td>
<td>Level 1, 2 Meredith St</td>
<td>JNM/JPO</td>
<td>3,919</td>
</tr>
<tr>
<td></td>
<td>Campsie</td>
<td>Level 1, 308 Beamish Rd</td>
<td>JNM/JPO</td>
<td>1,368</td>
</tr>
<tr>
<td></td>
<td>Lakemba</td>
<td>104 Haldon St</td>
<td>JNM/JPO</td>
<td>1,215</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>6,502</td>
</tr>
<tr>
<td>(Dan) Thanh Tung Vo</td>
<td>Bankstown</td>
<td>7 Greenfield Parade</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Adecco Services Pty Ltd</td>
<td>Bankstown</td>
<td>Suite 5, 14 French Avenue</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Clements Industrial Pty Ltd</td>
<td>Bankstown</td>
<td>2 Meredith St</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>D3 Human Resources Pty. Limited</td>
<td>Bankstown</td>
<td>Suite 5, 69 The Mall</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>H&amp;H Accredited/Training Australasia Inc</td>
<td>Bankstown</td>
<td>Suite 4, 138 Bankstown City Plaza</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Job Futures Ltd</td>
<td>Bankstown</td>
<td>Level 2, 40 Raymond St</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Jobs and Careers Services Pty Limited</td>
<td>Bankstown</td>
<td>Suite 2, 138 Bankstown City Plaza</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>M. Pleno &amp; Associates Pty Limited</td>
<td>Bankstown</td>
<td>1 Fetherstone St</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Quoc Thoi Luu</td>
<td>Bankstown</td>
<td>Level 1, 25 Brandon Ave</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Spectrum Employment Services Co-operative Limited</td>
<td>Bankstown</td>
<td>Level 2, 40 Raymond St</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Tuku Enron Services Pty Ltd</td>
<td>Belmore</td>
<td>38 Redman Parade</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td></td>
<td>Lakemba</td>
<td>Suite 3, 108 Haldon Street</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>St George/Sutherland ESA</td>
<td>Rockdale</td>
<td>Suite 4, Level 2, 81 Railway St</td>
<td>JNM/JPO</td>
<td>726</td>
</tr>
<tr>
<td></td>
<td>Sutherland</td>
<td>Suites 201, Endeavour House, 3-5 Stapleton Ave</td>
<td>JNM/JPO</td>
<td>796</td>
</tr>
<tr>
<td>Sydney Rehabilitation Services Pty Ltd</td>
<td>Rockdale</td>
<td>Shop 15, Kings Court, 10 Kings St</td>
<td>JNM/JPO</td>
<td>1,522</td>
</tr>
<tr>
<td></td>
<td>Hurstville</td>
<td>Suite 101, Level 1, 4 - 8 Woodville St</td>
<td>JNM/JPO</td>
<td>540</td>
</tr>
<tr>
<td>The Salvation Army (VIC) Property Trust</td>
<td>Rockdale</td>
<td>23-25 Frederick St</td>
<td>JNM/JPO</td>
<td>1,740</td>
</tr>
<tr>
<td></td>
<td>Sutherland</td>
<td>Level 3, 33-35 Belmont St</td>
<td>JNM/JPO</td>
<td>794</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td>1,303</td>
</tr>
<tr>
<td>WorkDirections Australia Pty Ltd</td>
<td>Caringbah</td>
<td>Ground Floor, 20-26 President Ave</td>
<td>JNM/JPO</td>
<td>3,837</td>
</tr>
<tr>
<td></td>
<td>Hurstville</td>
<td>Level 3, 33 McMahon St</td>
<td>JNM/JPO</td>
<td>1,491</td>
</tr>
</tbody>
</table>

QUESTIONS IN WRITING
<table>
<thead>
<tr>
<th>Provider</th>
<th>Site Location</th>
<th>Address</th>
<th>Service Type</th>
<th>Caseload</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adecco Services Pty Ltd</td>
<td>Hurstville</td>
<td>Ground Floor, 430 Forest Rd</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Carrick Recruitment and Training Services</td>
<td>Rockdale</td>
<td>Ground Floor, 81 Railway St</td>
<td>JN/MPO</td>
<td>1,165</td>
</tr>
<tr>
<td>Chandler Macleod Group Limited</td>
<td>Rockdale</td>
<td>Office 2, Level 2, 81 Railway St</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Clements Industrial Pty Ltd</td>
<td>Hurstville</td>
<td>Level 3, 33 McMahon St</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Edmen Pty. Limited</td>
<td>Kogarah</td>
<td>Suite 1, 700 Princes Highway</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Hays Personnel Services (Australia) Pty Limited</td>
<td>Hurstville</td>
<td>Suite 202, Level 2, 4-8 Woodville Street</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Hurstville Enterprise Assoc. for People Services</td>
<td>Hurstville</td>
<td>Ground Floor, 2 Rose St</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Job Futures Ltd</td>
<td>Hurstville</td>
<td>Level 5, 34 McMahon St</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Recruitment MG Pty Ltd</td>
<td>Rockdale</td>
<td>Suite 5 and 6, 39-47 George St</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Select Australasia Pty Ltd</td>
<td>Hurstville</td>
<td>Suite 14, Level 2, 145 Forest Road</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Southern Edge Training Pty Ltd</td>
<td>Caringbah</td>
<td>Santa Barbara Building, 38</td>
<td>JPO</td>
<td>NA</td>
</tr>
<tr>
<td>Spectrum Employment Services Co-operative Limited</td>
<td>Hurstville</td>
<td>Level 1, 2-6 Crofts Ave</td>
<td>JPO</td>
<td>NA</td>
</tr>
</tbody>
</table>

*JNM = Job Network member.

*JPO = Job Placement Organisation.

Notes: Site details and job seeker numbers are as at 31 March 2006. Caseload numbers are for the “JN Active Caseload”, that is job seekers currently in assistance with a JN site or very recently referred for assistance. Caseload numbers are at a point in time and change as job seekers are referred to a site or exit assistance at the site. JPOs are not allocated a specific business share, but compete to secure vacancies from employers and to refer eligible job seekers.

(3) The numbers of Newstart and Youth Allowance recipients placed into jobs through assistance from Job Network providers in the year 2005, in (i) Australia and (ii) the Canterbury/Bankstown and St George/Sutherland ESAs, are shown in Table 2.

Table 2: Total Job Placements for Newstart and Youth Allowance Recipients

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Australia</th>
<th>Canterbury/Bankstown ESA</th>
<th>St George/Sutherland ESA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>454,227</td>
<td>4,775</td>
<td>3,599</td>
</tr>
</tbody>
</table>

Note: Numbers for 2005 include placements made by ESC3 Job Placement Only Organisations that do not deliver Job Network services. Total Job Placements include those that may become long term job outcomes at a later stage.

(4) The delivery of Intensive Assistance ceased on 30 June 2003. The delivery of the new Intensive Support service under the Active Participation Model (APM) commenced on 1 July 2003. Details of long term unemployed Intensive Support participant numbers in the Canterbury/Bankstown and St George/Sutherland ESAs in the calendar year 2005 are shown in Table 3.
Table 3: Intensive Support Long Term Unemployed Participants

<table>
<thead>
<tr>
<th>Year</th>
<th>Canterbury/Bankstown ESA</th>
<th>St George/Sutherland ESA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Long Term Unemployed (LTU)</td>
<td>LTU Proportion of Total Participants in Intensive Support</td>
</tr>
<tr>
<td>2005</td>
<td>4,839</td>
<td>39.9%</td>
</tr>
</tbody>
</table>

Notes: Long term unemployed job seekers are those registered as unemployed for 12 months or more. Job seekers eligible for Job Search Support Only have been excluded from the calculation of percentages. The number of participants refers to all job seekers assisted in Intensive Support in that year.

(5) Delivery of Intensive Assistance ceased on 30 June 2003. From 1 July 2003, improvements to the delivery of Job Network services were introduced through implementation of the APM. While Intensive Assistance allowed for multiple episodes of assistance, the new APM arrangements provide for job seekers to be assisted by a single Job Network member for the full duration of their unemployment, allowing the service provider to develop a detailed understanding of each job seeker’s needs.

(6) The Post-Programme Monitoring (PPM) survey conducted by the Department of Employment and Workplace Relations (DEWR) measures job seekers’ outcomes three months after they have left assistance. PPM survey results are an estimate of outcomes levels based on responses from a sample of clients rather than the full population.

Aggregated outcomes estimates for Intensive Support for the Canterbury/Bankstown and St George/Sutherland ESAs are shown in Table 4. Table 4 includes (a) the total proportion in employment and (b) the proportions in (i) full-time, (ii) part-time and (iii) casual employment 3 months after exiting their placements.

Table 4: Intensive Support Post Programme Monitoring Outcomes For Canterbury/Bankstown and St George/Sutherland ESAs

<table>
<thead>
<tr>
<th>Year of outcomes</th>
<th>Total Employment (%)</th>
<th>Full-time Employment (%)</th>
<th>Part-time Employment (%)</th>
<th>Casual Employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>41.8</td>
<td>21.1</td>
<td>20.6</td>
<td>25.1</td>
</tr>
</tbody>
</table>

1 Casual employment includes employment on a temporary, seasonal or casual basis as reported by respondents to the PPM survey. Clients responding to the survey as being in casual employment are also counted in the total employment, full-time employment and part-time employment figures.

2 Outcomes data for the year ending September 2005 is the most recently available. The status of clients is measured 3 months after exit rather than ‘at exit’.

(7) Community Work Coordinators (CWCs) are contracted to provide Work for the Dole services on an ESA basis. The CWCs providing services in the Canterbury/Bankstown and St George/Sutherland ESAs and their office locations are shown in Table 5.

Table 5: Community Work Co-ordinators and Site Locations

<table>
<thead>
<tr>
<th>CWC Provider</th>
<th>Site Location</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canterbury/Bankstown ESA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H&amp;H Accredited Training Australasia Incorporated</td>
<td>Bankstown</td>
<td>Suite 4 138 Bankstown City Plaza</td>
</tr>
<tr>
<td>MTC Work Solutions</td>
<td>Belmore</td>
<td>38 Redman Parade</td>
</tr>
</tbody>
</table>

QUESTIONS IN WRITING
Work for the Dole is a work experience programme. Employment is not a stated objective of the programme, however, the valuable work experience gained through the programme combined with the continued support of the Job Network, supports the objectives of the APM.

The Post-Programme Monitoring (PPM) survey conducted by the Department of Employment and Workplace Relations (DEWR) measures job seekers’ outcomes three months after they have left assistance. PPM survey results are an estimate of outcomes levels based on responses from a sample of clients rather than the full population.

Aggregated outcomes estimates for Work for the Dole for the Canterbury/Bankstown and St George/Sutherland ESAs are shown in Table 6. Table 6 includes (a) the total proportion in employment and (b) the proportions in (i) full-time, (ii) part-time and (iii) casual employment 3 months after exiting their placements.

Table 6: Work for the Dole Post Programme Monitoring Outcomes Canterbury/Bankstown and St George/Sutherland ESAs

<table>
<thead>
<tr>
<th>Year of outcomes</th>
<th>Total Employment (%)</th>
<th>Full-time Employment (%)</th>
<th>Part-time Employment (%)</th>
<th>Casual Employment (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>34.5</td>
<td>19.2</td>
<td>15.4</td>
<td>22.0</td>
</tr>
</tbody>
</table>

1 Casual employment includes employment on a temporary, seasonal or casual basis as reported by respondents to the PPM survey. Clients responding to the survey as being in casual employment are also counted in the total employment, full-time employment and part-time employment figures.

2 Outcomes data for the year ending September 2005 is the most recently available. The status of clients is measured 3 months after exit rather than ‘at exit’.