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SITTING DAYS—2006

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>7, 8, 9, 13, 14, 15, 16, 27, 28</td>
</tr>
<tr>
<td>March</td>
<td>1, 2, 27, 28, 29, 30</td>
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<tr>
<td>May</td>
<td>9, 10, 11, 22, 23, 24, 25, 29, 30, 31</td>
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<tr>
<td>June</td>
<td>1, 13, 14, 15, 19, 20, 21, 22</td>
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<tr>
<td>August</td>
<td>8, 9, 10, 14, 15, 16, 17</td>
</tr>
<tr>
<td>September</td>
<td>4, 5, 6, 7, 11, 12, 13, 14</td>
</tr>
<tr>
<td>October</td>
<td>9, 10, 11, 12, 16, 17, 18, 19, 30, 31</td>
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<tr>
<td>November</td>
<td>1, 2, 27, 28, 29, 30</td>
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<tr>
<td>December</td>
<td>4, 5, 6, 7</td>
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</table>

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

<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
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<td>Adams, Hon. Dick Godfrey Harry</td>
<td>Lyons, Tas</td>
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<td>Grayndler, NSW</td>
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<td>Gwydir, NSW</td>
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<td>Shortland, NSW</td>
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<td>Moreton, Qld</td>
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<td>Cowper, NSW</td>
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<td>ALP</td>
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<tr>
<td>Hawker, Hon. David Peter Maxwell</td>
<td>Wannon, Vic</td>
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<td>Hayes, Christopher Patrick</td>
<td>Werriwa, NSW</td>
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<td>Hasluck, WA</td>
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<td>North Sydney, NSW</td>
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<td>Bennelong, NSW</td>
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<td>Flinders, Vic</td>
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<td>Fowler, NSW</td>
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<td>Tangney, WA</td>
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<td>Johnson, Michael Andrew</td>
<td>Ryan, Qld</td>
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<td>Lindsay, NSW</td>
<td>LP</td>
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<td>Denison, Tas</td>
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<td>Ballarat, Vic</td>
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<td>Bowman, Qld</td>
<td>LP</td>
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<td>LP</td>
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<td>Herbert, Qld</td>
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<td>Capricornia, Qld</td>
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<td>Robertson, NSW</td>
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<td>LP</td>
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<td>Barton, NSW</td>
<td>ALP</td>
</tr>
</tbody>
</table>
Members of the House of Representatives

<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Party</th>
</tr>
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<tbody>
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<td>McGauran, Hon. Peter John</td>
<td>Gippsland, Vic</td>
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<td>Banks, NSW</td>
<td>ALP</td>
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<td>Pearce, WA</td>
<td>LP</td>
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<td>Lowe, NSW</td>
<td>ALP</td>
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<td>Bradfield, NSW</td>
<td>LP</td>
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<td>Indi, Vic</td>
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<td>ALP</td>
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<td>Chifley, NSW</td>
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</tbody>
</table>
Members of the House of Representatives

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

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

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

Minister for Fisheries, Forestry and Conservation

Minister for the Arts and Sport

Minister for Human Services

Minister for Community Affairs

Minister for Revenue and Assistant Treasurer

Special Minister of State

Minister for Vocational and Technical Education

and Minister Assisting the Prime Minister

Minister for Ageing

Minister for Small Business and Tourism

Minister for Local Government, Territories and Roads

Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence

Minister for Workforce Participation

Parliamentary Secretary to the Minister for Finance and Administration

Parliamentary Secretary to the Minister for Industry, Tourism and Resources

Parliamentary Secretary to the Minister for Health and Ageing

Parliamentary Secretary to the Minister for Defence

Parliamentary Secretary (Trade)

Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs

Parliamentary Secretary to the Prime Minister

Parliamentary Secretary to the Treasurer

Parliamentary Secretary to the Minister for the Environment and Heritage

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry

Parliamentary Secretary to the Minister for Education, Science and Training

Parliamentary Secretary (Foreign Affairs)

Senator the Hon. Christopher Martin Ellison

Senator the Hon. Eric Abetz

Senator the Hon. Charles Roderick Kemp

The Hon. Joseph Benedict Hockey MP

The Hon. John Kenneth Cobb MP

The Hon. Peter Craig Dutton MP

The Hon. Gary Roy Nairn MP

The Hon. Gary Douglas Hardgrave MP

Senator the Hon. Santo Santoro

The Hon. Frances Esther Bailey MP

The Hon. James Eric Lloyd MP

The Hon. Bruce Frederick Billson MP

The Hon. Dr Sharman Nancy Stone MP

Senator the Hon. Richard Mansell Colbeck

The Hon. Robert Charles Baldwin MP

The Hon. Christopher Maurice Pyne MP

Senator the Hon. John Alexander Lindsay (Sandy) Macdonald

The Hon. Andrew John Robb MP

The Hon. Malcolm Bligh Turnbull MP

The Hon. Christopher John Pearce MP

The Hon. Gregory Andrew Hunt MP

The Hon. Sussan Penelope Ley MP

The Hon. Patrick Francis Farmer MP

The Hon. Teresa Gambaro MP
TABLE OF CONTENTS

SHADOW MINISTRY

<table>
<thead>
<tr>
<th>Position</th>
<th>MP Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>The Hon. Kim Christian Beazley MP</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research</td>
<td>Jennifer Louise Macklin MP</td>
</tr>
<tr>
<td>Leader of the Opposition in the Senate, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services</td>
<td>Senator Christopher Vaughan Evans</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology</td>
<td>Senator Stephen Michael Conroy</td>
</tr>
<tr>
<td>Shadow Minister for Health and Manager of Opposition Business in the House</td>
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</tr>
<tr>
<td>Shadow Treasurer</td>
<td>Wayne Maxwell Swan MP</td>
</tr>
<tr>
<td>Shadow Attorney-General</td>
<td>Nicola Louise Roxon MP</td>
</tr>
<tr>
<td>Shadow Minister for Industry, Infrastructure and Industrial Relations</td>
<td>Stephen Francis Smith MP</td>
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<tr>
<td>Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security</td>
<td>Kevin Michael Rudd MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>Robert Bruce McClelland MP</td>
</tr>
<tr>
<td>Shadow Minister for Regional Development</td>
<td>The Hon. Simon Findlay Crean MP</td>
</tr>
<tr>
<td>Shadow Minister for Primary Industries, Resources, Forestry and Tourism</td>
<td>Martin John Ferguson MP</td>
</tr>
<tr>
<td>Shadow Minister for Environment and Heritage, Shadow Minister for Water and Deputy Manager of Opposition Business in the House</td>
<td>Anthony Norman Albanese MP</td>
</tr>
<tr>
<td>Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories</td>
<td>Senator Kim John Carr</td>
</tr>
<tr>
<td>Shadow Minister for Public Accountability and Shadow Minister for Human Services</td>
<td>Kelvin John Thomson MP</td>
</tr>
<tr>
<td>Shadow Minister for Finance</td>
<td>Lindsay James Tanner MP</td>
</tr>
<tr>
<td>Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services</td>
<td>Senator the Hon. Nicholas John Sherry</td>
</tr>
<tr>
<td>Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women</td>
<td>Tanya Joan Plibersek MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility</td>
<td>Senator Penelope Ying Yen Wong</td>
</tr>
</tbody>
</table>

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

THURSDAY, 1 JUNE

CHAMBER
Special Adjournment ............................................................................................................ 1
Committees—
  Public Works Committee—Reference ............................................................................. 1
Main Committee—
  East Timor—Reference ............................................................................................... 2
Plant Health Australia (Plant Industries) Funding Amendment Bill 2006—
  Second Reading ................................................................................................................. 2
  Third Reading .................................................................................................................. 5
Families, Community Services and Indigenous Affairs and Other Legislation (2006 Budget and Other Measures) Bill 2006—
  Second Reading ................................................................................................................. 5
  Third Reading .................................................................................................................. 30
Energy Legislation Amendment Bill 2006—
  Second Reading ................................................................................................................. 31
  Third Reading .................................................................................................................. 59
Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2006—
  Second Reading ................................................................................................................. 59
Questions Without Notice—
  Queensland Liberal and National Parties ........................................................................ 63
  Iran ..................................................................................................................................... 64
  Trade .............................................................................................................................. 66
  Australian Defence Force: Operations ............................................................................. 66
  Medibank Private ............................................................................................................... 67
  Trade .............................................................................................................................. 67
  Medibank Private ............................................................................................................... 68
  Economy .......................................................................................................................... 69
  Medibank Private ............................................................................................................... 70
  Workplace Relations ........................................................................................................ 71
  Workplace Relations ........................................................................................................ 71
  Avian Influenza ................................................................................................................ 72
  Workplace Relations ........................................................................................................ 72
  Medicare .......................................................................................................................... 73
  Workplace Relations ........................................................................................................ 73
  National Education Standards ......................................................................................... 76
  Workplace Relations ........................................................................................................ 76
Questions Without Notice: Additional Answers—
  Medibank Private ............................................................................................................... 77
Personal Explanations ........................................................................................................... 79
Questions to the Speaker—
  Parliamentary Behaviour ............................................................................................... 80
Personal Explanations ........................................................................................................... 80
Questions to the Speaker—
  Questions in Writing ....................................................................................................... 80
  Parliamentary Behaviour ............................................................................................... 81
  Parliamentary Behaviour ............................................................................................... 81
  Parliamentary Procedure ............................................................................................... 81
Personal Explanations ........................................................................................................... 81
CONTENTS—continued

Auditor-General’s Reports—
  Report No. 44 of 2005-06................................................................. 81
Speaker’s Panel.............................................................................. 82
Documents .................................................................................. 82
Matters of Public Importance—
  Rural and Regional Australia....................................................... 82
Committees—
  Publications Committee—Report............................................... 94
Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2006—
  Second Reading ........................................................................ 94
Speaker’s Panel.......................................................................... 96
Adjournment—
  Workplace Relations................................................................. 96
  Mr Ray Babbage ...................................................................... 98
  Australian Labor Party ............................................................. 99
  Smartcard .............................................................................. 100
  Workplace Relations................................................................. 102
  Spirit of Tasmania .................................................................. 103
  Sydney (Kingsford Smith) Airport .............................................. 104
Notices ...................................................................................... 105

MAIN COMMITTEE
Statements by Members—
  Rural and Regional Australia..................................................... 106
  Workplace Relations................................................................. 107
  Telstra .................................................................................... 107
  Australian Technical Colleges .................................................. 107
  Kingsford Smith Electorate: Education .................................. 108
  Investing in Our Schools Program ......................................... 108
  Climate Change ..................................................................... 109
  Investing in Our Schools Program ......................................... 110
  Family Relationship Centres ................................................. 111
  Public Hospitals .................................................................... 111
  Dental Health ........................................................................ 112
  Dental Health ........................................................................ 113
  Nuclear Energy ...................................................................... 113
Appropriation Bill (No. 1) 2006-2007,
Appropriation Bill (No. 2) 2006-2007,
Appropriation (Parliamentary Departments) Bill (No. 1) 2006-2007,
Appropriation Bill (No. 5) 2005-2006 and
Appropriation Bill (No. 6) 2005-2006—
  Second Reading ....................................................................... 114
Adjournment—
  Westralia Airports Corporation.............................................. 148
  Mr Peretz Kalman .................................................................. 149
  Mr Peretz Kalman .................................................................. 150
  Indonesia: Terrorist Attacks .................................................. 150
  Mr Peretz Kalman .................................................................. 152
  Skilled Migration ................................................................... 153
  Dunkley Electorate: Community Projects .............................. 155
CONTENTS—continued

QUESTIONS IN WRITING
Governor-General: Residences—(Question No. 1203) .................................................... 157
Antiterrorism Legislation—(Question No. 2569) ............................................................. 157
Consultancy Services—(Question No. 2653) ................................................................. 159
Legal Services—(Question No. 2906) ........................................................................ 159
Memorial Service: Mr Kerry Packer—(Question No. 3125) ........................................... 168
Defence: Medals—(Question No. 3189) ...................................................................... 168
Massage Service—(Question No. 3317) .................................................................... 168
Higher Education Contribution Scheme—(Question No. 3409) ................................. 169
Pensions and Benefits—(Question No. 3430) ............................................................... 170
Baha’i Faith in Iran—(Question No. 3457) .................................................................. 171
Osama bin Laden—(Question No. 3459) ................................................................... 171
Thursday, 1 June 2006

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

SPECIAL ADJOURNMENT

Mr McGAURAN (Gippsland—Deputy Leader of the House) (9.01 am)—I move:

That the House, at its rising, adjourn until Tuesday, 13 June 2006, at 12.30 p.m., unless the Speaker or, in the event of the Speaker being unavailable, the Deputy Speaker, fixes an alternative day or hour of meeting and for government business to take precedence from 12.30 p.m. until 2 p.m. on that Tuesday.

Question agreed to.

COMMITTEES

Public Works Committee

Reference

Mr NAIRN (Eden-Monaro—Special Minister of State) (9.01 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Facilities for troop lift helicopter, RAAF Base Townsville, Qld.

The Department of Defence proposes the construction of facilities at RAAF Base Townsville, Queensland, to support the introduction of a new troop lift helicopter. The objective of the proposal is to provide facilities and infrastructure that are critical to the initial introduction and continuing operation of the multirole helicopter 90 in Townsville. The proposed facilities and infrastructure works involve a combination of new facilities and adaptation and refurbishment of existing facilities. The estimated out-turned cost of the proposal is $20 million. Subject to parliamentary approval, construction could commence late this year, with completion in early 2008, to meet the introduction into service of the new aircraft. This is another excellent facility for Townsville, where there is a very significant Army presence—as everybody knows. So many of our troops who are currently in Iraq, Afghanistan, the Solomon Islands and East Timor come from Townsville. The member for Herbert, a very strong supporter of the military in his electorate, would probably like to say a word about this referral as well. I commend the motion to the House.

Mr LINDSAY (Herbert) (9.03 am)—I support the motion because it is in Australia’s interests, it is in the interests of the Australian Defence Force and it is certainly in the interests of the 3rd Brigade and the 5th Aviation Regiment, which are based at RAAF Townsville. Over the last couple of decades, virtually all of Australia’s overseas deployments have come out of Townsville. This is where the assets need to be located, and the new heavy troop lift helicopter is no different. It will work with the 3rd Brigade and its commander, Brigadier Michael Slater, and the commander of 5th Aviation Regiment, Lieutenant Colonel Michael Prictor. This is a good facility for Townsville; there is another $20 million being invested in defence infrastructure in our city. Our community, and Townsville enterprise, warmly welcome the government’s intention, provided parliamentary approval is obtained to go ahead with this project. I thank the Special Minister of State for the introduction and referral of this proposed work, and I certainly warmly support it.

Mr EDWARDS (Cowan) (9.04 am)—I must admit I did not intend to speak to this motion until the previous speaker said that virtually all our recent deployments came out of Townsville. There is no doubt that many of them have done, but to allow that to stay on the record without some correction would be to do a disservice to those members of the Special Air Service who have virtually been on deployment for the last several years. We have recently had in Iraq troops who came
out of the Northern Territory. I understand when members get very parochial about their electorates, but we in Perth too get very parochial about the soldiers, the diggers, who come out of our state and go overseas when sent by the government. I simply want to put that on the record.

Question agreed to.

Mr BARTLETT (Macquarie) (9.06 am)—I ask leave of the House to move a motion to provide for a period of statements by members in the Main Committee on Tuesday, 13 June 2006.

Leave granted.

Mr BARTLETT—I move:

That, unless otherwise ordered, at the resumption of the Main Committee meeting at approximately 4 p.m. on Tuesday, 13 June 2006, the first item of business shall be Members’ statements, each for no longer than 3 minutes, with the item of business continuing for 30 minutes irrespective of suspensions for divisions in the House.

Question agreed to.

East Timor Reference

Mr BARTLETT (Macquarie) (9.06 am)—by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent the following order of the day, private Members’ business, being referred to the Main Committee for debate:

Commitment of troops to East Timor—Statements by the Prime Minister and Leader of the Opposition—Motion to take note of statements: Resumption of debate.

Question agreed to.

PLANT HEALTH AUSTRALIA (PLANT INDUSTRIES) FUNDING AMENDMENT BILL 2006 Second Reading

Debate resumed from 31 May, on motion by Mr McGauran:

That this bill be now read a second time.

Mr TUCKEY (O’Connor) (9.07 am)—The Plant Health Australia (Plant Industries) Funding Amendment Bill 2006 is very important legislation, as it seeks to organise the means by which governments and plant industries can respond to a pestilence or virus situation arising in perhaps just a single property to ensure a prompt and properly funded response. That may include the destruction of an entire crop or orchard—or anything of that nature—if a situation arises, as recently happened with canker disease in Queensland’s orange industry. There have been responses—as I understand it, state governments had the prime responsibility. When confronted by a threat the nature of which existed in Queensland, people take a variety of views, principally based on who is going to pay, and the threat can get out of hand in the intervening period. So I congratulate the government for bringing forward this legislation and identifying the means by which it will be managed.

There are already some 14 plant industry signatories to the deed which this legislation creates, and some principles have been laid down as to how the cost of such a response would be made. Plant Health Australia will virtually be the managing agent. The explanatory memorandum states:

Clause 10C discusses the priority rules that PHA must follow for applying the funds. These are:

(a) firstly, meeting the Commonwealth and PHA’s costs in managing the funds, including the costs of receiving and applying the funds;

(b) secondly, meeting any outstanding obligations under the EPPR Deed on behalf of the relevant plant industry member, in relation to the plant product on which the EPPR levy or charge is raised;

(c) thirdly, at a plant industry member’s request, meeting any outstanding obligations under
the EPPR Deed on behalf of the member, in
relation to another EPPR plant product for
which it is the relevant plant industry mem-
ber;
(d) fourthly, at a plant industry member’s re-
quest, apply the funds for other purposes re-
lated to emergency plant pests that may af-
fect an EPPR plant product for which it is the
relevant plant industry member.

What we are authorising here is the raising
of levies against producers to create these
funds, and that is appropriate. The time to
raise this sort of money is not in a disaster
period. The time to raise it is in periods of
prosperity, having a fund available to address
the issue by way of compensation, destruc-
tion or whatever other response may be con-
sidered appropriate.

I am, nevertheless, concerned about one
comment made by the Minister for Agricul-
ture, Fisheries and Forestry in his second
reading speech—and I note his presence at
the table. That comment, which we dis-
cussed, is:

If at any time a plant industry has no obliga-
tions under the deed—

and we certainly hope that is nearly all the
time—

it may request Plant Health Australia to apply the
funds for other emergency plant pest related pur-
poses. However, it is not proposed that funds di-
rected to an industry’s research and development
corporation be matchable by the government.

I do not think it should be matched by the
government. But, as the minister is well
aware, a number of members of the back-
bench committee are becoming increasingly
concerned about industry levies for research,
development and marketing, which are al-
ways proposed by the executive of particular
industries and not necessarily with the
knowledge or approval of the broader con-
stituency that is out there growing things. A
circumstance has just arisen in which there
was considerable complaint from turf grow-
ers in this regard. It was decided by the gov-
ernment, quite correctly, to re-conduct a bal-
lot. The fact that there were about eight or
nine more yes than no votes shows how
closely the matter was contested. Presumably
it was approved by the positive vote, but it
was very close.

There needs to be a close look at the rules
about levies in this research, development
and marketing proposal. A new set of guide-
lines needs to be created to ensure that all
members who might be liable for the levy
are aware of its consequences. Also, where a
ballot is conducted, there needs to be ade-
quate opportunity for a yes case and a no
case to be posted out by, hopefully, the Aus-
tralian Electoral Commission, which should
be the one and only body to conduct such
ballots. I, therefore, ask the minister whether
he will have an opportunity to give approval
for the transfer of such funds. I have no op-
opposition to them being relocated to another
emergency fund—that could be very help-
ful—but when it comes to research and de-
velopment, which in my mind is an entirely
different situation, I think the minister ought
to have some right of veto over such applica-
tions.

There will be an emergency in the end,
and I believe a substantial amount of unused
money should stay there. The purpose of this
legislation is to have adequate funds to re-
pond to emergencies with due haste and
positive action to ensure that the disease or
pest species that has been identified is de-
stroyed. I know that the problems resided
primarily with the Queensland government,
but there was a pretty slow response to the
orange canker issue. I am aware from brief-
ings we got from our minister at the time that
that was no fault of the Commonwealth,
which was terribly anxious to have the mat-
ter resolved.
These are the issues covered by the legislation. It is good legislation, as it formalises a situation that previously was not formalised. It legalises levies to make sure adequate funds are there to respond to a potential disaster. For the information of the opposition member at the table, the member for Cowan, I will not be speaking for much longer and he might need to tell somebody to that effect. We do not need a repeat of yesterday. We will be sporting about it today.

In conclusion—and I will keep speaking for a moment, consequent to my previous comments—the reality is that we need to proceed with this legislation. I believe it is important, and I am sure it will allow for a much better response approach in the future. But I repeat my remarks—and the Minister for Agriculture, Fisheries and Forestry might like to make some comments in that regard—that we should be revisiting levies, particularly in the research and marketing areas, and have an updated set of guidelines that will give people more confidence in the process.

We also need to have a quick look at the level of influence that certain government agencies or scientific agencies that typically spend this money are exerting on the process. I hope there will not be an occasion where funds raised to respond to the sorts of emergencies that this bill is primarily designed to address find their way into industry research or marketing funds. I do not think that is appropriate. They should be funded by approved levies created in a different situation. However, if the research is to better know how to defeat a particular pest in the future, I could see some sense in that.

Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (9.18 am)—in reply—At the outset, I thank those members on both sides of the House who have contributed in a constructive and useful way to the debate on the Plant Health Australia (Plant Industries) Funding Amendment Bill 2006. This very important legislation has been much anticipated, supported and influenced by industry.

Let me deal at the outset with the rightful point raised by the member for O’Connor, who has a genuine and deep interest in and understanding of these issues of research and development levies as they affect industries. They are not always the most popular instrument amongst all producers who are compelled in many circumstances to pay the levy, but I venture to suggest that, overall, most producers support a levy system because it is such an investment in the scientific base which underpins their future competitiveness in a very highly competitive world. Nonetheless, the member for O’Connor is right to sound a note of caution that governments should not rush into the issue of compulsory levies because, after all, they are a cost impost on producers, many of whom, especially during commodity price downturns, find them a heavy cost impost. That is why we have a voting system before an industry can seek the imposition of a compulsory levy.

I now turn to the specific issue raised by the honourable member for O’Connor. He is right to identify within the bill a capacity for an industry which chooses to activate an emergency plant pest response levy or charge to use existing levy collection arrangements. In the absence of an emergency, as the member for O’Connor has pointed out, the bill also provides industry with the opportunity to build up a contingency reserve or to undertake surveillance, research or risk mitigation measures.

The answer to the member’s question is that the bill allows industry flexibility in the use of the funds. They can be used, at the request of the plant industry member, to dis-
charge liabilities for another plant product represented by the plant industry member. If there are no liabilities for any other plant products, the plant industry member can request that they be used for any other purpose relating to emergency plant pests that may affect plant products represented by the plant industry member and covered by the emergency plant pest response deed. This could include, as I said, surveillance, monitoring or, as the member for O'Connor pointed out, research.

So what controls are there to ensure that those funds are used appropriately? The bill specifies the payments that Plant Health Australia is permitted to make from the funds and provides an order of priority for these payments. If the minister is satisfied that Plant Health Australia has contravened a condition of payment, the minister can require Plant Health Australia to pay an appropriate amount to the Commonwealth or into the emergency plant pest response fund for the relevant plant product. In making this decision, the minister must have regard to any representation made by the relevant plant industry member. The member for O'Connor has put industry and government on notice that the minister’s discretionary powers will be carefully scrutinised in the future in the event unused funds are sought to be directed to research and development.

This is important legislation. It provides a transparent mechanism by which industry can discharge any obligations incurred as a result of a response to an emergency plant pest or disease. The legislation has the full support of industry groups and producers. It establishes arrangements for the long-term funding of emergency plant pest or disease outbreaks and so assists in providing certainty in responding to such outbreaks.

I make the point, as others have, that these arrangements are similar to those that have successfully been in operation in the livestock sector for several years. Needless to say, the competitiveness of our agricultural industries depends on Australia maintaining its outstanding animal and plant health status. Our status is a result of a concerted effort by all stakeholders to minimise the risk of jeopardising Australia’s excellent status in plant health. The bill is further demonstration of government and industry working together on plant health matters. It will further help maintain Australia’s competitiveness through an outstanding animal and plant health status. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (9.23 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a second time.

FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS AND OTHER LEGISLATION (2006 BUDGET AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 25 May, on motion by Mr Brough:

That this bill be now read a second time.

Ms Plibersek (Sydney) (9.24 am)—I rise today to speak on the Families, Community Services and Indigenous Affairs and Other Legislation (2006 Budget and Other Measures) Bill 2006. This bill seeks to implement a number of 2006 budget measures, certain other measures associated with the 2005 budget and the government’s welfare changes, as well as to introduce a new disas-
ter recovery payment. The government plans to implement various of these measures as of 1 July. Labor intends to support the passage of this legislation, which will provide much needed financial assistance to Australian families.

Labor is pleased to note that the government has picked up on some of the concerns that Labor raised at the last election in regard to the family payments income-free threshold and the large-family supplement and has introduced some changes in these areas. The principal measure in the bill is an increase in the income threshold for family tax benefit part A. This will increase from the current $33,361 to $40,000. This will then be subject to annual CPI indexation from 1 July 2007. The 2005 budget included a measure to increase the threshold to $37,500 from 1 July 2006, so the measure in this bill supersedes that previous increase. As a result, half a million families will receive, on average, an additional $37 per fortnight as of 1 July. The measure will cost a little over $993 million over four years.

We also note that as a result of this change in the threshold more than 40,000 families will now become eligible for the low-income health care card. We are certainly pleased that the government has recognised that the current income threshold is too low and has recognised that this low threshold has been a disincentive for people moving into the workforce. At the last election Labor proposed an increased threshold for the commencement of the withdrawal of family payments. We are certainly glad that the government has listened to Labor’s concerns and picked up our suggestions.

Families are under increased financial pressure—we all know that; we hear it every day from our constituents. They are paying more for their petrol, they are paying more for their private health insurance, they are feeling the squeeze when it comes to child care and other costs associated with going to work and, in an environment where they are not certain of their employment at the end of the day, let alone at the end of the week, this added financial support is welcome. Unfortunately for a lot of families it will be pretty much chewed up by the increased expenses they face in their daily lives.

The bill also makes a significant change to eligibility for the large-family supplement. Naturally, Labor also welcome this. Currently the supplement of $248.20 a year is paid on the birth of the fourth child and any subsequent children in each family. Under this bill the supplement will be paid to all families who have a third child, and of course will continue to be paid for each additional child. The cost of this change will be just under $497 million over four years. Labor recognise the financial strains felt by many larger families and supports this additional assistance. We welcome the fact that the government has picked up on another policy idea raised by Labor at the last election.

In 2004 we proposed the doubling of the then large-family supplement to $489.10 a year for each child. Under the change in this legislation, a family with four children will receive the supplement for both their third and fourth child. In a sense you could say then that the benefit has been doubled. Families with more than four children will, of course, receive the extra $248, paid now for their third child, although they will not receive the same boost that would have been paid under Labor’s proposal. Nevertheless, we are certainly pleased that the government has followed our lead in recognising the financial pressure that many large families are feeling. That has led to an increase in their assistance.
I will now turn to some of the other measures outlined in this legislation. The bill seeks to extend eligibility for the utilities allowance to people who are under the age pension age but who are in receipt of the mature age allowance, widow allowance and partner allowance. This will provide the individuals affected with an additional $102 per annum and cost about $27½ million over four years.

The bill also introduces a new disaster recovery payment into the social security law. Previously, disaster recovery payments have been made on an ad hoc basis, such as those paid to the people affected by Cyclone Larry. This payment will be non-means-tested and non-taxable and will be paid to all Australian residents affected by an eligible natural or non-natural disaster in Australia or overseas. The payment rate will be $1,000 for an adult and $400 for a child. This measure will take effect as of 1 December this year and total resourcing is estimated at $13.2 million over four years.

The bill also seeks to implement a maintenance income credit from 1 July. This will allow individuals to claim a previous year’s maintenance income-free area for family tax benefit part A on late child support payments received in the current year. This means that individuals who receive backdated child support payments from a previous year do not face a reduction in their current year’s family tax benefit part A payments. Certainly we see the importance of this measure, which will cost just under $52 million over four years.

The bill introduces two changes with regard to severely disabled people. The first is an extension of the qualification for the carer payment to carers of children under 16 years with a severe disability. The extended eligibility for the carer payment will exempt current recipients of the parenting payment who meet the qualification from the activity tests applied under the government’s Welfare to Work changes. Resourcing for this is $55 million over four years, and naturally Labor welcome this. The notion that parents caring for their disabled child would be forced to jump through hoops and have to prove that they were looking for work was cruel and unnecessary, and we welcome this change.

Other measures will allow families with the financial means to do so to set up a trust to provide for the future care and accommodation of a family member with a severe disability. The value of the trust can be up to $500,000 without affecting the person’s pension eligibility. Gifts to the trust to a total of $500,000 from parents or immediate family members will not affect the donor’s eligibility for social security or Veterans’ Entitlements Act payments. Resourcing for this measure is just over $218 million over four years. It is important to acknowledge at this time that many parents who are caring for severely disabled children have very deep and very real fears about what will happen to their children as the parents age and are no longer able to look after them, and Labor hopes that this measure will allow some peace of mind for those people into the future.

The bill also implements the recommendations of the Uhrig review with regard to the governance arrangements of the Australian Institute of Family Studies. Further, the bill seeks to make minor technical amendments to the social security law to address certain anomalies. In conclusion, Labor has indicated its support for the assistance to families outlined in the budget and will support this bill today.

Mr TUCKEY (O’Connor) (9.33 am)—Whilst I noted within the comments of the previous speaker, the member for Sydney, that she kept pointing out recommendations,
suggestions and policy positions of the opposition with regard to the bulk of the provisions in this legislation, let me say that they are entirely an invention of the coalition government under Prime Minister Howard. They are among the great reforms of tax law and social support that have been implemented in the 20-odd years that I have been a member of this parliament. They recognise a fundamental principle that, irrespective of your wealth, the raising of children, as many of us would know, is a very expensive business. I get quite concerned from time to time when certain people are quoted in the press as saying there are too many benefits for functional families with children and they should be extended in some form to single people or couples in employment with no children.

I do not think it would be an exaggeration at all to say that a family on $40,000 a year—after tax even, for the purpose of the example—would be $20,000 a year worse off with one child, and certainly with two, compared to a couple on the same income with no children. Therefore, in recognition of this, the government provides this very strong support for functional families and the retention of same. Might I put on the record a quote oft said by my mother, who knew a bit about it: when poverty walks through the door, love flies out the window. Whilst it should not be said in a callous way, the pressures that families experience during hard times certainly can eventually lead to family breakdown. So every effort the government can make to keep families together and to assist parents in the fashion that the bulk of this legislation does is of course to be commended. I am delighted that this support has been increased.

Various aspects of the explanatory memorandum talk about the financial impact of increases in the family tax benefit part A income-free area. From 1 July 2006, the lower income-free area for family tax benefit part A will be further increased to $40,000. The amount will then be indexed in accordance with movements in the consumer price index on 1 July 2007 and on each subsequent 1 July. The cost to the revenue is listed as being $241.8 million in 2006-07 and $256.3 million by 2009-10. The member for Sydney made approving comments about the large-family supplement, and the explanatory memorandum advises me:

From 1 July 2006, families with 3 or more children will be eligible for an additional amount of family tax benefit Part A, known as the large-family supplement.

And of course my remarks regarding small families become exponential as we move to talking about large families, notwithstanding the fact that there is another little homily I can draw to the attention of this House concerning the actual nominal value of the wages that people receive, and I think that male total average weekly earnings are now of the order of $900 a week. It is interesting that people struggle with that amount of money, but that is the downside effect of the more we pay ourselves the more it costs us to live situation. This comes to the real terms argument that the government puts forward when it says it has improved the spending power of families and wage earners by 16 per cent. That is an improvement in their living standard simply because the balance has been towards higher wages and lower increases in costs. But when, as we experienced for probably 50 years in this country, there was a situation where as soon as one wage increase was approved the next one was applied for, we saw a change.

It is my personal observation that my father was able, on £6 a week, to keep four kids and own a motor car and his own home—a careful man, I might add, who had a wife who never had paid employment. So one might wonder just what we have gained
between six quid a week and $900-odd a week, other than that the latter is a lot of money and typically the tax commissioner has an ever increasing share, which we politicians then take credit for as we distribute it in manners such as the one that we are dealing with at the moment. Nevertheless, that is a matter of history and it is nice occasionally to put it on the record. In truth these measures are a redistribution of that tax revenue in a very appropriate way. The large-family supplement will also represent a cost to the revenue in 2006-07 of $113.7 million and $129.4 million in 2009-10. That is a substantial amount of money paid only to people who have large families.

I come to the extension of eligibility for utilities allowance. Also from 1 July, the eligibility for utilities allowance will be extended to ‘persons who are under pension age and are receiving mature age allowance, widow allowance or partner allowance’. The impact of this starts at $7.5 million and actually decreases to $6.4 million as time goes by.

There are other provisions in this bill. For the Australian government disaster recovery payment there is an expenditure that is not that large, but of course it is a very important one where it applies. The payment is to be exempt from all Australian government means-testing arrangements and will be non-taxable. In other words, a disaster is something that can attack the wealthy and the less well off in equal terms, and it should be addressed in the way provided in the bill. The amounts of money range from $4.3 million to $3 million. There are other extensive measures in this bill. I think they are all a case of spending money to help people, so they should be supported accordingly.

In fact, I will be making some further media comment in half an hour on a Perth radio station, at their request, resulting from an interview I gave yesterday that resulted from a journalist coming to me and saying, ‘Well, here’s what we asked the people in the street. It was whether they would take a job in the Pilbara.’ Each person was unemployed, as I recollect. The interesting thing was that one fellow said, ‘I don’t know if I could go to the Pilbara. I don’t know that there would be enough sport.’ I can tell him, as others who have lived in that part of the country could, that there is plenty. People in small communities rely heavily on sport and support sports clubs with their own money and time.

As for the point that I really want to make, not long ago I read a letter to the editor from a woman who said she was a qualified school teacher. I think she was a single mother with children. The basis of her argument, which has been put in this place more particularly by the member for Jagajaga, is that if someone moves from welfare to a job their wages have to be calculated on the basis of first deducting the welfare benefit. That argument, if taken to its logical conclusion, says that every kid leaving school and seeking work should ask for a $1,000 a week on the basis that, if they did not seek work, they would get a certain level of welfare payment. That raises a very interesting question. Over the years this parliament has made the welfare safety net fairly generous. I support that where a person genuinely needs that support. But what about people who say, ‘I’m not going to work because the discounted rate after tax and a few other things means I only get paid’—as the member for Jagajaga used to claim—‘90c an hour’ or ‘$2 an hour’? You can make that calculation, but everybody is in that situation and of course everybody does not do that. They work and pay their taxes, and it is their taxes that support other people.

If people take the attitude that they do not need work, then there is a question that I would rather not have debated but think
should be put on the record: are our welfare benefits too high? I do not think so. I think that if you have a genuine problem, whether it be disability or a lack of employment opportunities, you should have benefits. I was more than sympathetic to the million people who were thrown out of work by the 'recession we had to have'. But I reject totally the argument that you have a right to stay on welfare in a very buoyant labour market because you do not get a 100 per cent increase over and above your welfare payment. That is not a fair argument. It is an imposition on taxpayers and, as things stand, it is also an imposition on our economy. It is ridiculous to complain about overseas workers when people take that attitude.

This is a matter of concern. In my electorate, prior to the last harvest, TAFE offered training courses to people of both sexes to learn how to drive harvesting equipment. The equipment used today is not just a steel seat, sitting out in the sun. There is highly sophisticated equipment which is fully air-conditioned and very safe. It is an interesting point to know, when one considers what sex might be found at the driver’s wheel, that in the Pilbara and in the mining sector of the Pilbara women are preferred for the driving of large equipment like dump trucks because they treat the equipment better than some of the fellows do. So when those particular courses were offered, and we had a significant number of people in my electorate claiming single parent benefits and other benefits, why were they undersubscribed? People did not volunteer to learn. It might be because of the argument that I have just promoted, and which I reject.

So it is no good people saying that overseas workers are taking their jobs when they do not even turn up to learn for the job opportunities that exist. I can tell you that there is many a farmer who, from time to time, has the kids in the cab of the harvester because the wife is indisposed or otherwise. I had a classic case brought to my attention in that regard. A woman had to go away in the early stages of her pregnancy and her two small children, for the lack of any other assistance, went around in the header all day with dad; just what condition he was in at the end of the day I would like to know. What I am saying is that these sorts of things can and do happen if you are on a farm, but apparently others who do receive these welfare benefits believe that it should not happen to them. I wanted to take the opportunity to put those remarks on the record, because I think this is an issue we must confront.

Let me say of the buoyant labour market, as someone was saying to me the other day, that there are still plenty of people who can take a job in Australia because they are still five per cent of the participating workforce, if we can put it in that context. When I did economics at Perth Modern School they taught me that four per cent unemployment means full employment, and that that four per cent is just the number of people shifting from one job to another. Of course, as a statistical measure, it would be a wonderful circumstance to think that we could throughout the country get the figure below four per cent. So at five per cent we have not got a lot of people who should be actively employed, which is another argument for why we bring people in from other parts of the world: to retain our industry, our GDP and our tax base. I think doing that on a temporary basis is very sensible in terms of the employment of Australians because, later on, there may be a downturn in the economy, but I hope there will not be.

I note by the way that the state governments are going to borrow billions of dollars; the bond market is thrilled to bits about that. If they are going to increase competition for money, we are going to have the same outcome that occurs when there is overcompeti-

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tion for any commodity, which is that the price goes up. In the case of money, that price is interest rates. If that were to happen, no doubt we would have members of the frontbench of the opposition attacking the Treasurer for these increases, which of course would have been generated by the borrowings of Labor governments. They are back into it again, as has been demonstrated in my state of Western Australia. We have a huge works program to build a railway line, which is competing with the mining industry and everybody else for available workers. These people are rushing into infrastructure programs because they neglected them throughout ‘the recession we had to have’, and Mr Keynes, the one-time noted economist, would have told them that it was the right time to spend the money. They did not spend it then, and now they want to spend it and put more pressure on the labour market, particularly in infrastructure areas, when of course the private sector needs those people. These are peripheral issues, but interest rates are extremely important to the people whom we intend to assist with this legislation.

I welcome this legislation. As I said at the beginning of my remarks, I think it is one of the best initiatives that has been brought to parliament because it is targeting people. I often speak of funding people not institutions. Institutions always cover their mistakes and failings by telling the government of the day, ‘You didn’t give us enough money.’ In education and health it is quite a simple process to follow the basic principles we see here of direct, targeted payments to people. In the case of education it will probably not be cash but a voucher. Of course, the education establishment reckons that is a dreadful word. But a cheque is a voucher, and I have never seen anyone knock one of those back as long as it is cashable.

The reality is that we could give every secondary school parent in this country a $5,000 voucher a year to contribute to their children’s education. That is what we give state governments anyway—about half the cost of running their schools. If we gave it to parents directly, everybody would get the same. There is an opportunity for targeting on socioeconomic and geographic grounds, but otherwise there would no longer be all this hoo-ha about whether the King’s School gets more than some small state school, because parents would get the money. That is the basic principle of this legislation. When the parliament decides this is the best way to help people with their education and the education establishment is answerable to parents—and they will vote with their feet, as they do now, at significant cost in many respects—people will get a better service. I raise it because this is an example of how that is working. I thank members of the House for giving me their attention.

**Mr MELHAM (Banks) (9.53 am)**—I rise to speak on the Families, Community Services and Indigenous Affairs and Other Legislation (2006 Budget and Other Measures) Bill 2006 on behalf of the Centrelink and Veterans Affairs income support payment recipients who live in the electorate of Banks. There are two million people nationally relying entirely on income support payments who have literally become invisible as far as the 2006 budget papers are concerned. While the government spent up big on its mates at the top end of town, the Treasurer did not see fit to include those on incomes under $10,000. In fact, in the charts produced by the Treasurer which purported to show how families benefit from this budget, there was literally no mention of those under the $10,000 level. The reason is fairly obvious: there was no benefit.

In the electorate of Banks in 2005 there were 13,557 people on age pension, 3,295 people on disability support pension, 2,123 people receiving the carer allowance, 1,936...
people receiving Newstart allowance, 1,713 people on youth allowance, 2,045 people receiving the single parenting payment and 1,118 people receiving the partnered parenting payment. That is a total of 25,287 people in my electorate who receive precisely nothing from this so-called big-spending government.

But it does not stop there. This year the government provided an additional $20 million over four years for increased access to mental health services for veterans. I note that $17 million was provided for various commemorative activities, yet so many of our veterans are doing it tough. In the electorate of Banks there were 3,178 DVA pensioners as at 6 January this year. This figure includes 926 disability pensioners, 1,041 war widows, 1,995 service pensioners, 839 partner service pensioners, 853 on income support supplement and 52 social security age pensioners. In addition, there are 3,497 beneficiaries of DVA treatment cards.

While I acknowledge the desperate need for mental health services for our veterans, I despair at the lack of increased support for this group in the area of general health. Australia’s targeted benefit system has been battered by this government. As Senator Evans stated on 29 March this year in a speech to the Senate on a welfare related bill:

We need a simple, streamlined, integrated system which is transparent, user-friendly and well administered.

The current system is becoming more complex, inefficient and unwieldy as the government applies another political bandaid. This government provides only quick political fixes for systemic problems. We are seeing that now in the Indigenous affairs area. The minister is taking an overly simplistic view of the problems in remote Aboriginal communities and putting it all down to law and order. It is a lot more complex than that and he is setting himself up for a fall. In the 1996 budget, this government cut funding to the Aboriginal affairs portfolio by $470 million. We have seen youth support services and women’s refuges fall over and there have been changes to Abstudy. All these things have come home to roost.

What we need are solutions which will provide long-term benefits to various communities—not quick political fixes. Senator Evans observed that our welfare system should interact effectively with other government systems to meet meaningful social goals, to provide real incentive for hard work and to encourage workforce participation. Our welfare system should help families tackle disadvantage and should be built on the principles of fairness and equity. It must provide a decent system of support, not punishment, to families and others who have fallen on hard times.

This bill includes measures which will be of benefit to families in particular. There is an increase in the income threshold for family tax benefit part A recipients from $33,360 to $40,000. As a result of this increase to the threshold, more than 40,000 families will become eligible for the low-income health care card. I applaud this change on behalf of the 1,000 to 2,000 families in Banks who will be directly affected.

On the other hand, it might be useful for the government to consider the payment of family tax benefit part B, which reflects the ideology of this government. It provides a non-means-tested taxpayer funded bonus to wealthy families. Because the rules governing the payment of FTB(B) ignore total family income, families earning more than $1 million a year can receive this welfare payment. I understand that nationally there are more than 70 families earning more than $1 million a year who receive more than $3,300 a year in welfare payments.
During the recent debate in the Senate on the Family Assistance, Social Security and Veterans’ Affairs Legislation Amendment (2005 Budget and Other Measures) Bill 2006, Labor moved an amendment proposing that an upper limit of $250,000 be placed on this payment. This amendment was unsuccessful. It is patently obvious that our welfare system has been abused for party political ends and to mould Australian families into the 1950s model that the Prime Minister promotes. Why is family tax benefit part B the only welfare payment that cannot be effectively means tested? I note the extension of the large-family supplement to include families with three children. This used to apply to families with four or more children. Perhaps this is the reward from the Treasurer for those families having another one, or even two, children for the country.

I am pleased to finally see the creation of special disability trusts to assist families to make private financial provision for children with severe disabilities. Over the years, I have had representations from ageing parents who are terribly concerned about their disabled children and what will happen to those children when they die. In my view, this area requires more attention. A lot of compassion was shown recently when the Beaconsfield situation came to national prominence. Provisions were made and special funds were set up for the town by this government. I think that is appropriate, but it seems to me that you should not be paying benefits or lauding people just because they come to national attention. What you need is an appropriate value system that says that all people in a certain category should be looked after to a particular level. The disabilities area is one that continues to sadden me because the government is taking an ad hoc approach, and that is not sufficient. Life is hard enough as it is, but for families looking after people with severe disabilities there are added burdens.

I do not have a problem with having a safety net provided by government. That is the test of a compassionate, fair and decent society—a humane society that does not ignore people as if they were not there. Disabled people are the forgotten people. It is like the Indigenous situation. We have this minister new to the portfolio. Everyone knows he is bagging the previous ministers mercilessly as he travels remote and regional Australia. He thinks he is going to come along and fix the situation—it is not going to happen. I am not saying he is not making sincere commitments, but he does not have the depth or breadth of experience. He is a boy in a man’s job. It might be politically popular to go out there and talk about law and order, but you will be judged over time on the results that you achieve.

My view is that the minister needs to pull back, genuinely seek bipartisan support, pull some of those dusty reports off the shelf and sit down and actually talk to Aboriginal people. When I was Aboriginal affairs spokesman, I was not going in there as a missionary trying to save them from themselves. I took it upon myself to sit in the sand with Aboriginal people, to listen to them and to become their advocate. It strikes me that the minister has talked to the odd person here or there and come up with simplistic solutions.

We live in a country that, in my view, is the best in the world—without peer—but there are those in our society who are suffering. The hallmark of the government in the last 10 years is that they have been awash with money. They have thrown money at certain constituencies like drunken sailors. What worries me is that it will all come home to roost eventually, because it is not good public policy. I support means testing because I think there is a section of our community that can look after itself. There is always an argument about the appropriate level of the means test, and that becomes a
public policy argument. With the limited resources that we have, to turn around and say, ‘Nope, no means test will be associated with these payments,’ is not a proper allocation of those resources. The money could be used in other areas.

In the disabled area, this bill will allow families to set up trusts to the value of $500,000 to provide for current and future care of a severely disabled family member. I understand that this will not impact upon the person’s pension entitlements. I applaud that. At the same time, it does beg the question of how those unable to find the money will make financial provision for their disabled relative who, I argue, is truly in need and is entitled to assistance from the government. We should not apologise for that, just as we do not apologise for supporting farmers in rural and regional Australia who cop it in hard times. We say that payments need to be made to those people so they can to continue to live and work in those areas—that equality actually requires differential treatment, not the same treatment for everyone.

That is where I think the minister for Indigenous affairs gets it wrong. True equality does not require treating Aboriginal people the same as the rest of the community. It requires differential treatment to bring them up to the same level. That is what the international conventions say. If he did a bit of study before he opened his mouth, he might be a bit better off and he might produce some decent policy.

The extension of the carer payment eligibility to carers of children under 16 years who have a severe disability is a positive step. But I do worry, as I said, that the eligibility criteria to allow others to access carer payments have not been considered. The government’s one-off payment to carer payment and carer allowance recipients in the budget, however, does not make up for the damage of having $107 million removed earlier this year from the carer allowance. The replacement value of carers, according to a recent study by Access Economics, is $30.4 billion per year. Yet this government, earlier this year, ripped $107 million over three years away from carers by reducing the backdating of the carers allowance to only 12 weeks.

In a post-budget media release, Senator McLucas quoted from a recent AMP-NATSEM study which found that the average carer is $5,600 worse off each year than someone with no caring responsibilities. One in every seven Australians is providing primary or informal care for an older, frail relative or one with a disability, with the burden falling mainly on women. The report stated that the demand for care for those with disabilities and older Australians is projected to grow significantly over the next 25 years, but the number of carers will fall.

Carers are more often than not family members supporting those with a disability, chronic condition or mental illness or who are frail aged. They provide services day in, day out, 365 days a year and they need more certainty about their income from the government. Despite the Treasurer’s rhetoric, this government has yet again failed to properly look after the needs of those who make great sacrifices to care for others.

I know several of my constituents who will be very pleased that late child support payments from the previous year will not mean that their family tax benefit part A is accidentally reduced in the current year. This will seriously reduce the distress suffered by some single parents when their payments suddenly stop and they have nothing left to buy groceries or to pay bills. This does happen, as those distressed constituents who have visited my office seeking assistance have found. The government has had an un-
precedented opportunity this year to actually deal with some of the social and economic inequities in our society. It is disappointing that the family tax changes we are discussing today do not go further.

In its budget response, the Australian Council of Social Security noted that, while it welcomed the increased investment in mental health, child-care subsidies for parents studying, carer payments and aged and disability care, it would like to see:

... greater investment in services like housing, indigenous health, dental care, child care, supports and services for jobless Australians to change the lives of people on low incomes.

There was nothing in the budget to assist housing affordability. Senator Carr noted in his post-budget press release that:

There is:

not one dollar to support homelessness or related crisis services; and
not one new dollar for the Commonwealth State Housing Agreement under which the Commonwealth provides funding to the states for public housing.

It is a sad fact of life in Australia, in the 21st century, that we see emerging a ‘two Australias’ policy.

Homelessness is an important thing. Public housing is an important thing. When I was the shadow minister for housing in the last parliament, I looked at the Commonwealth-State Housing Agreement. It is going to be a problem in the future because the Commonwealth is continually paring back that agreement. At a state level, that has resulted in very little new public housing becoming available. Queues are growing longer. In future generations we are going to have many more people who will be unable to access public housing. I think we are all diminished by that. At a time when there is great wealth and when productivity is increasing, we should share that productivity.

I came into public life not to help people who can help themselves but to direct my energies towards those who need assistance, who cannot fend for themselves—the disadvantaged, Indigenous Australians and a whole range of other people who, because of their station in life, do not have the same opportunities. We do not all have equal opportunities. As I said earlier, true equality requires differential treatment. If we all sat around the table, we would find that we all have different strengths and weaknesses. For example, if we all wanted to have the same level of knowledge in mathematics, it would require intensive learning at a different level for each person around the table. The same is true with goods and services and in the provision of human services for our fellow Australians.

I keep getting quoted back to me that 24 per cent of Aboriginal men live to the age of 65 and 35 per cent of Aboriginal women live to the age of 65. And we call ourselves a civilised society. Those figures are not replicated in Third World countries, but they are figures that we have to acknowledge in our country and that are to the eternal shame of parties and governments of all political persuasions. We at least should be doing something about it, not beating a law and order drum that is going to lead nowhere.

Mrs HULL (Riverina) (10.13 am)—It gives me great pleasure to rise here today in support of the Families, Community Services and Indigenous Affairs and Other Legislation (2006 Budget and Other Measures) Bill 2006. This bill delivers much needed and much welcomed support to many Australian families in a variety of ways. There are several inclusions in this legislation which will certainly bring great benefits to the communities in the Riverina that I represent.

There is the extension of the utilities allowance to people under the pension age.
who are receiving a mature age allowance, widow allowance or partner allowance. This will be of considerable benefit to people needing assistance in meeting the ever-increasing costs of regular bills for gas, electricity, water and other essentials. Some of these costs are extremely difficult for people to pay, particularly people on low benefits and fixed incomes with no additional assistance. These people will now qualify for the utilities allowance without that age barrier.

Another part of this legislation that I want to make mention of is the introduction of the Australian government disaster recovery payment. This year, in fact on New Year’s Day, many residents within my electorate of Riverina faced a devastating blow when fierce bushfires destroyed thousands of hectares of property. Houses and livestock were lost. Around 17,000 to 20,000 head of sheep were lost. This came on top of a devastating five-year drought, when farmers were using all of their available resources and borrowings from the bank to handfeed their stock so that they had their stock and their breeding stock when the drought broke. Then, of course, they experienced a double blow by having a bushfire go through there that saw the destruction of their entire livelihoods.

In the following months, the community of Junee and all the surrounding districts rallied to raise money for those affected. But in the immediate aftermath of the disaster, it would have been of even greater relief to have been able to determine whether an immediate payment could be made available on a decision by the Minister for Families, Community Services and Indigenous Affairs. Having been involved in the bushfires earlier this year, I welcome this piece of legislation, which will enable adult Australian residents who are affected by an eligible natural or non-natural disaster, whether within Australia or offshore, to claim the government disaster recovery payment and receive financial assistance for themselves and their children to aid with their much needed recovery.

The disaster recovery payment will rightly be exempt from all Australian government means-testing arrangements and will be tax exempt. I am very impressed and very pleased to see that this will take place. It will be of great assistance in disasters such as tropical Cyclone Larry, which caused such devastation earlier this year and, as I said, the bushfires in my Riverina town of Junee and around the Illabo, Cootamundra and Gundagai areas. It will complement the existing arrangements and provide choice in the way in which government may wish to respond when these things take place.

We heard the member for Banks talking at considerable length on another area that is absolutely close to my heart. I commend the member for Banks for his views and his commitment to the families of disabled children and the carers of disabled children. I want to specifically speak on the bill that amends the social security means-testing and gifting rules from 20 September 2006 to enable parents and immediate family members to establish and contribute to a specific trust up to the value of $500,000 for the current and future care of their severely disabled children.

As I said, I commend the member for Banks, because he has always been a supporter and a defender of the rights of the disability sector. Sitting here listening to him, I thought it must have been so frustrating for him to be sitting within the Labor opposition and the Labor Party during its time in government and know that his passion and commitment were not being addressed in any way whatsoever. It must have been frustrating for him to know of the need for so long to have a long-term plan for the families of disabled children and to know that there was no policy and no future thought about how
that was going to be delivered by a Labor government. It must be very disheartening for him now to know that Labor in opposition has no policy on this particular issue. I feel for him because he is obviously very committed—and I say that with absolute respect.

It is a pleasure to listen to anybody in this House who supports the families of disabled children, because for far too long—forever—their needs have been overlooked, because we just expect that they will care for their disabled children, and it has become increasingly difficult for these families to do so. I have raised this issue in the House time and time again and I have put forward a private member's bill. I am committed to ensuring that we put up alternative proposals on this issue in the House, and hopefully I will be able to achieve that whilst I am still a member of this House, which will be at the discretion of my electorate. I commend the former Minister for Family and Community Services, Kay Patterson, and the Prime Minister for hearing the pleas last year, understanding the pressures and putting in place this package that will enable people to save and not be affected tax-wise and not lose benefits. I applaud the previous minister.

I also applaud the current minister, the Minister for Families, Community Services and Indigenous Affairs, Mr Brough. He is a fabulous minister, doing an enormously good job on a whole host of issues, particularly in the area that he is undertaking at the moment—the most difficult area, as the member for Banks alluded to—requiring a whole suite of packages and issues to be dealt with. The minister, Mal Brough, has had the fortitude and the stamina to stand up and say, 'Yes, there is a whole host of issues that need to be addressed but the No. 1 issue to start with is law and order and we must not back off on that issue.'

I also commend the minister for the time he and his staff have taken to listen to me and some colleagues of mine out in the private sector. These people are very good friends of mine who have equally as strong a passion for and commitment to the disabilities area—perhaps brought on by my incessant discussion of this during our friendship—and have decided to come on board and assist me in trying to deliver something. These are people out in the private sector who have generously donated their corporate time, energy and vision to come together to assist in putting together a proposal for research funding.

I thank the minister for the time he has spent with my colleagues and me. I look forward to further discussions on our proposal for research funding. Our proposal involves a targeted investigation. I am particularly keen to call it 'collaborative care'. It is a collaborative care model that recognises what was achieved last year in the form of a savings vehicle for some people to be able to take advantage of, but there is a need to go further. We want to build upon the very good platform put in place by this legislation that we are considering today. As I said, it involves a targeted investigation into the constraints on current arrangements and structures faced by individuals, organisations and governments in providing funds to care for disabled people from birth to old age.

We also want to investigate possible new collaborative models and to reallocate and leverage available resources within extended families and interest groups to enable people to better plan for their future care needs. We want to investigate the types of financial products and other structures that may address this problem. We see superannuation and insurance products for a whole host of things. Surely out there in the realm of financial institutions there has to be a product that can be developed and put in place—dare I
say it, a particular future-proofing plan for our disabled children—for the peace of mind of parents and carers of disabled people such that they can start to plan for the future and the future needs of their children when they may no longer be around or able to cope for a variety of reasons. We also want to investigate current obstacles preventing the implementation of any new model, such as the type of model that we would like to research, and the obstacles preventing the implementation of funding vehicles.

I am not saying that this is what is required; I am saying that we need to investigate it. Nobody has actually put the effort into doing so. That may be because the plight of the disabled is not a sexy industry. A more predominant and overpowering area, such as heart or cancer research, gets a lot of attention. The plight of the disabled has brought about some but never enough attention for the actual crisis that exists. What may be required could be similar to our government’s approach—and I applaud our government again for helping to better provide for the costs of retirement through superannuation copayment arrangements. For our low-income earners, we have a copayment and an incentive to save for the future. I say: let us investigate it.

There is now a clear incentive for people to channel their own funds into superannuation as a future-proofing mechanism, and there is a need for the carers and families of disabled children to be able to do the same from the point of birth. A point of difference with our superannuation model is that this would be a collaborative care approach that extends the principle beyond just the personal individual level. It goes to a joint model that would look after the interests of the needy members of the community in collaboration with families and carers and with financial and other service provider sectors, with the entire community and with all levels of government—local, state and federal. The collaborative care approach may have widespread application in our Australian society not only by encouraging people to work co-operatively to meet agreed community needs from their own resources but by dramatically changing the demand for and the shape of recurrent direct public funding for welfare services.

We propose that we research these goals and that this research have a specific focus on financing care for our young disabled people, particularly for the peace of mind of their families and their carers. I put up a private members’ business motion. It was bipartisan—everybody acknowledged the need to do more and to do something like this. There is an acknowledged and urgent need to find sustainable and affordable ways for local communities to care for those of their number who are disabled, particularly disabled young people whose care requirements—we often forget this—will continue beyond the care of the families. They will still be requiring care when their parents have died. They will need care beyond their families’ life for decades into the future. We have highlighted the growing problem, but we do not have the answers. I am trying to develop the answers, in order to better represent not just the great organisation that I am patron of, along with Sir William Deane, which is Kurrajong Waratah in the Riverina—it does a fantastic job—but people right across Australia. Not all Australians have the assistance and help of Kurrajong Waratah type organisations. Even Kurrajong Waratah cannot meet the rising demand of care for ageing disabled children.

I would like to applaud this legislation, but I urge and encourage the government to go further and assist us in funding our research model because this can be a benefit for not only all the current carers and families of disabled people but also those in the
future. I have said in this House time and time again that our technology is such that we can save our babies at 22 weeks and 23 weeks, and so we should, but then many of those children require a lifetime of intense care. We have the technology in place to save our babies and to save people involved in car accidents and from a whole host of things, such as brain acquired injury or cancer. People are living very long lives due to technology but, unfortunately, our level of care and support structures have not kept up with our technological advances. We are now finding families being left out, not knowing where to turn. We have lots of assistance available but not the amount of assistance required and not the ability for families to plan for themselves, be in control of their planning and know that where they are going is in the best interests of their children or siblings. To die without peace of mind, to know that your ageing disabled child has nowhere to go other than an old people’s home that is absolutely not acceptable, must be the worst of all possible deaths. I ask the House to consider that any single person may be in this predicament at any time. Nobody wishes this on anyone, but the fact of the matter is it can happen.

We have an increasing incidence of cerebral palsy. Why do we have that? I have this fantastic DVD from the spastic council that shows the beautiful little faces of disabled children who are just starting to walk. Their little faces bring tears to your eyes. They are trying to overcome and combat it and develop ways in which they can manage their disability. We sit there and ooh and aah and say, ‘Aren’t they beautiful?’ I could show you a DVD of that child when it is 30 and it no longer looks as cute as it did when it was a child or a little baby and we wanted to pick it up and cuddle it. I could show you a DVD of those same children in their adult years. Would we say that we wanted to hug and cuddle them? It is a difficult feeling. It is confronting, but these beautiful little children with many disabilities that we wanted to nurture and protect grow into adults. It is our role and obligation to plan for these children. It is our obligation to investigate and put in place pathways that can assist the planning for these children. We all recognise there will be a reduced workforce in all of Australia in the future. Who is going to be there to give these children the care they need as they age unless we put in place a model or proposal to achieve this?

Ms HALL (Shortland) (10.33 am)—I would like to direct my initial comments to the comments that have just been made by the member for Riverina. I think that she painted a very clear picture of the way the community and people in general react to people with disabilities. People empathise with the family of a young child or a baby with a disability. They look at the little baby and say that it is beautiful, just as the member for Riverina said. When that child reaches adulthood you will find people walking along the street and, rather than even making eye contact with that young adult, or an even older adult, they turn the other way so that they do not have to confront the issue that there are people with severe disabilities. I think there is a little guilt that maybe we do not look after them in the way that we should. I will make some more comments on that later in my speech, but I would just like to endorse those comments made by the member for Riverina. We do need to remember that that cute little baby becomes an adult and that, as an adult, those disabilities still exist and they still require the support and assistance not only of their parents and the community but also of government at all levels. I do not think government can abrogate its responsibilities.

I support the Families, Community Services and Indigenous Affairs and Other Leg-
islation (2006 Budget and Other Measures) Bill 2006. This bill implements a number of the 2006 budget measures. They are to begin on 1 July and in December this year. Probably the most significant measures are those that increase income thresholds for families—the family tax benefit part A, which is supposed to be $93 million over four years—and the extension of the large-family supplement to families with three children. The threshold for family tax benefit part A has been increased to $40,000—it is currently $33,361—with benefits reduced by 20c in every dollar earned over that amount. The 2005 budget included increases to the threshold from $33,361 to $37,500. That measure would have come into effect on 1 July this year but will be superseded by that which was introduced in the 2006 budget. The combined effect of these measures will mean that, from 1 July 2006, half a million families will receive an average of an additional $37 a fortnight through the family tax benefits. As a result of the increase in the threshold, more than 40,000 families will also become eligible for low-income health cards.

No-one could disagree with these measures. They are long overdue. Every member of this House would recognise just how hard it is for families at the moment. This government has sat on its heels and done very little. It promised the Australian people at the last election that there would be no interest rate rises under its watch, but since the last election we have had two interest rate increases, which have had a significant impact on family income. Families have also been confronted with rising petrol prices. The money that is being delivered to families in this budget will be eaten up by just those two factors.

Families are struggling. I have had constituents in my electorate come and talk to me about both these issues. They say to me that because of the increased petrol costs they have had to make decisions about whether their children can continue to play sport. The Shortland electorate is spread out. It takes in Lake Macquarie and the Central Coast. If a family has young children who are playing soccer at the weekend, they have to be taken not only to soccer training but also to their soccer game. Whilst the western side of Lake Macquarie may only be a short distance, parents may have to do a round trip of about 150 kilometres. For families who have three children playing soccer, the government’s extended large-family supplement of $248 per year will be eaten up with a click of the fingers because it costs so much in petrol to take children from one place to another.

Whilst this budget delivers long overdue extra money to families in the form of family tax benefit A, it does not take into account the increasing costs for families. Families with private medical insurance face medical insurance rates which have increased well and truly above the CPI. This is another area where the government has sat on its hands. On the one hand the government encourages families to take out private health insurance, but on the other hand it fails to do anything to keep private health insurance affordable. The government has not addressed the issue of the gaps in private health insurance. These are all increased costs for families. Accompanying the increasing price of petrol has been an increase in the price of food. Fresh fruit and vegetables have become very expensive because transporting that food from the farm to the supermarket requires the use of petrol.

Whilst some very welcome benefits are being delivered to families in this budget, they do not go anywhere near to making up for the rising cost of petrol, interest rates and medical insurance. I put it on the record that I believe there will be a further increase in
interest rates, which will be another impost on families. The government has also failed to address the issue of the unaffordability of child care for families. This issue needs to be taken into account. I mentioned the extended large-family supplement, which is now being extended to families with three children and is worth $248 a year. If I had a young family and I was considering whether to have another child, I do not think that $248 would convince me that it was affordable. Australia has a declining birth rate. We had a little blip, and it went up marginally, but overall the birth rate is going down. We need a measure that is more proactive than providing families with a supplement of $248 a year.

The government needs to address the issue of job security. Unfortunately, under the Howard government, families have become less secure in their lifestyle. From one day to the next they do not know whether they will be able to sustain their job. We have had an increased casualisation of the workforce and the introduction of the Work Choices legislation, which attacks wages and conditions of workers. This flows through to families and impacts on their income. The increase to family tax benefit part A really has to be looked at in the context of lower wages for families and the fact they are doing it hard.

The bill allows for the creation of a special disability trust to assist families to make private financial provision for people with severe disabilities. It will allow families to set up trusts to the value of $500,000 a year to provide for current and future care of a severely disabled family member. The income and assets of the trust up to $500,000 will not impact on a person’s pension entitlement. That is quite welcome, but I have news for the government: most people who have severely disabled children find that they are not in a position to set up trusts to the value of $500,000. One of the parents will have to remain at home. There will not be the option of becoming a two-income family. Rather, that family will have to have one person stay at home, their income level will be severely reduced, there will be increased medical costs and care costs, increased costs associated with goods and services that that disabled person will need and there will be out-of-pocket expenses all the way along the line.

The $500,000 trust will obviously benefit some people, but I do not think it addresses the real issue that surrounds the care of disabled family members. Each and every member of this House will have had constituents with a disabled child talk to them about their concern for what will happen to their child when they die—their child whom they love, their child whom they have protected, their child whom they have fought for and their child who has been the focal point of their life. This is not the answer. The answer is that governments at all levels—federal, state and, to an extent, local governments—have to make a commitment to the care of disabled adults.

A constituent spoke to me about her friend who had a disabled daughter she had cared for from the time she was six weeks old. She was a normal child, but she caught a virus and became very severely disabled. The mother contracted Parkinson’s disease and cancer and she died. Her husband died a few months before her, and the one thing she worried about was the care of her daughter. Because there had been a need for her to provide such a high level of care during her daughter’s life, she could not work. Her husband had been a miner and he retired early because he had a severe heart condition. As she became sicker, she became totally focused on what would happen to her beautiful daughter—the jewel of her life—once she died. Luckily, accommodation was found for her daughter just days before she died and she died knowing that her daughter was be-
Governments at any level should not remove themselves from the responsibility of providing care for younger disabled people when their parents die. To put them into nursing homes with elderly people is not the answer. I welcome the announcement by the government earlier this year that places and funds would be made available for specific care for younger people with disabilities. That is a move in the right direction, but there needs to be a lot more. It should have happened a lot sooner. I do not want the government to abrogate its responsibility for people with disabilities. I am so concerned about it that I am holding a disability forum in my electorate on 29 June. At that disability forum we will be discussing issues that relate to families which have children with severe disabilities. We will also be discussing the implications of the government’s Welfare to Work legislation.

A young woman with a severe disability spoke to me after she received a letter from Centrelink. She was terrified that her disability support pension would be cut off. This young woman cannot work and live alone. The information that she was given was confusing. There is absolutely no way her disability support pension will be terminated, but I think when letters are sent out the government need to be aware which people they are targeting. So there are a number of issues surrounding disability, particularly severe disability.

I support the government’s payment of $1,000 to adults and $400 to children. The setting up of a permanent disaster recovery payment to people affected by disasters is a good move. It puts in place certainty and removes the need to react on an ad hoc basis to these issues. The extension of the utilities allowance to mature age, widow and partner allowance recipients is also a positive step, but $102 per pension family is definitely inadequate. I have raised before in the parliament the extension of the carers payment to carers with children under 16 with severe disabilities. There are a number of issues that surround this, and I think that the government has handled it very poorly in the past. I think there needs to be a little more sensitivity in the way that it is being implemented through Centrelink.

Overall, I support this legislation, but the government needs to do a lot more for families than that which is involved in this legislation. Families are doing it hard. They are fighting to survive. They are fighting to put bread on the table. They are fighting to pay for their Medicare bills. They are fighting to find the money to put petrol in their cars to ensure that their kids can go to sport. Sport is a very important part of young people’s lives.

Dr Emerson (Rankin) (10.53 am)—The core of the Families, Community Services and Indigenous Affairs and Other Legislation (2006 Budget and Other Measures) Bill 2006 increases the income test-free area for family tax benefit part A quite substantially. The government, in the previous year’s budget, had already decided to increase the free area from $33,361 to $37,500 and that was to take effect from 1 July 2006, but the budget brought down just a few weeks ago in May further increases that threshold to $40,000. Therefore, the effect is to push the operation of what are called effective marginal tax rates out further along the income scale. I would suggest that that has some merit because it means that over a fairly substantial range of income—in this case, $40,000—there is no withdrawal of the family tax benefit and, therefore, no contribution to effective marginal tax rates from that withdrawal over the income range of up to $40,000. When we are so concerned with
encouraging workforce participation by women, this is a step in the right direction. It certainly, however, gives me an opportunity to make some observations about the family payment system.

Labor introduced a needs based family payment system to recognise the higher costs of having and bringing up children. Labor not only introduced that system through what was then called the family allowance supplement but today strongly supports the family payment system for lower and middle income earners. I strongly support the family payment system for lower and middle income earners, but there are some design features that have adverse consequences for workforce participation by women who have left the workforce to have a baby and are considering coming back into the workforce.

These sorts of problems have been articulated quite eloquently by John Head from Monash University and also by Patricia Apps. Effectively, they have demonstrated that the impediments to returning to work for second income earners, who are most typically women, can be very high in Australia and that the operation of the tax system in tandem with the family payment system means that there are very high effective marginal tax rates over relevant income ranges. What we mean by effective marginal tax rates is the amount of money that is lost per extra dollar of income earned as a result of the tax paid and the loss of benefits—in this case, the family tax benefits. It is probably worth me quoting from John Head’s article, which I think is a very good one. He says:

By strongly favouring single-earner families and disfavouring two-earner families, it should be reasonably obvious that we will end up with fewer second earners and many of these will work fewer hours.

What he is really saying is that the expansion of the family tax system has shifted the tax unit progressively away from the individual and onto the family. We can see some arguments for that, but there are real adverse consequences as well, as everyone in this parliament should appreciate. It means that, when a mother who has had a baby is considering coming back into the workforce, because of the family taxation unit rather than the individual taxation unit, she is adversely affected by the fact that her partner, her husband, is already earning income. If the husband is earning sufficient income to take the family above the income-free threshold, the benefits are withdrawn—in this case, at a rate of 20c in the dollar. To obtain the effective marginal tax rate, you add that 20c in the dollar to the relevant marginal income tax rate to get the total figure. That can be quite high. It gets even higher a little bit further along the income scale because, with the continuing of the phasing-out of the family tax benefit, you then hit a base rate of family tax benefit which applies, again, over quite an income range, but after a while that too is phased out. It is phased out not at 20c in the dollar but at 30c in the dollar. For many families, the taxable income will be such that the marginal tax rate will be 40c in the dollar.

If you are over an income range where you are losing 40c in the dollar through tax for every extra dollar earned plus 30c in the dollar through the operation of the final phasing-out of the family tax benefit, then the effective marginal tax rate will be those two figures combined, which is 70c in the dollar. Indeed, Mr Head goes on to say:

… Apps shows that EMTRs—

effective marginal tax rates—

rise to almost 70% at average income levels—

for women who seek to return to the workforce. He continues:

As a consequence … second-earners in low- and average-wage families pay up to 50% of their
total incomes in tax, the highest average tax rates in the economy.

So Professor Apps and Mr Head are pointing out that mothers really get whacked when they seek to return to work as a result of the withdrawal of family tax benefit and the relevant marginal income tax rate. Mr Head makes some very interesting observations. He says:

While the workforce participation rate of women has risen over time to the current 75% of the corresponding male rate, hours worked by women have remained stuck at a mere 50% of male hours for the under-65s—one of the lowest rates in the developed countries of the OECD group.

He goes on to say:

If we are to meet the challenge of demographic change, it is obvious that we must somehow draw heavily on this reserve army of well educated, able-bodied but underemployed women.

I want to spend a little bit of time exploring the problem of relatively low participation of women in terms of hours worked per woman in the workforce. We have, as articulated in the Intergenerational report and in the Productivity Commission report on the economic implications of an ageing population, a real issue on our hands of population ageing, and that issue has been created by decisions that couples have made over the last 40 years. Fertility has been falling over that period after peaking in around 1961, at the height of the baby boom, when the fertility rate was around 3 ½ babies per woman. It is now down to about 1.8, so there has been a very substantial decline.

That slide in fertility is combined with the consequences of marvellous new medical technologies allowing people to live longer—and that is a great thing in a civilised society. Certainly one of the most important measures of prosperity in a developed country is the longevity of its people. That is all very good, but it does mean that we are going to experience having more than four million extra Australians over the age of 65 by around 2042 and a much smaller number of extra working age Australians. That means that we will have fewer working age Australians earning the incomes and paying the taxes to support those who are too old or too young to work.

Given that, as the Treasurer said, demography is destiny, there is not an awful lot that we can do about those realities. The die is cast. As a consequence of decisions made over the last 40 years, we need to get the greatest participation and the greatest productivity that we reasonably can out of those who are of working age. So that is why we are so interested in lifting the workforce participation, in particular of women who have had a baby and are contemplating whether or not to come back into the workforce. No-one on this side of the parliament—and, I suspect, no-one on the government side of the parliament—believes in trying to force women back into the workforce, but certainly we on the Labor side do not believe in putting obstacles in their way. It is the interaction of the family payment system in particular with the income tax system that has led to these obstacles being put in the way of women coming back into the workforce.

The other major obstacle, which is very topical today, is the high cost of child care. OECD research shows that Australia lags very badly behind in the provision or availability of affordable child care. Again, OECD research indicates that the best response that you can get in lowering the cost of child care is from lower and middle income earners. We do not do enough to remove that obstacle of the high cost of child care to women re-entering the workforce.

Denmark is a pacesetter amongst the OECD countries and, again, OECD research shows that, if Australia were to replicate the Danish experience of the availability of low-
cost child care, our workforce participation by mothers would be much higher. So we would get very high returns from investing in child care. The member for Lindsay is right in her observations that the government's child-care system is a shambles. It is chaotic and it is ineffective in achieving the sorts of objectives which are so important to Australia's future.

The child-care benefit is actually a good policy. It was introduced in the year 2000, and when the coalition introduces a good policy I and others on the Labor side of politics will acknowledge that. It is a policy that continues to provide higher benefits to lower and middle income earners, and then it phases out at higher levels of income. But during the election campaign in 2004 the government effectively reversed the benefits of that by introducing a child-care rebate which pays through the tax system 30 per cent of the out-of-pocket expenses of people accessing child care from approved providers. There is great inequity and arbitrariness as to what constitutes an approved provider, but that is a matter for another day.

This really means that higher income earners have the higher out-of-pocket expenses because they do not get the child-care benefit, and so the government is providing extra benefits to higher income earners through the child-care rebate. The consequence for workforce participation, compared with what you would get from an increase in the child-care benefit, is one of lost opportunity. You will not get the same responsiveness by increasing the benefits available to higher income women through the child-care rebate as you would through increasing the child-care benefit.

So enough on the child-care dimension of the argument. We now return to the question of high effective marginal tax rates. The truth of the matter is that, if you do have a family payment system that phases out at higher levels of income, then those phase-out rates, whatever they are, will contribute to the problem of high effective marginal tax rates. This legislation pushes the effective marginal tax rates further up the income scale by increasing the income-free area from around $33,000 up to $40,000. That does not mean the problem goes away; that just means that it is shifted. That is why we as policymakers need to think creatively about ways around this problem. It is interesting that Mr Head actually suggests:

The only real solution is ... to reverse the Howard policies in the tax unit area and return the personal income tax to an individual basis.

That is his opinion and he is certainly entitled to it. He then goes on to say:

For this purpose the means tests that currently apply to—

family tax benefit part A and part B—

would need to be removed or greatly eased. Child benefits would ideally become universal payments to all families, single-earner and two-earner alike.

Statistically or arithmetically, he is right, because if you do not phase out family payments then there is no contribution from them to effective marginal tax rates. But the problem is cost. If we are going to have a situation in the future of universality of family payments, that means that it has got to be funded from somewhere, and we know what that ‘somewhere’ is going to be: it is going to be higher rates of income tax on working Australians. So while you remove one source of high effective marginal tax rates—that is, the family payments system—you are then running around the corner and increasing personal income tax rates, which of themselves contribute to high effective marginal tax rates.

I have suggested in a book that I recently released, *Vital Signs, Vibrant Society*, that we
could look at universality of family payments in respect of children under the age of three. Why did I pick the age of three? From discussions with Professor Peter McDonald and others, it appears from their work on demography that this is the critical time during which women are making those decisions on whether to re-enter the workforce. So my thought, and it is a contribution to the debate, is that we could consider a universal family payments system in respect of children under the age of three but thereafter have a means tested family payments system. It is an attempt at a little bit of lateral thinking. It does not go as far as Mr Head suggests, which is to have a completely universal family payments system, because his suggestion has real budgetary consequences. Those extra costs would have to be funded somehow and that ‘somehow’ would be higher rates of personal income tax.

We need to be careful, when redesigning the family payments system, that we do not simply increase marginal rates of income tax while we reduce the withdrawal rates on family payments, and that seems to have been what has been going on. I reiterate that I strongly support the family payments system for low- and middle-income earners but I do question fundamentally why mothers in millionaire families are able to obtain family tax benefit part B as long as they agree not to work. I thought the problem of population ageing and trying to increase workforce participation would suggest that we encourage women to work rather than pay them not to work. That is in fact what the Prime Minister is doing through the operation of family tax benefit part B. He is saying to very wealthy mothers, ‘If you agree with me to stay home and not re-enter the workforce, I will pay you $3,300 a year.’

I do not see why that should be a priority when we have had a debate here about appalling conditions in Aboriginal communities, when we know that so many kids miss out on a good education due to a lack of early childhood intervention and support for reading recovery programs in schools and when there are so many social problems, including the lack of affordable child care for low- and middle-income earners. I do not understand why it is a priority of the Prime Minister of Australia to pay $3,300 to the wealthiest women in this country as long as they agree to stay home. But that is this Prime Minister’s social engineering. It does remind us of the white picket fence and of his view that the place for women is at home rather than in the workforce, which works absolutely against policies designed to deal with the whole problem of population ageing.

We need to come up with policies that encourage greater workforce participation by women. My suggestion of a universal payment for women who have children under the age of three is one contribution to that debate. It would not be all that expensive, because 88 per cent of families already receive a family tax benefit as a consequence of the gradual easing of the means test on family tax benefits and, in effect, the nonapplication of the means test on family tax benefit part B because it is only applied to the income of the mother and if she stays home she gets that benefit. So 88 per cent of families get a family tax benefit and if we extend that to 100 per cent for children under the age of three it would cost roughly $1.4 billion. I think we could find those funds and therefore we would have as a consequence a great increase in workforce participation by mothers helping to combat the problem of population ageing in this country.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (11.13 am)—in reply—In wrapping up this
debate and commending the Families, Community Services and Indigenous Affairs and Other Legislation (2006 Budget and Other Measures) Bill 2006 to the House, I would like to make some observations on some of the contributions from those opposite who, whilst acknowledging that these are all good measures and are obviously not opposing them, certainly like to revisit history and look at it differently. We had the member for Shortland and the member for Rankin telling us that child care is expensive and out of control.

Dr Emerson—That was the member for Lindsay. It’s mistaken identity.

Mr BROUGH—Let me remind the member for Rankin, if the member for Rankin would listen—

Dr Emerson—It’s mistaken identity. That was the member for Lindsay.

Mr BROUGH—The member for Rankin does not like to look at the record of his party when it was in government before 1996, because a single-income family receiving average weekly earnings with one child in 20 hours of care was paying 5.8 per cent of its weekly net income in 1995 compared with 3.9 per cent in 2004. However, the situation is even more pronounced for families using family day care. A sole parent receiving parenting payments and studying paid 2.8 per cent of their weekly net income in 1995 under a Labor government, which rails long and hard about child-care costs. In 2004, in the same situation, it was 0.3 per cent—and that is before the government’s child-care tax rebate of up to $4,000 comes into play from 1 July. So when the Labor Party stands up here and preaches to the coalition government about the cost of child care, it should look at the real statistics, the real facts: child care today, even before the child-care tax rebate is introduced, is more affordable than it was under a Labor government. There are also twice as many places as there were then.

The member for Rankin also said that he was strongly supportive of these measures today, and of the family payment system. And well may he be supportive, because he went to the last poll supporting a Labor platform that was going to make many constituents in his electorate worse off with the changes to the family tax benefit system. That is a statement of fact. They were simply going to make some of the hardest done by families on around $35,000 worse off. So I applaud him for changing sides in this argument, for recognising that not one individual family was going to be worse off and that everyone was going to be better off under the coalition. The Labor Party actually sought to make some Australian families doing it the toughest worse off. It beggars belief, but that is a statement of fact. The bill before us today builds on the success of the Howard government’s principal support that we put into the family and ensures that Australian families have real benefits, real cash in their pockets to make the decisions that they need to and that the choices they make are the best for their families.

The member for Rankin made one other comment in the dying stages of his speech. I am not wishing to pick on the member for Rankin; I just happened to be here to hear his contribution. He referred to early childhood learning. I agree with him that it is important that we ensure children get the best education possible, and those formative years are key. I would ask him to turn to his state Labor colleagues in New South Wales, who are spending just on $100 per child in preschool. There are fewer children in preschool in New South Wales than in any other state. In his and my own state of Queensland it is well into the 90s, and that is a good thing. The state Labor government there are about to bring down their budget and they have
trumpeted the fact that they are going to increase the amount of spending in this area, bringing it up to still well below the national average and nothing like best practice. It is a disgrace. It is something that they should fix immediately. They should adopt the coalition’s policy in New South Wales—that is, providing a preschool place for these young children and giving those families the best opportunity in life. If they were to do that, and bring it up to a decent benchmark, it would actually free up child-care places for those who need it and put young children into a formal learning environment where we all agree they will get the best chance in life. Unfortunately, the state Labor government in New South Wales has continued to abrogate its responsibilities.

The member for Banks wandered widely from the debate and got into Indigenous affairs. He referred to me as a ‘boy’. I will take that as a compliment. I must look younger than I am! But he also said that he has sat in the sand with Aboriginal people. I applaud him for actually taking the time, when he was shadow minister, to listen to Indigenous people. But can I say that, if he has not seen the pain and the suffering that the failed policies of self-determination, of believing land rights were somehow going to fix all the problems, then he did not sit in the sand; he has had his head stuck in the sand. He needs to pull his head out of the sand. He needs to have a look at the pain and suffering that these people are telling me and others about. He should look at the reports that he refers to and admit that what has gone before has not worked: ATSIC did not work, self-determination did not work. Let us go to a new system, which is old—the oldest system of all—and that is saying that the rights of every child and every woman should be upheld, that a criminal justice system should work for all and not some and that law and order is a fundamental right of every civilised society and every individual in Australia. You do not get that by denying the mistakes of the past and the consequences of them.

This is a very positive bill before the House. I remind all members that, under the Howard government, when we talk today about reducing the marginal tax rate that people are paying, we should keep in mind that a family with two children aged three and eight, on average weekly earnings of around $53,500 today, will have a net tax threshold of $48,000. Out of a total income coming into the house of $53,534, that family will actually have $52,024 to spend on the things that are important to them—a net tax bill of just over $1,500. That is real reform. You cannot lower that tax much further. In fact, you can only lower it effectively by $1,510. The reality is that the Howard government has delivered for families in spades and will continue to do so because we recognise they are genuinely the foundation that builds a strong society. Giving them the resources to be able to buy their own homes, to be able to school their children, to do all the things that are important to a functioning society is based on their capacity to do so, including their financial capacity as delivered through jobs and a tax system. We should never forget that 1.7 million more Australians are in jobs today than they were under Labor. They actually have choices that they did not have, they are paying less tax and they have higher real wages. That is a wonderful combination, which has given them far greater confidence in their futures than they had in the bleak years between 1983 and 1995.

These measures build on the successes of the last 10 years by giving real choice to families. Families on incomes up to $40,000—up from $33,361—will receive family tax benefit part A. This effectively means an additional $9.80 a week in the pay
packets of around half a million Australian families to spend as they feel necessary. This equates to around $993 million in additional assistance over four years. It includes $86 million for increased eligibility for health care cards for another 35,000 families, giving them security and confidence that the health system is working for them.

Families with three children will also receive an additional boost. Governments have always recognised that large families need additional resources, and families with four children have been eligible for the large-family supplement. We have reduced that to three children, ensuring that families with three or more children receive an additional $248 per child annually. This is another benefit that recognises the additional costs and extra responsibilities of families.

In this bill we have also looked after a group of people who do it very tough—the resident parent whose former partner has not made the appropriate child support payments but makes those payments in a subsequent tax year. This is an unfortunate circumstance which happens all too often. In the past, we would have looked at the resident parent’s income and said: ‘Sorry, you are now over the threshold. Even though you were owed that money, at a time when you were eligible for it because your income was low, you will not receive it.’ There is an amendment in this bill to ensure that, even though their income has now increased, they will receive the income support that the non-resident parent was due to provide to them at the time when they had a lower household income and were eligible for it. This will be welcomed by many families. It gives greater credibility to the child support system and it will increase the family tax benefit entitlements of these people.

A further measure in this bill, as announced by the government in the 2006 budget, is a one-off payment for certain older Australians equal to the annual utilities allowance of $102.80. I heard the member for Shortland say, ‘It is only $102.80.’ To all those Australians who are going to be receiving this—including those receiving mature age allowance, widow allowance and partner allowance who in the past have not received the utilities allowance but will now be beneficiaries—it is $102.80 over and above anything they received from the Labor Party when they were in government. There simply was no utilities payment at that time.

We introduced that payment for self-funded retirees because we could not come to an agreement with the states. The states would not give self-funded retirees the same benefits they bestow on pensioners in the form of some of the concessions. After my predecessors unsuccessfully negotiated long and hard for many years to ensure that self-funded retirees would receive the same benefits as pensioners, the government made an election commitment that we would make this payment directly to self-funded retirees and that they too would benefit from this additional one-off payment. We have now implemented that.

We are all too well aware that, unfortunately, we are beset by both natural and unnatural disasters. We have had the Bali bombings, the Asian tsunami, the London bombings, the Eyre Peninsula fires and Cyclone Larry—to mention just a few. In these times the great Australian spirit shines through and many Australians donate money to these causes recognising the hardship of fellow Australians and even people overseas, as they did with the tsunami. The government flies into action to try to provide support in a very practical sense. As part of that, we have provided for a disaster recovery payment in this bill. This will formalise ex gratia payments to assist Australians in these disasters, whether they be onshore or off-
shore. Initially, people affected by a disaster will be able to claim $1,000 for themselves and $400 for each child in their care. Not only is this a positive measure but it also ensures that we put into law what has in the past been done in an ad hoc fashion. I am sure it will be supported by all sides.

This bill ensures that for the first time the carer payment will be available to parents of children with severe intellectual, psychiatric or behavioural disabilities. This will simplify the system and ensure that some people will now be able to access the carer payment under the expanded eligibility criteria. I do not think there would be a person in this House who does not understand the role that carers play, the compassion they show and their commitment to their loved ones. It is recognised by everyone in this place, and I am sure that everyone will appreciate this improvement in the bill and its practical implications for those individuals.

Families are often concerned about what is going to happen to their disabled loved ones when the carers pass away. We are introducing in this bill a new provision which will allow immediate family members to establish a special disability trust for the current and future care of severely disabled persons. Severely disabled persons social security payment such as the disability support pension will now not be affected by any trust income or trust assets up to the value of $500,000. Also, gifts to the trust to a total of $500,000 from immediate family members of age pension age will not affect the donor’s social security payments. This is a relaxation of the Social Security Act and Veterans’ Entitlements Act provisions which limit the assets a person can hold or give away without affecting their entitlement to payments. In a very practical way this will give comfort to a number of older Australians who are very fearful of the life that their loved one—in most cases, their child—is going to have when they are no longer in a position to look after them. This will give them the comfort of knowing they can purchase for them the style of care they deserve and that they would wish for them. I am sure that many Australians will take up and recognise the benefits that this practical measure will bestow upon them.

There are many positive measures in this bill, and it also contains some consequential provisions. I will complete my address by reminding those opposite that all of these positive measures for assisting families, carers, older Australians and people trying to provide for their disabled children once their parents have passed away are only possible because we have a strong economy. We have been able to run budget surpluses and more Australians are in work. Therefore these measures are the dividend that we can provide back to the Australian public. It can only go on if we continue to work hard to ensure that the economy grows strongly and job creation is maintained, and that is what the Howard government is committed to. This bill really is the result of 10 years of hard work, and the dividends go back to the Australians who deserve them most. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr BROUG (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (11.31 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
Mr MARTIN FERGUSON (Batman) (11.31 am)—I rise to address the House on the Energy Legislation Amendment Bill 2006. In doing so I move:

That all words after “That” be omitted with a view to substituting the following words: “whilst not declining to give the bill a second reading, the House condemns the Government for:

(1) its failure to implement energy market reform in a timely manner, including its lack of action in implementing the recommendations of the Parer Report of 2002 and the Productivity Commission report of 2004; and

(2) its lack of commitment to microeconomic reform and to strengthening Part IIIAA of the Trade Practices Act 1974”.

The opposition, as will be made clear by my remarks, welcomes this bill, but I simply say it is only part of the job that needs to be done with respect to energy reform in Australia. The bill, after all, does implement the policy that the opposition took to the last election, developed by my colleague the former shadow minister for resources and energy, the member for Hunter. It states:

In natural gas, industry remains engaged in battle with the ACCC over a range of regulatory issues. Australia still lacks all the necessary ingredients for the development of a mature and fully competitive gas market and, yet again, Parer’s recommendations have been ignored.

The opposition policy statement went on to say:

No initiatives have been taken to tackle the various barriers to enhancing upstream competition and nothing has been done to address regulatory risk, whether it be real or perceived.

… … … …

Labor will retain a strong Gas Code, but, consistent with the COAG Review, will pursue two significant changes to provide greater certainty for new investors. We will provide for: Binding and up-front coverage rulings; and up-front agreements locking in key regulatory parameters for extended, but agreed periods of time.

That is what this bill is about. Unfortunately, it has been a long time coming. Let us be very clear about this: it still does not go far enough in implementing the many energy market reform measures that are still outstanding. I think it is about time that the Prime Minister actually fronted up to the issues that need to be attended to today. The issue of nuclear power is a futuristic debate. There are regulatory decisions and base load energy decisions to be made in Australia in the foreseeable future, not at some distant point in time. That is what this debate is about—it is about our requirement as a nation to put a system in place which provides for a national grid and for sufficient energy capacity to meet Australia’s demands in the foreseeable future.

Whilst these charges are welcome, as a community we have to get our heads around the real, tough energy decisions that have to be made, especially on the east coast of Australia. That means making immediate decisions going to base load capacity. It is also about ensuring that we have an environment in place which fosters and encourages ongoing exploration for oil and gas in Australia. I simply do not think the government is doing enough on that front. That was rammed home last night at the minerals industry council dinner, where the Chair of the Minerals Council of Australia correctly reminded the government that, despite a number of endeavours, it has failed to put in place a flow-through share scheme. That scheme is important because it is about encouraging necessary investment, especially for small and middle sized explorers in Australia. It is
about doing something for those hardworking medium and small sized exploration companies that do not just represent the top end of town.

I think we have to take this criticism on board because we have still failed to front up to some of the real, tough issues going to taxation reform in Australia. The opposition have already said in the last 12 months that that is an issue we will seriously consider in the lead-up to the next election because it has been identified as a priority by the energy market companies.

This aside, the bill will amend part IIIA of the Trade Practices Act to provide new incentives for investment in gas pipelines or, more accurately, to remove the existing barriers to investment—and that is important. There are two mechanisms provided for in the bill. The first is an ability to obtain an upfront ruling on whether fuel price regulation in the gas access regime should apply to a new pipeline. If a pipeline does not meet the coverage criteria, it will be granted a full exemption for 15 years, which is called a ‘binding no coverage ruling’. The second mechanism is a price regulation exemption, also for 15 years, for new pipelines bringing foreign natural gas to Australian markets, subject to certain obligations.

Both mechanisms involve a prior competition and public interest assessment by the National Competition Council before a final ministerial decision can be made. We believe that is a sound accountability mechanism. It is about having proper regard for due process before the minister is required to tick an appropriate recommendation. The mechanisms are not just welcome to encourage investment in gas supply and gas transmission infrastructure but necessary to guarantee Australia’s future. They are very much needed for the purpose of locking in Australia’s future economically.

We all appreciate that Australia is a gas rich nation. There are over 140 trillion cubic feet of known reserves. For the last 20 years we have been finding gas faster than we have been producing it; but, unfortunately, most of it is remote from markets, and that represents an additional challenge to the Australian community. Of Australia’s natural gas resources, 95 per cent is in the remote north-west, but 90 per cent of Australia’s population lives on the eastern seaboard and most of the country’s energy-intensive, job-creating industries are in the south-west and the east. I do not think we can put it more starkly: it is not just a question of finding gas but also how we access it as a nation for the purpose of running industry in Australia and for domestic requirements in our households. That is why we need to be thinking about strategic national energy market infrastructure, not tomorrow, but today and, in doing so, promoting investment in things like natural gas transmission.

Natural gas is the best transition fuel for a lower carbon economy, with proven reserves more than capable of meeting the nation’s energy growth needs over the next few decades. This raises a number of important issues: firstly, enhancing the competitiveness of gas in the domestic market; secondly, achieving greater interconnection of major supply and demand hubs; and, thirdly, expanding domestic gas markets in electricity generation, process energy, gas to liquids and chemicals—some of which the government just does not want to debate. This is despite reports recommending that we rigorously pursue and consider some of these recommendations, such as gas to liquids.

It is a debate now, not a debate for the future. But when do we hear the Prime Minister or the Minister for Industry, Tourism and Resources fronting up to these debates? They would sooner have a debate about nuclear power, which is a futuristic debate, rather
than a debate about the base load energy re-
quirements of Australia at this point in time.

In opening up new markets for natural
gas, it is critical to underpin the development
of remote gas production, processing and
pipeline infrastructure for natural gas supply
security. This is an important issue of secu-

rity for Australia. It is about security of sup-
ply; it is about security of access. Just con-
sider the dangers in the Middle East. Surely
that says to the Australian community that
we have to be a bit cautious. We have to in-
vest to make sure that, if something goes
wrong beyond Australia’s shores in accessing
oil, for example, we have alternatives in
place. That is why this debate is so important
to Australia.

I therefore suggest to the House that,
without investment in that infrastructure to-
day, Australia’s gas resources could be too
expensive to get to market in the future and,
unfortunately, be locked away forever or be
destined only for export markets as LNG.
That is not to deny that those export markets
are not important to Australia; they are ex-
ceptionally important to Australia for our
economic development. But let us also start
thinking about home and what we need as a
community, not just the export dollars that
can be gained from selling LNG to China. If
the Prime Minister thinks it is commercial
to get gas to Shanghai, it is about time
he started to think about getting gas to Dar-
win, Sydney or Melbourne. That is about
looking after the Australian community. I
would have thought that a Prime Minister
would be thinking about the immediate fu-
ture of Australia’s access to energy. Yes, it is
good to sell LNG to Shanghai but it is also
important to have a serious debate about how
we get gas to Darwin and Sydney and suiting
our own domestic needs.

I say that because I do not think we can assume that gas exports will necessarily cre-
ate additional domestic industries or energy infrastructure. It is not doing that at the mo-
ment. We are just processing it and exporting it. Yes, we are earning good export dollars,
but let us also think about creating additional downstream industries, employment and
training opportunities and energy infrastruc-
ture opportunities for Australia as a nation.
Do not just export base products; do more in
Australia.

I therefore say to the House that the gov-

erment has to do more to develop value-

adding gas chemicals and gas to liquids in-
dustries and to expand domestic gas infra-
structure to complement the LNG industries.
This is the debate the Prime Minister does
not want to have. Next month he is going to
China. He is very proud of our achievements
in the export of LNG to China. But, if the
Prime Minister wants a debate about energy,
we want to hear at home what the Prime
Minister thinks we should do to develop
value-adding opportunities in Australia. That
is about jobs and training in Australia; that is
about sufficiency and security of supply.
Why shouldn’t we be seriously thinking
about a gas to liquids industry in Australia,
expanding our own gas infrastructure and
securing our own future?

So I simply say to the House today: let us
have the debate about energy and about secu-

rity of supply. They are the debates that de-
termine our future economically. We as a
nation, like every other nation, depend on
energy to maintain a high standard of living,
to attract investment and, in doing so, to se-
cure our future for employment and training
opportunities and our capacity to look after
people in retirement, to educate the young
and to ensure that we have decent health care
systems in place—just to name a few re-
quirements and expectations of government.

We should also think about why other
countries can do it but not Australia. What I
am talking about in terms of gas to liquids and value-adding gas chemicals has been done beyond Australian shores. We have always been a nation that has prided ourselves on our intellectual and scientific capacity to be ahead of the game, but now we are sitting back and leaving it to other nations to pursue these value-adding opportunities and basically undermining our own security for the future.

We have to understand that it is a tough global market. We must have security of supply of energy, and we have to be competitive. Although I do not accept that we cannot do it, Australia’s competitors in the global gas market, including Qatar, are way ahead of us already. Rather than sitting back, we must grasp the opportunity. Our resources are there, and they are abundant. Let us do something seriously about taking that next step. We should pursue some downstream opportunities and lock in security of supply, given the uncertainty in the international market on a range of issues such as the problems of the Middle East and of oil.

These are serious issues, and Australia as a nation has to get serious about exploring these opportunities. How do we address this challenge? I think it is fair to say that this bill goes part of the way. Without a doubt—as reflected in the opposition’s policy at the last election—it goes some of the way towards removing the impediments to increased investment in interconnection and barriers to gas on gas competition. The private sector now owns the majority of Australia’s gas transmission pipelines and substantial private sector investment will be required over the next decade and beyond. It is therefore in our national interest to encourage, not deter, this investment. That is why the provisions of this bill are welcome and are supported by the opposition.

Whilst pipeline infrastructure developed since the late 1990s—Eastern Gas and SEA Gas pipelines—has ensured continuity of supply following the Moomba incident, it is clear that more could and should be done to facilitate linkage of uncommitted gas pipelines to markets, to improve security and reliability of supply as well as to encourage gas on gas competition. That goes to the question of a price signal. The absence of a carbon price signal is also undermining the competitiveness of gas, thereby holding back demand and investment and forcing regulatory intervention. Consequently, in this looming crisis, the opposition accepts the need to provide greater certainty for investors as gas plays catch-up in the market. And that is what we are talking about at the moment—we have abundant gas but, as a nation, we are playing catch-up. Regulatory burdens are growing, not shrinking, and competition regulators are under increasing pressure to provide long-term income guarantees for infrastructure investors. The existing cooperative gas access regime has created barriers to efficient investment in new pipeline infrastructure, and this bill will hopefully encourage more efficient investment and provide investors with regulatory certainty.

The bill also recognises appropriately the additional complexity of international gas infrastructure projects such as the Papua New Guinea gas pipeline and provides investors with regulatory certainty. Both mechanisms will have a positive impact on securing investment in gas pipeline infrastructure for Australia’s long-term energy security needs. But, unfortunately, energy market reform is happening too slowly.

Let us take by way of example just where COAG has got to this year. Whilst the commitment to progressive national roll-out of smart meters from 2007 is to be commended, it is heavily qualified and only time will tell
whether the initiative is truly national. Beyond that, we are promised a recommitment to earlier COAG reform proposals and a new high-level, expert energy reform implementation group. I must say we have heard it all before. It is not the first time we have heard talk of this type of activity, but nothing seems to come to fruition.

I note that this new committee is due to report back to COAG before the end of 2006 on a range of energy market issues, including options for a national grid, structural weaknesses in the electricity market and financial market measures to support energy markets. These are pretty fundamental issues, but again I say to the House: when do we hear the Prime Minister talk about these issues? Decisions on this front underpin economic activity in Australia. It goes to whether or not we can continue to remain competitive and attract investment to Australia. We have to compete on the basis of being very competitive on the price of energy in Australia and security of access and supply, so I think there is some urgency for the Minister for Industry, Tourism and Resources to pursue this energy reform. All too often it has been put back.

There has been the Parer report, meetings of ministers and COAG discussions. It just seems to stumble from one meeting to another meeting without an end gain. It should be pointed out to the House that what the communique does not say is that this new committee is the Prime Minister’s latest attempt to address his inertia and that of his energy minister, the Ministerial Council on Energy and the National Electricity Market Ministers Forum on real energy policy issues. I also accept there is some criticism to be levelled at state ministers. Some of them do not want to make progress on this, because it is all too hard. So it is the combined responsibility of state and federal ministers to get on with the job. The truth is that very little has been done over the last five years.

The fact is that we are no further advanced on national energy market reform than we were when the Parer review was announced. Guess when that was? It was June 2001, along with the establishment of the Ministerial Council on Energy and the national energy market. So reports were done but no action has been taken.

The Parer review was released in December 2002. Interestingly, an audit shows that only a handful of its recommendations were ever implemented. It was August 2004 when the Productivity Commission review of the gas access regime was released. COAG now promises us a response by the end of 2006—a full 2 ½ years later. After Parer in 2002, it took until July 2004, with legislation introduced in mid-June 2004—at the eleventh hour—to set up the Australian Energy Regulator and the Australian Energy Market Commission. It then took another year to agree on who would head it, where it would be located and how it would interface with the ACCC. Operations did not actually commence until July 2005. I would hate to see it if they were in a hurry. Just think about the lack of activity and commitment from government to progress the implementation of the recommendations and outcomes of the Parer review. The government’s answer to the problem is to go back to June 2002 and to make the same mistakes again—a new national body, a review of the same issues and still no action or leadership. I suppose someone will do well out of it in a consultancy, but we as a community go backwards while government sits idle on fundamental energy reform.

I believe what is really needed is action and national leadership—people being pushed and prodded to actually do something. Well over a year ago, I stated—and I have said it many times since: Internationally competitive supplies of energy are critical to Australia’s global competitiveness in a
range of manufacturing and value adding industries, and while the success of the reforms of the 1990s cannot be denied, nor can the fact that much more needs to be done.

That is the challenge out of this debate. There has been some progress, but much more needs to be done. COAG, to be fair, recognised this by commissioning the Parer report, but we all appreciate that little action has been taken by government since that report.

The Parer report correctly and appropriately identified all the deficiencies in our energy markets, but barely any of its recommendations have been implemented. That is where our problem is; that is where the logjam is. It actually goes to a failure to implement the recommendations of a report that was very seriously considered not just by the private sector involved in the energy market but by the Australian community at large and, most importantly, by industry at large. They want action. It is no good just having reports if you do not proceed to implement the recommendations of those reports. This speaks for itself.

The facts show that our electricity and gas sectors remain burdened by excessive regulation, overlaps in regulatory roles, slow and cumbersome code change processes, anti-competitive marketing practices, poor market design and poor, if any, planning mechanisms. Just think of the complexity of those issues. One would have thought there was some urgency at government level to make serious progress in trying to find solutions to some of those problems. The opposition reminds the government today that it is time for the government to get moving, once and for all, on both the Parer recommendations and the Productivity Commission recommendations. I recall that my colleague and former shadow minister for resources, the member for Hunter, also said this many times during the last parliament when he had responsibility for energy, so this is not new. We have been continually standing in support of the need to do something about the recommendations embodied in the Parer report which was welcomed as a report of substance by the Australian community.

One of the biggest issues for the natural gas industry is the expansion of its markets. This is a big issue for Australia because natural gas is part of the answer to its concerns about petrol prices and supply security. You need only go out to the shopping centres today to understand the importance of this issue. People are worried about the Middle East and security of supply and they are worried about the price of oil and its impact on their household budgets. I contend that the government is out of touch with the triple whammy facing Australians around the kitchen table these days—higher interest rates and mortgage payments, industrial relations changes undermining their wages and capacity to look after their families and, we all appreciate, record high petrol prices. Action is required to see what we can do as a nation domestically with respect to this challenge.

This government, I think it is fair to say, treats tax cuts as go-away payments for motorists worried about petrol prices. It hopes with a few tax cuts that the concerns of the community about petrol prices will disappear. Everyone in the House knows that the concerns of the community about petrol prices are simply not disappearing. There is nothing in this budget to bolster Australia’s fuel supply security or to look to the long term. This is a short-term budget. I am talking about the big issues that secure our future. Where do you see any discussion of those issues either in question time or in the budget documentation and appropriation bills currently being debated in the Main Committee? There is nothing being done by the government.
The fact is that, without developing alternative fuel industries in Australia, we will—let us be honest and clear; let us be stark about this—increasingly be hostage to supplies from the Middle East, West Africa and Russia. That is a worry to all of us. We cannot remain hostage to the Middle East, West Africa and Russia. We have to do something ourselves. Just think about the problems in Europe this year with access to Russian gas. It was actually turned off. We are sitting back thinking that we are relaxed and comfortable. I am not relaxed and comfortable about the energy debate because I do not think the government is doing enough.

I do not need to spell out the implications of that for energy security for Australia and for our economic future as a nation. Australians want to know that their government and the companies with stewardship of their resources have a plan to secure their energy supplies for the future and they want the prices to be affordable. But there is no plan and they are far from relaxed and comfortable about that.

The Howard government has failed Australians by letting the opportunity pass to create the right fiscal and regulatory environment to make gas to liquids a new industry option and a new fuel supply source for Australia. The answers are there for the Prime Minister and the Treasurer in the opposition leader’s fuels blueprint, just as they were on gas pipeline investment in Labor’s 2004 election policy. That blueprint is about a real debate on energy in Australia. It is about real, tough policy decisions and people have to start debating these decisions going to energy in Australia. If the government were serious about the gas industry and gas market reform, they would have seriously reviewed the PRRT regime, and considered special treatment of capital investment in gas to liquids fuel projects and associated gas production infrastructure. A bill about these issues will be before the House and debated in the foreseeable future. These issues are not attended to by government in that proposal.

The Commonwealth could also have faced up to some responsibility for resource related infrastructure instead of passing the buck to the states. Above all, they could have sent a clear signal to Australians that they are interested in their future fuel supply security and to the industry that this should be part of Australia’s national gas strategy. Australia’s competitors in the gas industry are way ahead of us, particularly in the Middle East where countries such as Qatar, already a formidable competitor for the Australian LNG industry, are now developing what we should be doing—gas to liquids projects to make clean transport fuels for the global market.

It is now almost five years since the government’s own gas to liquids task force highlighted the potential significance of such an industry to Australia’s economy, interestingly saying it could underwrite offshore gas supply infrastructure to bring forward the possibility of major new domestic gas pipelines to connect the national market, increase domestic gas competition and energise gas exploration. The potential benefits go beyond unlocking new resource wealth and creating new industry, more jobs and more exports; they appropriately include the opportunity for Australia to address this most pressing of problems—our transport fuel security. But, five years later, no action has been taken by the government.

There is a long list of issues that have to be attended to in the energy debate: regulation reform, the development of new opportunities and gas to liquids. I think we have to have this debate now. It has to be on the agenda and no-one can run away from it, because we have to make these decisions to guarantee security of supply and also to
guarantee that we have energy at a competitive price to maintain our competitive opportunities internationally. It is for that very reason that I have moved my second reading amendment, which states:

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

(1) its failure to implement energy market reform in a timely manner, including its lack of action in implementing the recommendations of the Parer Report of 2002 and the Productivity Commission report of 2004; and

(2) its lack of commitment to microeconomic reform and to strengthening Part IIIAA of the Trade Practices Act 1974”.

I think the second part of that second reading amendment says it all. When do you ever hear this government talking about microeconomic reform and productivity? They were the issues of the 1980s and the early 1990s; they are no longer on the agenda. As a nation, we are simply content to ride on the back of the resources boom, digging resources up and selling them overseas without taking the opportunity to secure a product innovation on research and development which guarantees Australia’s future for many decades to come. There is not always an uncertain question mark about when the resources bubble will burst. That is what we are all worried about. Yes, there is a resources boom and we are all benefitting as a nation, as reflected in the tax cuts, but where are the hard decisions about locking in productivity reform on ongoing innovation in this nation, which guarantees further training and job opportunities and a larger economic cake? I commend the second reading amendment to the House.

Mr TOLLNER (Solomon) (12:02 pm)—As many people in this place know, I am a very proud, loyal and outspoken Northern Territorian. People may wonder what I am doing on my feet talking about the Energy Legislation Amendment Bill 2006, an energy market reform bill, when the Northern Territory is an island with regard to energy—our electricity transmission system is stranded, we are not connected to the national grid in any particular manner and our gas is not connected to a national pipeline system. But the Northern Territory has some wonderful energy resources and assets. Many people in this place will be aware of the abundance of natural gas in the Timor Sea and the Bonaparte Gulf. Those resources are currently being exploited through the hard work and good management of this government, which has ensured a regime which allows investors to confidently invest in those areas, which brings this energy ashore and which supplies it to world markets.

The Northern Territory is blessed not just with gas. Where I come from, Darwin, we are blessed with some wonderful tides which are between eight and 10 metres. I think there are huge opportunities for the community to harness some of the energy in those tides. I note that the work that has been occurring up in Broome—which has been so fabulously championed by the member for Kalgoorlie—is of great interest to us in the Northern Territory, where we have similar large tides. There are also the great opportunities of wind and solar energy. I know of a small company in the Northern Territory that supplies wind turbines to remote areas, some as far away as Mawson in Antarctica, and India and China. They are small wind powered generators that produce electricity for small communities at costs far more competitive than for a similar amount of energy produced by electricity after carting diesel over long distances.
It is also obvious to most people here that the Northern Territory is blessed with a wonderful abundance of uranium. Currently, all of Australia’s uranium comes either up our railway line or from the Ranger mine in Jabiru over the port of Darwin. So 100 per cent of Australia’s uranium goes over the port of Darwin. I think this also presents a wonderful opportunity for the Northern Territory to take a leading role in the upcoming nuclear debate that the Prime Minister has trumpeted. I am very keen to be involved in that debate and to put the Territory’s position very clearly on the public record.

As I say, the Northern Territory is an energy island. Our transmission system is stranded and we are not part of the national grid. Consequently, we pay much more for electricity than do people in other parts of the country. It is my view that the Northern Territory should be working towards trying to connect to the national grid both with gas and with electricity. I am aware of an exciting project that has been promoted by Powercor, a large national company that has transmission systems in Victoria and South Australia. It also has Citipower and CityLink, which has some tunnels in Sydney and Melbourne. Powercor is very interested in running a high-voltage DC powerline from Central Queensland through Mount Isa and Borroloola—the McArthur River mine site—and on to Darwin. The high-voltage DC power utilises what many in the industry call ‘superconductors’. It allows large amounts of high-voltage power to be transmitted over long distances at relatively low costs. I know that there is a business case being undertaken at the moment by Powercor and they are working towards establishing a business case and starting a full-scale feasibility study at some point this year. I think this presents great opportunities for the Northern Territory government to secure energy prices at a rate that is competitive with the rest of Australia.

Additionally, the PNG gas project, which is coming in through North Queensland and has a spur line out to the west connecting with Nhulunbuy in the Northern Territory, also offers wonderful opportunities for the Northern Territory. It allows the Northern Territory to connect to the national gas grid and at the same time it allows Alcan at Nhulunbuy to access very cheap gas. I would like to hear talk of this pipeline being extended to Darwin so as to create a competitive market system in the Darwin area that, in conjunction with the high-voltage DC power line, would create an environment of competition in the Northern Territory. That would assist in driving down energy prices.

I was interested to see the amendment that the honourable member for Batman, the shadow resources spokesman, has moved. It was probably the best that he could manage. He says that the Prime Minister has not spoken loudly enough about this. He acknowledges that some of the hold-up in this legislation is due to the sabotage conducted by state energy ministers. If this is the best objection that Labor can come up with, I think it is pretty poor. It just shows that its ideas are moribund.

The Howard government continues to ensure that Australians enjoy the benefits of a strong economy. A secure, reliable and affordable energy supply is fundamental to Australia’s economic wellbeing. It is, therefore, of serious importance that the energy framework governing our energy sector is sound. Natural gas has an important role to play in our nation’s energy mix, helping to build the security and diversity of our energy supply while also providing important advantages in reducing greenhouse gas emissions. This government recognises that greenfield pipelines are needed to meet Aus-
Australia’s increased demands for natural gas. However, market participants must be given incentives to invest in greenfield pipelines.

Two specific incentives have been designed to encourage investment in the area. The first incentive allows the provider of a proposed pipeline to seek an exemption from regulation under the gas access regime for the pipeline’s first 15 years of operation. This incentive removes the threat of the regulator intervening to impose third party access provisions, including price regulations, on a new pipeline. The second incentive allows the provider to seek an exemption from price regulation for a proposed international transmission pipeline which will deliver foreign gas to Australia. The key driver for this second incentive is the importance of securing Australia’s long-term energy security needs. The greenfield incentives will cut the regulatory burden for new gas pipelines, making Australia’s energy market a more attractive place in which to invest. This will stimulate investment and make sure Australia’s gas infrastructure can grow to meet our rising energy demand. The member for Groom, and Minister for Industry, Tourism and Resources, said last week in an article in the Australian Financial Review:

These ‘greenfields incentives’ are about cutting the regulatory burden, to make Australia’s energy market a more attractive place in which to invest. It is absolutely critical that investors can get regulatory certainty, in a clear but light-handed fashion, and these changes will go a long way towards helping projects such as the PNG gas pipeline proposal get off the ground.

The minister is right. Being from the Northern Territory, where electricity is the most expensive in the country and demand for greater supply is growing rapidly, I certainly see it as important that such projects as the PNG gas pipeline get up and running in earnest very quickly. The government’s proposed incentives will work. Even the shadow resources spokesman, the member for Batman, from the Labor Party, agrees that this bill is a step in the right direction. He said a little while ago, ‘This is welcomed and supported by the opposition’. Good on him!

The Managing Director of AGL, Mr Paul Anthony, said in a press release on 9 May that these measures provided a ‘significant step in the development of the proposed PNG to Australia pipeline’. I congratulate our industry minister on introducing this bill. This is precisely the reaction from investors that the government is looking for to the incentives that this bill provides. Mr Anthony said:

The policy leadership of the Federal Industry and Resources Minister as well as all State Energy Ministers in reaching this important decision will create long term national benefits for both Australia and PNG.

The announcement facilitates the setting of tariffs on the Australian component of the pipeline through commercial forces for the first 15 years of the pipeline’s operations rather than by a regulatory process.

All buyers of PNG gas will benefit from the arrangements requiring the pipeline to provide open access and non-discriminatory pricing. This underpins the ability of PNG gas to provide an alternative source of competitively priced energy to growth markets in Queensland and the Northern Territory as well as the established markets of NSW, Victoria and South Australia.

The PNG gas pipeline project includes a proposal to deliver gas to Alcan’s alumina refinery at Nhulunbuy in the Northern Territory. The refinery is currently undergoing an expansion which will almost double its capacity and PNG gas will replace the close to one million tonnes of fuel oil the expanded refinery will consume annually. This pipeline is an important piece of infrastructure for the Northern Territory, representing a first step towards connecting the Northern Territory to the broader energy network. As I said before, I think we should look at continuing this
pipeline through to Darwin. The Northern Territory government should be talking to the proponents of the PNG gas to see how that can happen.

Another positive reaction to the legislation came from the Chief Executive of the Australian Pipeline Industry Association, Cheryl Cartwright. She also says that this amendment will encourage long-term investment in infrastructure. Again, this shows that this bill is a step in the right direction to meeting the demands of increased energy consumption in this country.

Further, this government intends to provide a framework of support for the supply of gas to Australia, especially as gas demands increase considerably. I would, therefore, like to re-emphasise the following three points. Firstly, if the PNG gas project goes ahead it will see large volumes of gas at a competitive price into the national markets for expansion of our economy, obviously keeping pressure on lower energy prices, which will lower inflation and the CPI; therefore, there will be less pressure on interest rates and, as a result, a better economy. Secondly, a greenfield policy allows certainty for large complex gas projects to have regulation certainty for the life of the project. Companies need certainty to ensure that projects are economic and that they will not be changed in the future. Thirdly, a greenfield policy allows the Australian Energy Regulator to regulate non-priced assets of the project.

The Howard government continues to build a framework for a stronger economy. This government acknowledges the increased demand on energy in Australia and is taking measures to ensure that these demands are met. I have been advised that, without this bill, projects like the PNG gas pipeline would probably not go ahead. We have the support of proponents of pipelines, such as AGL. We even have the support of our Labor resources spokesman, who spoke just a moment ago. Obviously, this is a step in the right direction. It is also a step in the right direction towards the Northern Territory one day being part of the national grid. With people who live in my electorate and the wider Northern Territory community currently paying the highest price for electricity in this country, I am fighting hard for more competitive energy prices. I fully support this bill, and I see it as yet another step towards this government securing a stronger economy and a brighter future for the people of Australia.

Mr HAYES (Werriwa) (12.18 pm)—In his second reading speech on the Energy Legislation Amendment Bill 2006, the Minister for Industry, Tourism and Resources said:

A secure, reliable and affordable energy supply is a fundamental input to Australia’s economic wellbeing.

You wonder, from the lack of action on the part of this government when it comes to securing its long-term energy supplies, how much reliance can be placed on that statement. You would also wonder, considering the government’s failure to implement the recommendations of the Parer report of 2002, and indeed the recommendations of the 2004 report conducted by the Productivity Commission.

In the Parer inquiry, Parer was charged with identifying the deficiencies in all our energy markets, but hardly any of the recommendations contained in that report have been implemented. He found, for instance, energy and gas sectors in particular were burdened by excessive regulation, affecting both efficiency and certainty within the market. In 2004 the Productivity Commission specifically reviewed the gas access regime. But what did we have in the report delivered
in 2004? COAG promising to respond to that report by the end of 2006, 2½ years later. So I do not get all that up-beat in looking at this government’s attention to energy security for the wellbeing of Australia, although I do welcome the measures in the bill before us today.

There is no doubt that the provisions contained in this bill are important ones. They provide a greater degree of investment security in the gas pipelines, which investment security is set to become increasingly important in delivering the energy resources required to support our manufacturing and other value-adding industries in securing our economic growth.

This bill amends part IIIA of the Trade Practices Act to remove existing barriers to investment in gas pipelines. As a result of these changes, those seeking to construct new gas pipelines will have the ability to obtain an up-front ruling on whether full price regulation in the access regime should apply to the new project. Should the pipeline not meet the full coverage criteria, it will be granted a full exemption for up to 15 years. I cannot disagree with that policy, as it is the exact same policy that the member for Hunter, the then opposition spokesman for energy, took to the last election.

I will return a little later to contrast the position adopted by the government and the opposition when it comes to energy security, but I now want to deal with the second mechanism contained in the bill. This mechanism introduces a price regulation exemption, also for a period of 15 years, for new pipelines bringing in foreign natural gas to Australian markets, subject to certain obligations. We have just heard the member for Solomon speak on the importance of PNG gas. That is critical. One thing that we should not lose sight of is that investments in pipelines are quite significant. They require decisions and assessments to be made on levels of return over projected periods. Being able to secure foreign gas for Australian markets is absolutely critical in the development of the Northern Territory’s industrial mechanisms, but in addition it will at some stage be critical in its position in relation to a national grid.

Naturally, both mechanisms involve competition and public interest assessments which will be made by the National Competition Council before final decisions are made by the minister. That in itself is an important change. These mechanisms are important and provide a greater degree of regulatory certainty for companies looking to make the significant investment required to construct gas pipelines. Greater regulatory certainty leads to greater investment certainty, and this investment is a key to exploring and developing competitive energy markets that will satisfy Australia’s ongoing energy needs.

We all have to be conscious that Australia is a gas-rich nation. Currently we have in the vicinity of 140 trillion cubic feet of known gas reserves. In layman’s terms, that is in excess of 100 years supply at our current rate of usage. Over the last 20 years we have been finding gas a lot faster than we have been able to invest in it. Some time back, in one of my former occupations, I had the opportunity to represent workers in the oil and gas fields in the North West Shelf and the Timor Sea. As a consequence, I regularly visited areas of Woodside, the Rankin A platform, West Australian Petroleum, Chevron when they operated Barrow Island, BHP Petroleum, the Challis Venture and Jabiru. They were out there trying to develop our oil reserves. By and large, in most wells that were drilled, if oil was not discovered—and no great volume has been to date—an abundance of liquid natural gas was. One of the problems for us is that 95 per cent of our
natural gas reserves are found in north-west Australia but 90 per cent of our population and the vast majority of our industry based market is on the east coast. Pipelines are going to be absolutely essential if we are to capitalise on the fact that we are a gas-rich nation.

True reform of Australia’s energy sector can only come through strong leadership. Strong leadership needs to drive the energy sector forward to create and maintain the environment needed to undertake the considerable investment necessary to develop the Australian gas industry, and it can only be shown by the leadership of the national government. Leadership by our national government with the cooperation of the states and territories is a precondition to sustained investment in the Australian gas industry. To date the action and the leadership required have sadly been lacking. Considering the gas reserves of Australia, you would wonder why it has taken so long for the changes contained in this bill to be introduced—changes that will support investment in gas pipelines.

Investment in the transport networks required to transport gas from areas of resource development and production to consumers is an absolutely critical element of the long-term viability of our gas production. Naturally, the viability of companies investing in construction of gas pipelines is dictated by elements in the market for gas transport, such as the number of participants and the price that can be charged for the use of individual transport networks. Consequently, when considering investment in gas pipelines, a degree of certainty about the regulation of the transport price is an important element in the viability of a project. Investment figures to develop gas fields are staggering. In Western Australia consideration is under way to bring gas from the Gorgon field onshore in a 90-kilometre pipeline to intersect with the Goldfields gas pipeline. These billion dollar investments need to be developed to bring gas from those fields to the market; hence, a degree of regulatory certainty is necessary in order for such investments to proceed.

Of course, there is a fine line between the creation of regulatory certainty and the creation of infrastructure monopolies. For this reason, I am pleased to see that the minister has not decided to grant himself sole power to determine who is granted the exemption under the provisions of this bill. Independent assessment of the competition and public interest aspects of the exemptions will be conducted by the National Competition Council. Unlike the Minister for Employment and Workplace Relations, who has determined that he will be the final arbiter of every single contract and certified agreement made in this country, the Minister for Industry, Tourism and Resources has decided that he will not take upon himself similar powers. As I said, decisions on exemptions will be made by the National Competition Council.

It is pleasing to see the provisions of this bill introduced, as it is yet another occasion when this government—quite frankly, a government which is out of puff in this area of reform—has decided to adopt one of Labor’s election policies. It is good to see the member for Hunter in the House, Mr Deputy Speaker, because you will find his DNA all over this. He was the architect of the policy that was taken to the last federal election. It is pleasing to see that the government has adopted our policy, and hopefully the government will start to adopt some of the other policies that Labor has brought forward for securing Australia’s energy resources.

While the government is concerned with narrowing the debate to nuclear energy—a move, I have to say, that by itself is somewhat limiting—I am sure that the energy security of this country does require consid-
eration of a wide mix of energy resources. That narrowness is in stark contrast to the position which has been put forward by the Labor Party. Recently the Leader of the Opposition outlined Labor’s view on securing Australia’s energy future in his blueprint on developing the Australian fuel industry. Labor has accepted that Australia’s national government needs to provide solid leadership when it comes to securing our energy future. Labor realises that Australia’s energy future will not be secured by hope alone. Labor knows that there will be a desperate need to invest in infrastructure to access our rich but, unfortunately, very remote gas fields. Labor knows that areas in the Pilbara, the Kimberleys and the Timor Sea are not supported by the ports, the roads, the airports, the towns, the power, the water supply, the hospitals and the schools they need to support the development of those gas fields to a productive resource into the future.

The opposition recognises the long-term implications of having no plan to secure our energy independence. It realises the implication of having no plan to reduce our reliance on a decreasing global supply of oil and transport fuels and it recognises the importance of taking efforts to insulate the Australian economy from the impacts of the significant energy price rises that we are experiencing today. This stands in stark contrast to the government’s plan, because the government just does not seem to have one. It does not have plans to increase investment in research and development in any industry, let alone investment in research and development of our energy sector.

The cooperative gas access regime has created barriers to investment in new pipeline infrastructure, and the provisions of this bill will act to remove those impediments to create an investment environment that has greater regulatory certainty and provides more efficient investment. I acknowledge the provisions contained in this bill have been agreed to by all state and territory governments through the Ministerial Council on Energy and acknowledge that the peak bodies of the industry—namely, Energy Networks Association and the Australian Pipeline Industry Association—also stand in support of these measures.

The amendments to the Trade Practices Act and other acts provided for in this bill are an important step in future developments of the Australian gas industry and they underpin investment decisions that will assist in securing Australia’s long-term energy needs. Energy in all its forms is the lifeblood of modern economies. The demand from the emerging economies of China and India certainly add to the global demand for energy resources, and it is incumbent upon this federal government to show leadership when it comes to developing the Australian energy sector. This leadership must extend beyond simply exporting gas for a few cents a tonne. It must extend to securing export revenue that reflects the true value of our energy reserves and it must also extend to securing a sufficient level of resources to support Australia’s energy needs well into the future.

Competitive supplies of energy are needed to supply the manufacturing industry and our various other value-adding industries. That is absolutely critical to developing an economy. Investment in those industries will be subject to boardroom decisions being taken on energy security within this country. Therefore, it is absolutely imperative that we address the security of our energy supplies. It is absolutely imperative that we develop our gas markets. As I said earlier, we are considered a gas rich nation and we need to take all steps to make sure that we can economically bring that gas to market to give ourselves a competitive advantage, whether it be in manufacturing or other value-adding industries. Investment in the future of our energy
supplies must be undertaken. It is absolutely essential for the further prosperity of this country and it will be significant in developing jobs in the future for all Australians.

I support the bill. I support Labor’s second reading amendment. I think there has to be a wide view taken by legislators when it comes to developing our resources. In 2002 the Parer report came down, identifying the deficiencies in our industries and making recommendations for how we can improve those deficiencies. We cannot sit idly by and wait until world markets overtake us. We are in a global competition. We do need to advance the position of Australia on behalf of Australians, and I support the bill.

Mr TUCKEY (O’Connor) (12.37 pm)—The Energy Legislation Amendment Bill 2006 is important legislation that sets out to remedy a situation that has developed where investors have spent their money and been caught out by the return available to them. The classic case is the pipeline from Karratha to Bunbury in Western Australia. A man called Sir Charles Court, whom I admire above all other politicians, took a risk with Western Australian taxpayers’ money to build a pipeline from the North West Shelf to Perth and south from there and entered into a take or pay contract for the gas which ensured that the export of that wonderful and now huge Australian resource could commence. He took that risk and many a noted economist criticised him for doing so because the economics at the time did not add up. But Sir Charles Court was never a man to think only of today. Unlike many people we meet in the market and the political field today, Sir Charles always had forward vision. I was most fortunate to deal with him in respect of my local government responsibility. If you had a need for housing blocks in your small town and the state lands department said they would have a problem in doing the work, he would ask, ‘Could you and your council do it, Wilson?’ and if you said yes he would say, ‘Okay, there’s the land. Fix it.’ That is exactly what occurred in our town. Sir Charles was an amazing politician and this massive resource project, built around his initiatives, was ready and able to supply when the world discovered liquefied natural gas and, more particularly, its benefits from an environmental perspective.

It is interesting that years later his son sold that pipeline. The minister that had the job of doing it gave, in my view, a too optimistic prediction to investors as to the prices that they might be able to charge in the future. The government changed, a regulator was installed, the regulator went in the reverse direction and as a result the company concerned went broke. The pipeline is now in the possession of a different company and at this stage they are doing some upgrades to meet the demands of industries in the Perth metropolitan area. The previous speaker mentioned the pipeline that was also built from that resource project directly to Kalgoorlie and the benefits that has brought in a competitive sense to the mining industry of that region.

This legislation, put in the simplest of terms, is saying that you can apply, prior to investing your money, for a 15-year exemption from the regulator coming in and telling you what you can charge for gas. In other words, you can plan to make profits on your investments. These investments are often painted as being the property of extremely rich people. However, the investors that typically take on these very large infrastructure projects are called fund managers. Fund managers are the people who invest the money, provided each week in millions of workers’ pay packets or pay slips, from the nine per cent compulsory superannuation scheme. That money is accumulating at a huge rate. In fact, Australia is battling to find investment opportunities within our land-
scape for that money. So those people want to know, when they invest all those workers’ superannuation funds, that they can deliver to them an economic return on their moneys. The legislation also points out that, when people are seeking that exemption, the National Competition Council will look at the circumstances of ‘market power’: what alternatives people using this gas have in respect of energy and, consequently, if they can be held to ransom—and I do not think we want that to happen. Fundamentally, it is a decision of the Ministerial Council on Energy, which brings the states and their particular regulatory powers into this issue and of course the legislation picks up the recommendations made by the Productivity Commission in its *Review of the gas access regime*.

I note the fact that people can seek exemption from regulation for 15 years of operation. The first incentive in this legislation removes the threat of the regulator intervening to impose third-party access provisions, including price regulation on new pipelines. The second incentive allows a proponent to seek an exemption from price regulation for a proposed international transmission pipeline which will deliver foreign gas to Australia. The special area of note here is the Papuan pipeline coming down through Cape York. The key driver of this second incentive is the importance of securing Australia’s long-term energy security needs whilst recognising the additional complexity of international infrastructure projects. In other words, this is a piece of machinery legislation that will encourage investment in the delivery of natural gas around Australia and make it more attractive for industry and electricity generators to use it while it delivers environmental benefits. Whilst natural gas is a hydrocarbon and its use emits carbon dioxide, with the accompanying greenhouse problems, it is of course a more efficient gas to use and the carbon emissions are not as great as they are with coal use.

However, every time we deliver more gas to a consumer, or an overseas customer, we deplete those resources. I am not one to say that we should not do that, but I am one to say that, in that process, we are ignoring the potential for renewable energy resources, which could give us a perpetual source of energy. These resources are well known; nevertheless, they can be subject to considerable criticism if their application is incorrect. The classic example of that is wind power generation. We have a hang-up with wind generators, but their capacity to reliably supply energy into a grid, where you have to be able to adjust production to demand when people want it, is limited. Typically, the wind blows strongest when all the lights are out. That is not a good choice for grid power consumption.

There was a case quoted in the *Australian* some time ago of two wind farms in New Zealand, of I think some 150-megawatt capacity, that were experiencing 100-megawatt fluctuations in their generation output over periods of five minutes. The people who have to transmit this power were more worried when it went up than when it came down. They now have a serious problem managing that resource. There is not a wind farm in Australia that can stand alone and deliver electricity into a market—not one—for the simple reason that you would be blowing up people’s computers one minute and the lights would go out the next. That is not to say that there is not potential for how wind power generation might be utilised. I will come back to that.

The same applies to solar—photovoltaics. If you try to supply an electricity demand, other than with a very large battery bank, it does not work; and, just when you want to turn the lights on, they stop generating. I
might add that, in a total sense, both of those resources are mickey mouse; they do not have the capacity to meet the huge demand for energy that exists in Australia, or for that matter any other part of the world.

In the Kimberley region of Western Australia we have a tidal resource that is totally predictable. Unlike wind, you know exactly when it is capable of generating the electricity you need. Consequently, it can be managed so that you can even out its fluctuations. There is well-known technology—some of it used, by the way, in the Snowy, where they pump water back to a higher reservoir and use it again to supply peak power demand. You can do that with the tides. The tides of the Kimberley region of Western Australia have a mean level of 11 metres, twice a day. With modern technology you harvest the tide on the way in and on the way out. You only really have to worry about neap tides. They can be adjusted in the high peak of production and stored water can fill that gap.

But each and every one of these renewable resources, which are there forever—and the tides, by the way, have the capacity to replace all the energy, of every variety, consumed in Australia; that is how big a resource it is—can be used to make hydrogen. Here we are today watching fuel prices going through the roof. I think I have informed the parliament previously that only 12 per cent of the world’s population owns a motorcar today. That is predicted, reliably, to grow to 16 per cent by 2020. But in that same period the world’s population will grow from six billion to eight billion. So we are not talking about 16 per cent of today’s population; it will be 16 per cent of a population that is 25 per cent larger than it is today. There will still be enough liquid hydrocarbons around to meet that market, but it will be so expensive to harvest, to extract from the ground or the distant oceans. You will be able to name any price you like for that fuel—if, for instance, Australia stays dedicated to that marketplace.

We have all sorts of people telling us about biofuels—you know, ‘Grow a crop.’ That will be good in the end. If we do enough of that we will be able to drive our cars wherever we like, but there will be no food in the supermarket when we get there. As for the argument that you can convert our rather sparse agricultural capacity: in the wheat debate, I keep reminding people that the United Kingdom grows more wheat than Australia. If we are going to keep converting that resource then we naturally reduce our capacity to feed ourselves or other segments of the world. If you compare the value of grain on the food consumption market, it is possible that that would also force the price of automotive fuels up substantially.

Visualise the farmer who is being told today, ‘Grow some canola.’ In parts of my electorate it would take a third of your acreage to have enough fuel to put in next year’s crop. In fact, on an acre of land a farmer could put up a major photovoltaic panel and be making hydrogen from groundwater that is causing other problems in his farming practice, and he could pump store it. The new tractor would be a very simple piece of machinery. The farmer could virtually make one himself. He would buy four hub motors, as used in a Hall pack today, to drive the wheels of the tractor, then buy separately an electrical generator pack that takes hydrogen. There are three 300-kilowatt buses running around Perth as I speak with exactly this sort of pack. The technology and the reliability of equipment are improving every day. I might add that the fuel cell that converts hydrogen back to electricity and water was first invented in 1839. That farmer could then in fact have the pack as a separate implement, which he either attaches to or puts into his tractor when he is using it, and his harvester
when he uses that at a later time, and he could make all his own electricity.

For householders, CSIRO has already announced that it has developed a box about the size of a microwave oven which you can hang up in your garage and connect to either the mains or a solar panel on the roof and produce enough hydrogen daily to run a fuel cell car 150 kilometres. But what are we doing about that? It’s like three-tenths of what’s-her-name!

This parliament is talking about making it easy to get gas from one side of the country to the other—and still liquefying it by burning natural gas—when, within close proximity to most of the gas resources in Australia, there is a huge tidal resource which could be generating the electricity to liquefy the gas we sell overseas and consequently extend the resource of our gas deposits and reduce the emissions associated with that process. It does not even get a mention. Nobody wants to know about it.

I have argued in this place before, and I will argue again, that we need to use hydrogen as the fuel for our mobility here and in other parts of the world. Of course, half the energy consumed in Australia is used to turn wheels. With regard to the nuclear debate, I think our best opportunity is to use hydrogen as the fuel for mobility and keep using coal to generate base-load energy. Notwithstanding the continuing level of emissions, the problem would be diluted to the extent that you would get a 100 per cent saving using hydrogen in motor vehicles and for transport simply because it is reconverted into water. If you follow one of those buses around Perth, you will see steam coming out of the exhaust pipe. This is where Australia should be going.

Industry is getting on with this—I have visited General Motors in Detroit and I have been briefed on their progress—but what they all need is some targets. The governments of the world should be saying, ‘If you want to drive a taxi in Sydney or London, it must run on hydrogen.’ By the way, BMW has the capacity to sell you tomorrow a reciprocating motor that runs on hydrogen. All of a sudden you will have a massive clean-up and, if the fuel is created here in Australia from renewable energy, you can virtually fix the price. The only fuel of tidal power is money—and we have it running out our ears. We are buying tollways all around the world. Yet we are not investing—and there are union super funds in this category—in works of this nature. It is up to governments to say, as the Californians did years ago, that car emissions will be limited to X by a certain date, to Y by another date and so on. And it happened. Industry said in the beginning, ‘That’s impossible,’ but they met the targets. President Kennedy told the Americans they would send a man to the moon, and industry geared up and did that—and, by the way, they used hydrogen as the fuel to get there.

There is no rocket science—if I can use the pun—in any of this. School kids—and our Prime Minister, I might add—have been making hydrogen in school laboratories by electrolysis for probably 100 years. And that is the process. They call hydrogen the energy transfer agent. You put electricity into water and you create hydrogen. You deliver it to, say, Sydney, you put it into the tank of a taxi and it is reconverted into electricity and water—the hydrogen created by putting energy into water in the Kimberleys is converted into electricity and water. And it is there forever. It does not matter. The tides will be there for as long as the moon circumnavigates the earth—if the sun stops shining for my farmers to produce hydrogen on their properties, we will have other problems. These are the challenges for us in energy. I welcome this legislation. It is going to make it easier to deliver a non-renewable resource
Mr FITZGIBBON (Hunter) (12.57 pm)—On past occasions, I have expressed my delight at the opportunity of following the member for O’Connor. I usually say that mischievously—because we have been known to have a stoush or two in this place—but this time I say it quite genuinely because I know that the member has a deep-seated interest in energy policy. We do not see eye to eye on every point. Sometimes he is a bit parochial in his contributions—there is nothing wrong with that; we are here to represent our constituencies—but I broadly agree with what he has said. More than anything else, he is saying Australia needs to be broad-thinking in its approach to energy policy—or, more succinctly, that Australia needs an energy policy.

Mr Tuckey—That’s right.

Mr FITZGIBBON—I thank the member for O’Connor for acknowledging that point. Unfortunately, we do not have an energy policy in this country. We have an energy white paper—which I suppose the government could argue presents a guide to future directions in energy policy—but we do not have an energy policy per se. I will be interested to hear what the member for Kennedy has to say on this issue when he follows me. The member for Kennedy and I often do not agree on these issues, but at least he understands that Australia needs direction in energy policy. I am delighted that we are debating energy issues more and more in this parliament—unfortunately, it is because of necessity. When I was the Labor spokesperson in the last parliament, energy was emerging as a big issue, particularly as it relates to climate change and the challenges that poses for us. As we deal with the enormous demand from China in particular and as the world gets even more focused on climate change and alternative energy, we are talking about energy policy in this place more and more—and I could not be more pleased about that.

I thought I would make a sketch of what an energy policy is, so I jotted down four points. It is not exhaustive, of course, but I have had people ask me: ‘What is an energy policy after all?’ It is not rocket science, to pick up on the pun used by the member for O’Connor. The first point is that an energy policy plans for our future needs, including recognition that most of our energy today comes from finite resources. Our coal and our gas are not infinite sources of fuel. Of course oil is another example. That is another story, but it is certainly not an infinite source. We need to look towards alternative fuels. The member for O’Connor talked about hydrogen, and I agree absolutely that that is ultimately our goal. I do not believe the technology and the economics are there yet, but we do need to be striving towards a hydrogen based economy.

The second point in a national energy policy is that it must maximise our energy independence. This is not something we do well in this country, and we have seen the results. We see today, through higher fuel prices, what large exposure to the Middle East in particular but also to the global market can do for the independence of our economic settings here in this country. We must strive towards greater energy independence. We are now fast approaching something like 60 per cent on the importation of our oil, and would you believe we are now importing about 22 per cent of our refined petroleum. No-one would have dreamed only a decade ago that that would be the case.

Unfortunately, in this country our major oil companies are focusing not on our energy independence but on value for their share-
holders. There is nothing wrong with focusing on value for their shareholders—they have a fiduciary duty to do so—but we need the government to take some control in this country, to steer the oil companies in the right direction and make them see that there is something beyond digging it up and shipping it out, whether it be coal, iron ore or, indeed, our natural gas reserves.

A theme is developing in this country. That theme, developed by the major oil companies, is that they will make Australia the LNG hub of the world by exploiting our natural reserves of gas and shipping them offshore at bargain basement prices and that they will make Qatar in the Middle East the GTL hub of the world. In other words, all the value adding will happen in the Middle East because that suits the major oil companies. That suits their corporate architecture. That suits their goals in producing value for their shareholders. We cannot allow it to keep going in that direction.

When we signed the 25-year contract with China back in about 2002—it seems an eternity ago—I was pilloried for criticising that deal. People said: ‘What are you talking about? This is the biggest trade deal Australia has ever secured.’ I criticised it because we gave it away. It was only a month or so ago that I felt vindicated—and I was not delighted; I was upset—when I read on the front page of the Australian Financial Review that someone had finally woken up to this and worked out that we had been duded to the tune of about $7 billion over the term of that contract. The fact is that we went into a competitive market with the Indonesians, the Chinese were happy to have us in competition for that market and in the end the Chinese took both sources of gas at bargain basement prices. We are stuck with that price contract for 25 years, and that will have add-on effects for the future renewal of other contracts with other trading partners such as Japan. Japan is going to turn around and say: ‘The Chinese are getting the gas much cheaper than we are. We want a new deal as well.’

I am all for exporting LNG—don’t get me wrong—but we have to have a plan for our own use of natural gas. We have to be value adding in this country. We have to be producing diesel liquid fuels to drive our motor vehicles, for example, from our natural gas. We have to be fuelling value added industries in the more remote regions of our country. But we are doing nothing about that. We do not have a plan.

The third point I wrote down was: clean and efficient. We have to have an energy policy that allows us to consume our fossil fuels more cleanly and more efficiently. The government would claim that, through processes like the white paper and, of course, their involvement in AP6, the Asia-Pacific partnership, they are striving towards cleaner fuels. I support that as part of the mix of things we need to do to drive down our contribution to global warming, but I do not see them doing a lot on the efficiency side. I do not think they are doing anything on the efficiency side.

Mr Garrett—Yes.

Mr FITZGIBBON—The member for Kingsford Smith agrees with me on that point. We have to do a lot more in the area of consuming our finite reserves of energy more efficiently.

The fourth point I put down was, of course, affordability. An energy policy has to be about delivering both affordable and reliable power to Australian households and, just as importantly, to Australian industry. This is the challenge in the context of the climate change debate—finding ways of producing cleaner power without imposing too great a cost not only on Australian households but also on Australian industry. Access to cheap
power is one of the things that give us comparative advantage in international markets. Indeed, it is one of the things that give us advantage in manufacturing because obviously, if domestic manufacturing can access power more cheaply, it can better compete globally. The best examples of that are the big energy-consuming industries like the aluminium and paper industries that, in themselves, pose a great challenge to us in terms of global warming.

That is an energy plan. It is not exhaustive, but that gives you a picture of what an energy policy is. It is such a shame that we simply do not have one in this country. This is emerging as the biggest policy issue facing Australia, and here we are, 10 years into the Howard government, without an energy policy. We have had plenty of committees, plenty of studies, a power review and COAG consideration, but it is time to show some leadership, bite the bullet and put a plan in place.

The Energy Legislation Amendment Bill 2006 is very much about energy policy. It is about ensuring that we bring forward investment in gas pipelines, which is so critical, and goes back to what I was saying before—that, if we are going to use more of our natural gases domestically, we need to have the pipeline infrastructure to deliver that gas to Australian industry and to Australian households. In transmission, the more pipelines we have the better, because that will produce competition and further drive down the price, both for industry and for households.

This bill effectively does two things—although there are a range of more minor issues in the bill. I was happy to hear the member for Batman and the member for Werriwa acknowledge the fact that it embraces the policy that Labor took to the last federal election. That was a policy that acknowledged and recognised that investment in gas pipelines in this country was being held back by a heavy-handed regulatory approach, which might have been appropriate in some circumstances but not in the current circumstances facing Australia’s gas markets.

We have to remember—and I think the member for O’Connor made the point—that about 95 per cent of our natural gas reserves are in remote locations, most of it off the west coast of Northern Australia, and of course 90 per cent of our population live on the eastern seaboard. So gas pipelines bringing gas to market is a critical goal for the Australian economy and for the Australian people.

We still fondly remember Rex Connor. Even though his method might have had a touch of madness about it, Rex Connor had a dream all those years ago to bring natural gas to the east coast, and we are still talking about it. It has always amazed me that we can ship competitively priced gas all the way to Asia and beyond but we cannot get our gas from the west coast to the east coast of Australia, and there has to be something wrong with the economics in that scenario. So this bill does two things effectively. It provides up-front binding rulings on whether a gas pipeline will face regulation under the gas code, which is underpinned by the Trade Practices Act. In other words, let us say you are going to build a pipeline and you are worried about whether regulation is going to truncate your returns and you need a period of grace while the pipeline is in its infancy and you develop new customers for the pipeline. This would allow someone to go to the NCC, have the issue assessed on competition grounds and get a guarantee that the pipeline will not be price regulated, for the first 15 years of its operation. The other big change in the bill extends that same consideration to gas pipelines that will be sourcing gas from other nation states. I
suspect that is largely designed to take into consideration the Papua New Guinea arrangement and our hope—still—that we will get another significant supply of gas from a source other than Moomba, for example, on which we are very heavily dependent at the moment. Other suppliers of gas bring a competitive nature to the market and benefit consumers, whether they be householders or industry.

Given that it is our policy, Labor supports the bill. I make the point that prior to 2001 in this country we did not have legislative underpinning for access to essential facilities until the Keating government—Paul Keating, in particular—moved to ensure that we were keeping pace with other nation states, particularly the United States and the United Kingdom. It is bizarre to reflect back that we moved so recently to put in place an effective legislative regime. That began under Paul Keating. It is still not a perfect regime and today we are dealing with some issues that highlight that imperfection. One of the great imperfections of that regime is part IIIA of the Trade Practices Act and the continuing existence of division 6, which was a compromise. When Paul Keating did the negotiations with the states, which were then all Liberal—although there was a popular national Labor government, all states were occupied by Liberal governments—it was a difficult negotiating period and division 6 was one of the compromises. Division 6 allowed the states to submit a certified arrangement for their state owned facilities. In other words, they submitted it and it was accepted under part IIIA of the Trade Practices Act. But the reality is that the states own the facilities and they certify arrangements that are beneficial to their own economic interests. None of us would be surprised or would even criticise that, but it is time we rethought division 6 and asked ourselves whether state owned monopoly infrastructure should not be further exposed to the provisions of part IIIA of the Trade Practices Act.

It is very important to remember that it is not proposed that part IIIA replace commercial agreements. If you have a piece of monopoly infrastructure and someone wants access to it to service that same retail market, commercial arrangements are the best outcome. An agreement between the two parties on that access is the best outcome and should be our default setting but, if an agreement cannot be reached, part IIIA provides opportunities for people to have that declared so that they can allow the competition regulator to secure that access for them. The other option is to deliver an undertaking for the infrastructure owner to say to the ACCC, ‘This is the basis on which I will allow people to secure access,’ and these industry codes, including the national electricity code and the gas code, which is the subject of this bill, fall under that undertaking process.

Part IIIA was a futuristic initiative. It really looked forward to what the country needed in competition policy. Unfortunately, part IIIA is starting to fall apart for a number of reasons. The first reason I have already mentioned, and that is the failure of this government to continue with the reform. I made the point that, unfortunately, in the end part IIIA was very much a compromise between the Commonwealth and the states in the early 1990s, but the vision was always to rid ourselves of those compromises and get on with a more effective part IIIA which covered all the issues, and that just has not been done. In fact, to the contrary, this government has begun to unravel part IIIA. Some might even use today’s amendment as an example. It is taking one piece of infrastructure and effectively exempting it from part IIIA, in many senses. Again, we support that, because we think a special case has been made out.
But my concern is that it is the thin end of the wedge, and this is the beginning of the unravelling or unwinding of part IIIA. And who benefits from the unravelling of part IIIA? It benefits the owners of big natural monopolies, who are typically and understandably people who often happen to be close to this government. Again, when it comes to the interests of the consumers of small business—small business who are relying upon being able to secure competitively priced energy, for example—if it comes to a choice between the interests of consumers and small business and the big end of the town, you know where the government will go every time. This should be of real concern to every member of this House.

So we have had no reform, and now the government is starting to unravel the very good work that Paul Keating did in the early nineties. Now we seem to have a new front opening up, and this is the surprise approach by the now Treasurer of not considering NCC recommendations. That recent example was Fortescue’s application to gain access to BHP’s rail line network in the Pilbara. In this case I actually agree that physical access to that rail line was not the best economic outcome. There were very many reasons why BHP would not want someone’s rogue rail rolling stock running on its railway line; it is high-tech and computerised. But you do not have to have physical access to secure economic access. I think that is an often misconceived concept within part IIIA. Of course Fortescue can get access by allowing BHP to take its product at a reasonable cost—a cost either negotiated between the parties or determined by the competition regulator. You do not have to have that physical access.

But the NCC in its wisdom—and I agree with the decision—decided that in this case the rail line should not be covered. It was up to the Treasurer to determine whether that was the right call or not, and we all waited with bated breath to see what the Treasurer’s view on this subject was. In the same way, we waited with bated breath for the Treasurer to make a decision on the Shell takeover of Woodside many years ago. But, alas, we got no decision from the Treasurer. He invoked the part of the legislation that says if he does not make a decision in so many days—I think it is 60 days—then it will be deemed a refusal. So now you have got Fortescue wondering where to go with this thing. Obviously court action is an option, but there is no view from the Commonwealth Treasurer on which to base its case. What sort of leadership is that? The act gives you the final say, but you just refuse or give up the opportunity to act on it. It is extraordinary stuff and another way in which this Treasurer is undermining the effectiveness of part IIIA. In a sense, he is denying the people of Fortescue procedural justice. Even though I agree with the decision, he is denying them the opportunity to take the Treasurer’s view to the courts when making their case.

We welcome the change, but I am very concerned that part IIIA of the Trade Practices Act is slowly but surely going out the window. That is going to be bad for competition in this country, it is going to be bad for prices, and ultimately it is going to be bad for industry, private consumers and our economy. (Time expired)

Mr KATTER (Kennedy) (1.18 pm)—People have referred to this bill, the Energy Legislation Amendment Bill 2006, as the AGL facilitation bill because, I am informed, it deals very much with the New Guinea gas pipeline. The exemptions that are proposed here are to help facilitate and enable these people to get a running start with this proposed pipeline. I wish the people well with the pipeline. When they started building a pipeline in Alaska I think it took them 16 years to fight their way past the greens. It was in Alaska first, and then they had the
second battle with the greens in Canada. Then they had the third battle with the greens in the United States itself. Similarly, the indigenous peoples of Alaska, the Inuit, contested it. Then there were native title battles with the indigenous tribes in Canada—I forget the name they use—and in the United States, particularly in Alaska.

It is of great relevance to us in North Queensland, because we are in a desperate situation. We need electricity. Over the last 15 years, every time we have run out of power in North Queensland the enlightened governments of Queensland have built another line back to southern Queensland. Of course, this means 20 per cent losses in that line and we are hopelessly non-competitive in any metal processing or any other endeavour that requires energy. Let me be very specific here. The Carpentaria Mineral Province, which incorporates parts of the Northern Territory and apart from that is entirely encompassed within my own electorate in the north-west corner of Queensland, is the richest mineral province on earth. It was producing $5,000 million worth of metals before the current boom, and that is arguably not including some of the downstream processing. So we are talking about between $7,000 million and $10,000 million a year now. Almost all of those metals—silver, lead, zinc and copper—have doubled or quadrupled in price on the world market.

This is the important point: we have the Dougall River leases, and Lady Annie and Lady Loretta. People would be familiar with these if they read the business pages in the national dailies. These are important issues in a national framework. But none of these metals can be processed in North Queensland—or, I submit, in Australia. Indian companies have opened up the last three mines in North Queensland and since they could not get sufficient electricity to process those metals they put them on a boat. Sure, they can get cheap electricity if they go to Gladstone, but if they are going to put them on a boat then why not take them back to India and process them there or some other place? That is what they have done.

So, yes, Australia is quarrying. But, speaking on behalf of the richest mineral province on earth, Australia cannot process any more of these metals because we have no competitively priced power. Earlier on, the opposition’s spokesman on resources said that it is about competitiveness on the international stage. He is dead right. If you want to be competitive, then you must attempt to have each of your input items cheaper than those of anyone else in the world. And the most important input is the cost of electricity; though the cost of petrol is very important.

It is said of aluminium that it is simply congealed electricity, and that is substantially true. If my memory serves me correctly, something like 60 per cent of the cost of producing aluminium is in electricity. If we turn the clock back some 25 years, Australia then had virtually no aluminium industry. The aluminium industry came about as a result of the building of the Gladstone power station. In North Queensland we have the biggest mineral province on earth, but we cannot process the minerals because we have no power on the northern grid—no power at all. Never mind about competitive power; we have no power. They are building another pipeline but, because of the line losses that occur in bringing electricity some 1,000 or 2,000 kilometres from the power stations in southern Queensland, our power costs are non-competitive.

We have talked about the New Guinea gas pipeline. Mount Isa Mines are producing power from their gas-fired power station. It is a big power station—about 300 or 400 megawatts—and very efficiently run. They are producing power for 7c a unit. Santos has
said that they want considerably more money for their gas, and it is generally considered that the cost of production of power by the gas-fired power station at Mount Isa will go up to 8c or 9c a unit. So I think that 9c is a fairly reasonable price for the cost of the power that would be generated out of the New Guinea pipeline.

If we want to be internationally competitive, a coal fired power station produces power at 3.6c a kilowatt-hour. It is proposed to build a power station at Pentland. This is what the government should be doing: building a power station at Pentland or, at least, giving them a market to enable them to proceed to build a power station. But at least half of it will have to be sold to Ergon and Energex, the two electricity retailers in Queensland. It is really up to the state government as to whether they buy the power from Pentland or not. Pentland is right in the heart of North Queensland—a third of the way between Townsville and the north-west mineral province—and Toorong power station has already stated that they can produce power for 3.6c a unit.

But this is the whole crux of the argument: whether you deliver power at 3.6c a unit or you deliver power through the gas pipeline at, I would argue, 9c a unit—I doubt anyone would argue that it would be less than 6.5c a unit. So do you want your electricity—your major cost input item—at, let us be very generous and say, 7c a unit or do you want it at 3.5c a unit?

There is bias built in here. It is said that coal fired power stations produce more CO₂ than gas-fired power stations, and that is true. But the government could do what every other government on earth is doing and mandate ethanol into our petrol tanks—gasoline, as the Americans call it. Ethanol is cheaper.

So why are we not selling any? If ethanol is a hell of a lot cheaper, why are there no ethanol plants in Australia? Well, there are two—but they are tiny little plants by world standards. Why is there no ethanol being produced if it is cheaper? It is because all the bowsers in this country are owned by the oil companies, and they do not buy oil at the spot market prices that are quoted—they own the oil wells. Their cost of production is the same now as it was 20 years ago, because most of the oil wells they produce from are 20 or 30 years old. That is the reason why we have no ethanol market.

If you moved to ethanol, then every single hectare of sugar cane planted would absorb 72 tonnes of CO₂ out of the atmosphere. Every single hectare of sugar cane produces 9,000 litres of ethanol—and that is not counting processing of the fibrous matter. The American President said they are most certainly going to be processing lignin to cellulose to whatever you want to call it—fibrous matter. They are going to process that as well. But even without that, there are 9,000 litres of ethanol per hectare.

In this case, what goes up must come down. Each year, sure, you burn these litres of ethanol, and it goes up into the atmosphere as CO₂. But probably less than 10 tonnes of CO₂ goes into the atmosphere and yet each hectare of sugar cane takes 72 tonnes out of the atmosphere. And a lot of it stays out because it is in root systems; it is in people, through the sugar we eat; and it is in animals, through their molasses intake. So the release is very delayed. Even if it were not, each year, when you burn ethanol, the CO₂ goes up and it comes back down again. And we need not worry about building coal
fired power stations, because that ethanol will absorb all of the CO₂ that you could remotely contemplate putting into the atmosphere through your coal fired power stations.

As far as providing a free kick for the gas pipeline, whilst this will encourage the building of the gas pipeline—and I take the previous speaker’s point that we need to create a national grid in gas; I do not deny that for a moment—if this is being seriously looked at as an alternative for coal fired power, as it is being looked at in Queensland, and I am not criticising anyone in this House for this, please forget about it unless you want your country to be non-competitive in the international market. We are talking about power costs of between 7c and 9c a unit versus power at 3½c a unit. Either you are internationally competitive or you die; you will not be able to sell on the world markets.

There was talk about RFX Connor. I think history will be very kind indeed to Rex Connor, although the newspapers and other media were not at the time. I think history is already being very kind to John Button and to Bjelke-Petersen. Each of these men was able to create industries out of nothing. When I say that, John Button had a major governmental intervention in the marketplace which, among other things, promised some $750 million but gave only about $380 million. But John Button rendered our steel industry internationally competitive by that government involvement.

The better example, though, is the Bjelke-Petersen government. I spoke to Sir Leo Hielscher this week just to verify before this debate what exactly took place and to make sure that I am correct in saying that the Gladstone power station, which was arguably the biggest power station in the world at the time, was built without having any customers. It would not be contemplated today in our economic rationalist environment to build a power station for which there are no customers. It would be completely outrageous. It is unthinkable. But the Queensland government took that risk. They believed that, if they could produce the cheapest power anywhere in the world, they could secure an aluminium industry for Queensland and for Australia. They already had the bauxite industry, of course. The net result was that they built the power station and a year or two afterwards the aluminium industry came on line in Australia.

The biggest export-earning item for this country is coal. The second biggest export-earning item for this country is aluminium and alumina. If we had had an economic rationalist culture and policy operating in Australia then, there would have been a bauxite mine, with quarrying that employed 100 people up at Weipa and another 100 people over at Gove, but that would have been it. There would have been no people employed at a power station in Gladstone—there was no-one to sell the power to—and there would have been no-one at the Boyne Island smelters. There would have been none of the great growth that we have seen in Gladstone and the surrounding areas. That growth was precipitated by proactive government interventionism.

If you want to compete on the world markets, not only do you have to have the full and wholehearted cooperation of the government but as well you have to get action out of the government. So we have a situation where all the metals are in North Queensland but we cannot process them. We have bumper stickers in Queensland that say ‘Smart state’ and a lot of people write underneath ‘Smart state’: ‘Dumb government’. A government that has the richest mineral province but will not provide electricity to process those metals has to be really dumb indeed.
That in itself is bad enough, but the only proposal that has been put forward is the New Guinea pipeline. If you are going to put hundreds of millions of dollars, maybe even a thousand million dollars, into a processing plant for zinc, nickel, copper or whatever in North Queensland and you are going to rely upon New Guinea as the supplier—and far be it from me to denigrate our neighbours—I think you had better have a little sit down with BHP and ask them about Ok Tedi or maybe you should have a little sit down with CRA and ask them about Bougainville in order to find out how reliable a supplier New Guinea has proved to be.

God bless those people trying to build the pipeline. I wish them well. But, for heaven’s sake, do not say to me, as a North Queenslander—there are a million people who live in North Queensland and we are growing rapidly; we are not small but big up there—that to turn on our lights we have to hope that the gas is coming from in New Guinea. I would hate for it to be coming from Ok Tedi or from Bougainville, because I might not be able to switch on my lights. In fact, I would not be able to switch my lights on. I think Porgera is closed down at the present moment because the local tribe wanted all of the money from Porgera. Do not quote me that it is Porgera. There are two mines that have closed up there: one had the bridge blown up and the other one had the transmission lines blown up.

It is a great idea, but do not create a situation in which our lights can only be turned on if New Guinea is a reliable supplier. Do not for heaven’s sake think of that gas to produce electricity when you know absolutely that it is twice as expensive as electricity from a coal fired power station. You have one government that has the biggest mineral province on earth but cannot process the minerals because it has not been any power to process the minerals. You have had another government that said, ‘We’ll build a power station because we are confident that, if we do, we will secure an aluminium industry for Queensland and Australia.’ And they did.

In conclusion, you do not have to worry about the CO₂ issue. Every hectare of sugarcane takes 72 tonnes of CO₂ out of the atmosphere. It produces 9,000 litres of ethanol from that. So, when we burn up 9,000 litres from the oil industry, the CO₂ goes up into the atmosphere and stays there, but if it is ethanol it comes back down again. You do not have to worry about coal fired power stations and having the big nuclear ones—just go to ethanol where we have a sustainable cycle with our CO₂. It goes up; it comes back down again. Those are the figures: every hectare of sugarcane takes out of the atmosphere 72 tonnes of CO₂ and produces some 9,000 litres of ethanol. (Time expired)

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (1.38 pm) I would like to thank the honourable members on both sides of the House for their contributions to the debate on the Energy Legislation Amendment Bill 2006. Before I begin to sum up, I just want to say that in all the years I have been in this parliament I thought I had heard it all. But to hear the member for Kennedy state in the middle of a speech, which is recorded in Hansard, ‘Don’t quote me as saying’ defies all logic. It is recorded now, and it will perhaps be referred to and quoted at some time by someone.

We note that the member for Batman has moved an amendment. On the amendment, I make the following points. Significant progress has been made by the Ministerial Council—
Mr Katter—Mr Deputy Speaker, I rise on a point of order. I claim to have been misrepresented.

The DEPUTY SPEAKER (Mr Wilkie)—I think the member for Kennedy should raise that at the end of the parliamentary secretary’s address and not at this point in time.

Mr Katter—I do not wish to waste the time of the House, but I will comment that when I say ‘not to be quoted’ it means everything else can be quoted quite safely—

The DEPUTY SPEAKER—The member for Kennedy does not have the call.

Mr Katter interjecting—

The DEPUTY SPEAKER—The member for Kennedy is defying the chair. The parliamentary secretary has the call.

Mr BALDWIN—As I said, significant progress has been made by the Ministerial Council on Energy in reforming Australia’s energy markets and, in particular, the establishment of the new national governance arrangements, which will get rid of a raft of inefficient state based legislation. Secondly, the Ministerial Council on Energy has already released its response to the Productivity Commission review. That response contains key policy decisions, which will be incorporated in the new national gas law and national gas rules. The Ministerial Council on Energy has announced that it intends to release an exposure draft of that legislation at the end of July. Following public consultation, the bills will be introduced into the South Australian parliament in late October or early November. I inform the House that the government looks forward to bilateral support for these important reforms.

This government demonstrated its ongoing commitment to micro-economic reform through its support for a new national reform agenda announced by COAG in February this year. As the member for Batman is well aware, these reforms are a cooperative effort with the states. If the member is so concerned with the rate of their progress, he would do well to raise these concerns with his state colleagues, considering they hold power in all states of Australia. For these reasons, the government opposes the amendment moved by the member for Batman.

Mr Fitzgibbon interjecting—

Mr BALDWIN—The member for Hunter has just interjected. I listened to his speech with great interest. He said, quite correctly, that energy is an increasing issue, particularly due to global warming. Many scientific experts agree with the prospect of global warming; others discount it. I am not a scientist, but I listen to all aspects of the argument. He also said, and I agree, that most energy comes from finite resources. It is important that governments of all persuasions obtain maximum benefit from any resource available—that it is not wasted. The member for Hunter also said that we need energy independence from other countries. That is true, and for the first time what he is admitting in essence is that fuel prices are influenced by other nations, including the cost of oil. The basis of that argument is supply and demand. But, as I said, in principle we reject the opposition amendment.

As the Minister for Industry, Tourism and Resources said when introducing this bill, a secure, reliable and affordable energy supply is of fundamental importance to Australia. For this reason, it is vital that the regulatory regime governing the nation’s energy sector is sound. The Productivity Commission’s review of the gas access regime has been a
key input into the work of the Ministerial Council on Energy on natural gas and a major motivation behind the two new greenfield incentives for gas pipelines agreed to by the council.

The first incentive allows the proponent of a proposed pipeline to seek a full exemption from regulation under the gas access regime for the pipeline’s first 15 years of operation. The second incentive allows proponents to seek an exemption from price regulation for a proposed international transmission pipeline, which will deliver foreign gas to Australia. The key driver for this incentive is the importance of securing Australia’s long-term energy security needs, while recognising the additional complexity of international infrastructure projects.

These measures are another example of how this government’s collaborative approach to energy policy with the states and territories is making substantial progress towards our goal of a truly national and efficient energy market. The incentive mechanisms were included in a bill to amend the South Australian ‘lead legislation’ for the gas access regime which passed the South Australian lower house on 30 May.

The Energy Legislation Amendment Bill 2006 implements key changes to Commonwealth legislation to ensure the two greenfield gas pipeline incentives can function properly. First, they remove the possible application of regulation under part IIIA of the Trade Practices Act to a pipeline granted one of the incentives. Secondly, they ensure that the gas access regime can remain a certified effective access regime, notwithstanding the availability of these incentives. This bill is a positive signal to market participants aimed at cutting regulatory burden and encouraging investment in greenfield pipelines to help meet our rising energy demand. As I have said, I do not accept the amendment put forward by the member for Batman, but I commend the bill to the House.

The DEPUTY SPEAKER (Mr Wilkie)—The original question was that this bill be now read a second time. To this the honourable member for Batman has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (1.45 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (MEDICARE LEVY AND MEDICARE LEVY SURCHARGE) BILL 2006

Second Reading

Debate resumed from 25 May, on motion by Mr Dutton:

That this bill be now read a second time.

Mr FITZGIBBON (Hunter) (1.46 pm)—The Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2006 involves some routine annual amendments to the Medicare Levy Act that are required for the indexation of annual thresholds. The bill also amends the Medicare Levy Act 1986 to increase the Medicare levy low-income thresholds for individuals and for families. The dependent child/student component of the family threshold will also be increased.

The bill also increases the Medicare levy low-income threshold for pensioners below
the age pension age so that they do not have a Medicare levy liability where they do not have any income tax liability. The A New Tax System (Medicare Levy Surcharge-Fringe Benefits) Act 1999 will also increase the Medicare levy surcharge low-income threshold in line with movements in the consumer price index. The individual thresholds will be increased, from $15,902 to $16,284. The level of the family income threshold will also rise, from $26,834 to $27,478. That threshold will also be increased by a further $2,523 for each dependent child or student. This 20 per cent phase-in threshold is effectively the imposition of an effective marginal tax rate on low-income earners. While Labor supports the measure, it does not reduce the EMTR effect; it simply shifts it upwards—which is an important point for the House to recognise and for the government to acknowledge.

The bill also proposes to increase the threshold amount for pensioners below the age pension age. The increase ensures that eligible pensioners do not have a Medicare levy liability where they face no income tax liability. The threshold amount for pensioners who are under the age pension age will increase from $19,252 to $19,583. The Medicare levy also applies at a reduced rate to taxpayers who have taxable incomes above the threshold amount but not more than the phase-in limit. For the 2005-06 year, the rate of the Medicare levy payable in these circumstances is limited to 20 per cent of the excess over the threshold amount that is relevant to a particular person. The phase-in limit for individuals has been increased from $17,191 to $17,604. The phase-in limit for pensioners who are under the age pension age will increase from $20,812 to $21,170.

There is no phase-in limit for families as the figure changes with the numbers of dependants. Instead there is a formula that limits the levy payable by persons with families to 20 per cent of the 2005-06 years for the amount of family income that exceeds their family income threshold. This range is increased where there are dependants. A Medicare levy surcharge of one per cent applies on taxable income in certain cases where taxpayers do not have private patient hospital cover. The surcharge of one per cent also applies to reportable fringe benefits in certain cases where taxpayers do not have private patient hospital cover. However, a family member who would otherwise be liable for the surcharge is not required to pay the surcharge where the total of the person’s taxable income and reportable fringe benefits do not exceed the individual low-income threshold amount. Unlike the Medicare levy, there is no shading in of the surcharge above threshold amount.

References to the individual low-income tax threshold amount of $15,902 in the Medicare levy surcharge provisions in respect of surcharge on taxable income are also being increased to $16,284. References to the individual low-income threshold amount of $15,902 in the Medicare levy surcharge provisions of the A New Tax System (Medicare Levy Surcharge-Fringe Benefits) Act 1999 in respect of surcharge on reportable fringe benefits will also be increased to $16,284. I want to make some general comments about health policy. On that basis it is now a good time to move the opposition’s second reading amendment. 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) condemns the Government and Minister for Health for squandering the opportunity to fundamentally reform our health system;

(2) condemns the Government for failing to invest in rebuilding our health system, including Medicare, for the future, focused on pre-
vention, early intervention and an ageing population; and

(3) condemns the Government for its failings in relation to our health system, as evidenced by delivering a Budget containing hidden cuts and the related decision to sell off of Australia’s biggest not for profit health insurer, Medibank Private’.

As I think I have indicated, Labor supports the bill as it is presented to the House. It is an annual event that ensures that people are not disadvantaged by increases to the consumer price index but it is a disadvantage I want to talk about.

The DEPUTY SPEAKER (Hon. IR Causley)—Has the amendment been circulated?

Mr FITZGIBBON—I understand that the amendment has been circulated. I want to talk about a disadvantage in health policy in my electorate of Hunter. There are many examples of that—withstanding some of the pressures being felt by the public hospital system; something which creates victims right throughout the region—but I want to talk about a specific area of disadvantage: the inability of people living in Cessnock and Maitland local government areas, which includes Cessnock, Maitland and a number of towns in between, to access a general practitioner. If there is one priority in this place for all of us, it should be providing an opportunity for all Australians to seek medical assistance when and if they need it, not only for them but for their families.

We often talk about resident to GP ratios in this country. Generally speaking, while we would like it to be lower, the accepted resident to GP ratio is about 1,500 to one—that is 1,500 residents for every local GP. Unfortunately, in my electorate, that ratio often goes as high as 3,000 people for each general practitioner. That is double.

Mr Garrett—It’s too high.

Mr FITZGIBBON—The member for Kingsford Smith is right to say that it is far too high. It is double the acceptable level. Twice as many people as the acceptable standard are trying to see GPs in my electorate. This is a crisis situation. People cannot get to see a doctor. I have real examples of this. Newspapers in the past have asked me whether I can give real-life examples of people who physically cannot access a doctor, and I have been able to provide those real-life examples. In some cases it has been a pretty sad story, where children have failed to secure the services of a general practitioner when they have really needed it. We often hear in this case that that forces them to wait at the local public hospital. Not only does that inconvenience the family and actually put lives at risk but it also then becomes a cost-shifting exercise between the Commonwealth and the state. If you go to the GP, the major cost is borne by the Commonwealth; if you go and line up at the public hospital, then the major cost is borne by the state government. So there is a significant cost-shifting issue here.

When will the government finally acknowledge and recognise this is a problem and do something about it? How long can communities like Cessnock and Maitland continue to soldier on without a basic right—the ability to access a general practitioner when that is the family’s requirement?

One of the big problems with the current system is this system of RRAMA classification. The RRAMA classification classifies towns on their rural remoteness. Obviously the more remote you get, the more difficult it can be to secure GPs. In the cities, where lifestyle choices are attractive, GPs are pretty easy to find. That is why bulk-billing rates are so high in Labor strongholds like some areas of Western Sydney and so low in Labor strongholds in rural Australia. It is simply a matter of competition: if you have a doctor
on every corner, there is going to be intense competition—doctors fighting for patients, in effect. In a normal market it would drive the price down, but what it does in this market is push the doctors into offering bulk-billing services. In other words, the patient does not have to pay any out-of-pocket expenses.

But in rural and regional Australia, where doctors are much more thin on the ground, there is no competition. In fact, there is a disincentive to bulk-bill because, if you are a hardworking GP—and all the GPs in my area and, I am sure, in all of Australia, are hard working—you do not want to be attracting additional patients. You cannot deal with the patient load you already have. So the response, of course, is not to bulk-bill—put a price signal in there so people do not come to the doctor. I am not imputing any bad motive upon the doctors. They can only work 24 hours a day, not 26. It is not surprising, therefore, that they would want to put that price signal in place. Again, in Western Sydney and many city areas, where the lifestyle is attractive, the competition is intense, and the best way for doctors who are under-sourced to attract patients is to bulk-bill. That is why that discrepancy applies so obviously.

The RRAMA classification is wrong in its implementation and it is wrong in fact. You cannot assume that because an area is rural it is more difficult to secure a doctor. In fact, some rural areas are very attractive to doctors, for various reasons. Big regional centres can offer their attractions. Some people might want to work in a rural area because they are from rural areas themselves, and that is an attraction to them. This is why we have to get more local people to do their medical degrees in regional universities. The people most likely to practise in rural and regional areas are people who come from rural and regional areas in the first place. The more people we can get coming back to those areas, the more doctors we will have, the more competition we will have, the more demand for patients we will have and of course the more bulk-billing we will have in those regional areas.

The RRAMA classification system is full of those anomalies. I have spoken with the minister for health about this issue and I agree with him when he says it is very difficult to start pushing RRAMA boundaries around. We have RRAMA 1 for city and metropolitan areas, we have RRAMA 2 for other metropolitan areas, we have RRAMA 3 for regional areas and RRAMA 4 for, I think, rural areas. It goes on and on and on. When you use these arbitrarily drawn lines and you start moving them around, just as in the case of thresholds in tax policy, you create another problem and therefore you create another anomaly. So I agree with the minister for health that it is difficult to deal with the issues facing these so-called ‘other metropolitan’ or RRAMA 2 areas by just shifting the boundary a bit further, because just beyond that boundary there is likely to be another community with other problems just as intense as the problems of those who were previously outside the RRAMA 3 area.

Boundary adjustments will not do the trick. It only exacerbates the problem or spreads it to other places. We have to jettison this idea of drawing these arbitrary lines and having people rely on those arbitrary lines for access to basic health services. The government should have learned by now that you cannot take this one size fits all approach to public health policy, just as it should have learned that you cannot take a one size fits all approach to taxation policy as it applies to small business. That policy last year drove more than 2,000 small business operators to the wall. You have to start taking a town by town approach to these classifications to ensure that these additional initiatives governments take to help create more GPs in their local areas are applied to
towns in need and not just towns that might fall within one particular boundary. Under the RRAMA 2 classification, Cessnock and Maitland cannot get access to those initiatives that are provided to try to lift GP numbers in those local areas.

I will give the minister for health his due. He visited Cessnock recently and discussed some of these issues with us. I was delighted with the time he gave to those health professionals he spoke with, the time he gave to those consumers he spoke with, but, alas, I saw no initiative in the budget whatsoever that is going to address the doctor shortage crisis in the LGAs of Cessnock and Maitland. Today, as I close this debate, I appeal to the minister for health, in his presence, to have another look at those areas and do something about that GP crisis.

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

QUESTIONS WITHOUT NOTICE

Queensland Liberal and National Parties

Mr BEAZLEY (2.00 pm)—My question is to the Prime Minister. Can the Prime Minister confirm this statement by the member for Blair? I quote the statement from this transcript: ‘And when the person who moves the motion on the Liberal side is the Prime Minister’s representative on the state executive, and when the president of the party is appointed with the Prime Minister’s imprimatur, I think people who are sitting around that table are entitled to expect that those moves have been done with his full knowledge and concurrence.’ Prime Minister, were you part of this plot to destroy the National Party and is that the reason you kept the Deputy Prime Minister in the dark?

Mrs Bronwyn Bishop—Mr Speaker, on a point of order: the House of Representatives Practice makes it quite clear that precedent in this House is that questions asked of people about the business of parties are totally out of order. That is what that question is about.

The SPEAKER—I thank the member for Mackellar. The Leader of the Opposition will not debate his question.
Mr McMullan—Mr Speaker, I wish to speak to the point of order raised by the member for Mackellar.

The SPEAKER—The member for Fraser will not debate the point of order.

Mr McMullan—I am entitled to speak to it, Mr Speaker.

The SPEAKER—No, the member for Fraser will not debate the point of order.

Mr McMullan—Then I will raise a point of order, Mr Speaker.

The SPEAKER—The member for Fraser wishes to raise a point of order?

Mr McMullan—The member for Mackellar is quite wrong—

The SPEAKER—The member for Fraser will resume his seat. The member for Fraser is debating the point of order. Does he have another point of order?

Mr Albanese—Yes, Mr Speaker. The question by the Leader of the Opposition also went to the Prime Minister’s representative on the Queensland state executive.

The SPEAKER—The member for Grayndler will resume his seat and I will rule on his point of order. Previous occupants of the chair have ruled that questions relating to party matters are not acceptable. Therefore, I uphold the point of order.

Mr Beazley—Mr Speaker, on a point of order: this is a serious matter now in this place. I have been here even longer than your good self, Mr Speaker, and so has the Prime Minister. I have sat through endless question times when both sides have been in government, in which, when there has been a matter relating to the unity of government that is a product of what is going on inside a political party and that directly relates to the actions of a minister, to wit, the Prime Minister in this instance, there have been questions here. It is shutting down accountability if we cannot ask this question.

The SPEAKER—I respect the experience of the Leader of the Opposition in the chamber, and I again say I will uphold the ruling I have given. I point out to the Leader of the Opposition that there are other forms by which governments can be held accountable.

Iran

Mrs BRONWYN BISHOP (2.06 pm)—My question is to the Minister for Foreign Affairs.

Opposition members interjecting—

CHAMBER
The SPEAKER—Order! The member for Mackellar will resume her seat.

Mr McMullan—Mr Speaker, I rise on a point of order. I refer to page 188 of *House of Representatives Practice*, which makes it absolutely clear that there is precedent for it and that Speakers—

The SPEAKER—The member for Fraser will not debate the point of order. I have ruled on the point of order. The member for Fraser is debating the point.

Mr McMullan interjecting—

The SPEAKER—If the member for Fraser wishes to raise a point of order, will he come straight to his point of order.

Mr McMullan—I am. At page 188 of *House of Representatives Practice*, it says that Speakers do have the right to exercise indulgence for members to speak on points of order raised by others.

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

Mr McMullan—that makes you and the member for Mackellar wrong.

The SPEAKER—The member for Fraser will not reflect on the chair. I have called the member for Mackellar. The member for Mackellar will ask her question.

Mrs BRONWYN BISHOP—My question without notice is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the developments in Iran’s nuclear program and what is the government’s response?

Mr DOWNER—I thank the member for Mackellar for her question and for her interest. I know a number of members of the House are very interested in the issue of Iran, as was witnessed by the debate about the rights of the Baha’i people in Iran. I recall, for example, the speech by the member for Stirling very passionately in support of the Baha’i people.

The government has been engaged in efforts in the broader international community to persuade Iran to comply with its international obligations through United Nations resolutions concerning its nuclear activities. I noticed yesterday, Washington time but overnight, that the Secretary of State of the United States, Condoleezza Rice, supported by the President himself, has announced that, as soon as Iran fully and verifiably suspends its uranium enrichment and reprocessing activities, the United States will join with the three European Union countries—France, Germany and the United Kingdom—in direct talks with Iran. This constitutes a very significant change in American policy in dealing with Iran. It is a change that we think is constructive, and it underscores the United States’s commitment, which is shared by us, to try to find a diplomatic solution to the problem of Iran’s nuclear program.

Australia would urge Iran to use the opportunity that is now being presented by the United States to seriously consider a comprehensive package of initiatives and, in exchange for that package of initiatives, to reinstate a full and verifiable suspension on all enrichment and reprocessing activities and to comply fully with resolutions of the International Atomic Energy Agency and the United Nations Security Council.

Iran has an opportunity now, and it is a historic opportunity, to engage productively with the international community and to follow the guidelines laid down by multilateral United Nations institutions. Iran can choose that path and be rewarded by constructive and full engagement with the rest of the world—including with the United States, with which Iran has had no diplomatic relations since the 1970s—or Iran can turn its back on this offer. If it does so, Iran will be isolated and there is always the prospect that, either through the United Nations Security Council or on a bilateral basis, a series of
sanctions, including financial sanctions, could be imposed on Iran.

So we would urge Iran to take very seriously the offer that has been made by the United States administration, to embrace the offer that has been made by the Americans, to ensure that they fall into line with the mainstream of the international community and to suspend their enrichment and reprocessing programs so that negotiations of a constructive nature can take place.

Trade

Mr BEAZLEY  (2.11 pm)—My question is to the Deputy Prime Minister and Minister for Trade. Why has the minister, as Chairman of the Cairns Group and one of the six principal negotiators of the current WTO round, decided to cancel his attendance at today’s meeting of APEC trade ministers in Ho Chi Minh City, which will deal with the critical impasse in the current WTO round? Given that the minister has no other compelling trade policy obligations elsewhere today, why has the minister concluded that Australia’s trade interests in a meeting of this importance are best represented instead by the member for Dawson?

Mr VAILE—I thank the Leader of the Opposition for his question. In fact, I dealt with all these issues last week when I was in Europe at a meeting of 17 or 18 core trade ministers in the WTO. I met with Cairns Group colleagues last week, and this morning I spoke on the phone to the deputy USTR, Susan Schwab, in Vietnam, about these matters. I have every confidence that the parliamentary secretary, the member for Dawson, is quite capable of representing these interests in Vietnam.

Australian Defence Force: Operations

Mr FAWCETT  (2.13 pm)—My question is addressed to the Minister for Defence. Would the minister update the House on Australian Defence Force operations in Iraq and elsewhere?

Dr NELSON—I thank the member for Wakefield for his question and his previous life of service in the Australian Defence Force. At the moment across the world, in nine different theatres, the Australian government has approximately 3,600 Australian Defence Force personnel deployed. In deploying those men and women soldiers, sailors and air men and women, the government is very mindful and cognisant of the importance of the safety of our Defence Force personnel.

We were reminded of that yesterday when an Australian light armoured vehicle, otherwise known as an ASLAV, suffered an explosion from what we believe to be an improvised explosive device, otherwise known as an IED. Across Iraq there are about 2,000 such incidents a month and about 80 a month currently in Afghanistan. It is likely that in Afghanistan, in particular, the use of IEDs will increase. There was in yesterday’s incident relatively minor damage sustained to the ASLAV—to tyres and to a fan blade—and fortunately there was no injury at all sustained by the soldiers involved.

On 21 May in Afghanistan, a long-range patrol vehicle was hit similarly with an IED. Significant damage was sustained by the vehicle and only very minor injuries were sustained by the soldier. Since September last year, five Australian soldiers have been injured in Iraq and Afghanistan. Four of those soldiers have returned to service with relatively minor injuries; the fifth, whilst sustaining a much more serious injury, I am advised will also return to service.

Recognising the potential risks of IEDs and the importance of working with our allies, the Australian Defence Force, in early March this year, established the counter-IED task force. It is looking specifically at im-
proving our purchase of equipment and technology, which give us a better understanding of IEDs and how to deal with them effectively. We also have sent two senior ADF officers to work on IEDs with the United States joint command and its task force. Also, the Explosive Hazards Centre has been established by the ADF to further improve the training of our soldiers and Defence Force personnel, before they are deployed, in the risks of IEDs and how to deal with them effectively.

To date, Australia’s Defence Force personnel, particularly in Afghanistan and Iraq, have suffered relatively few injuries compared to our coalition partners. We hope and pray that remains the case—and it is the case because of outstanding training; equipment, which indeed is the envy even of some of our allies; outstanding leadership by our officers; and also an Australian culture, which has a way of particularly wanting to understand the people with whom we work. But, as we see in the recent deployment into East Timor, it is also important to remember that there are significant risks associated with it. Australians should appreciate that the risk in Afghanistan, as we go through the summer there, and also in Iraq, as we move into the next phase of transferring security across to the Iraqi security forces entirely, will further increase the risk to our Defence Force personnel. I also take this opportunity to thank and congratulate again the Australian Defence Force personnel in East Timor and to ask all those Australians who so rightly support an independent and democratic East Timor to also ensure that the support of Iraqis living in a democratic and free society be considered no less important by Australia.

Medibank Private

Ms GILLARD (2.17 pm)—My question is to the Minister for Health and Ageing. I refer him to his press conference on 26 April in which he announced the sale of Medibank Private. Minister, isn’t it a fact that Medibank Private has sent this brief to public relations firms, asking them to tender to run a PR campaign called ‘Project good guys’, which would ‘advise on reputation matters throughout the highly changeable privatisation period’? Minister, what is ‘Project good guys’ costing and what upwards pressure will it put on Medibank Private members’ premiums?

Mr ABBOTT—The drought has broken. This is the first question on health since 5 September last year—nine months without a question. They say they are interested in health, but it has been nine months without a question. I think Medibank Private are good guys—very good guys indeed. They provide private health insurance to something like three million Australians—very good guys indeed. But I say that they will do an even better job in the future than they have done in the past. I commend the privatisation to members opposite.

Trade

Mr CAUSLEY (2.19 pm)—My question is directed to the Deputy Prime Minister and Minister for Trade. Would the Deputy Prime Minister outline to the House the benefits of international trade for regional Australians. How are government policies assisting regional exporters? Are there any alternative views?

Mr VAILE—I thank the member for Page for his question. The member for Page and one of the companies in his electorate know first-hand the benefits of the government’s trade policy agenda, particularly of the bilateral negotiations we have been engaged in in the free trade agreements. The member for Page knows of the benefits that have accrued to a company by the name of Permo-Drive, located on the North Coast of New South Wales, and the access that it has into the
United States. It is doing business not just in the United States but also with the United States Army, with some new technology it has developed. This has come about in the last 12 months or so, ably supported by the member for Page.

We are continuing to provide new and improved opportunities for exporters out of regional Australia. It is well known that one in four jobs in regional Australia relies on exporting industries—it is one in four jobs in regional Australia and one in five across Australia, so it is more important in regional Australia. We are doing that on a couple of fronts. We are doing it on the multilateral front but also in our bilateral negotiations. I would like to give the House some examples of regional companies that have benefited from bilateral free trade agreements.

A company in north Rockhampton, Dobinsons Spring and Suspension, which produces four-wheel drive accessories, has benefited from tariff reductions achieved in the free trade agreement with Thailand. Managing Director Glen Dobinson says, ‘We’re about 25 per cent cheaper to import than we were pre the Thai-Australia FTA; our Thai distributor says this drop has been a big factor in choosing us over our competitors.’ That is an exporter of manufactured goods. I am glad that the member for Melbourne is present, as he likes to hear about the export of manufactured goods. That company is exporting into the Thai market against South-East Asian competitors.

Bega Cheese down on the South Coast of New South Wales previously made no attempt to export its product into the United States, because of the high tariff barriers to its products. Now its national export business manager, Grahame Hocking, has said, ‘It’s only because the Australia-US FTA came into effect that we decided to enter the US market.’ They are now exporting product into the US market because of that free trade agreement.

The coalition government is focused on providing real market access opportunities through bilateral and multilateral trade negotiations. We have worked on that because we are in contact with regional Australia. I note yesterday the Leader of the Opposition had a much publicised meeting with the NFF. He has found another lobby group that does not just visit Canberra but actually has an office here. He has had a meeting with the NFF and he has said that they have a lot of commonalities in policy with the NFF. The NFF have some very good policies. They have a very good policy on trade, on workplace relations and on telecommunications. I wonder: does the Leader of the Opposition agree with those policies of the NFF?

Most interestingly, after the discussion with the NFF, the Leader of the Opposition said he was going to set up a regional development task force and on the task force he was going to put the regional development spokesman, Simon Crean, the member for Hotham, and the member for Corio, Gavan O’Connor. One of the two people he is to put on the regional development task force he tried to get rid of and the other one he did get rid of. That is how much interest the Leader of the Opposition and the Australian Labor Party show in regional Australia and in helping out regional Australians.

**Medibank Private**

**Ms GILLARD** (2.23 pm)—My question is again to the Minister for Health and Aging and refers to ‘Project good guys’. Minister, isn’t it the case that this brief confirms the worst fears of Medibank Private members when it states, ‘Unlike other businesses that can defend themselves by making commitments for the future, we cannot make promises about future premiums and claims payments on behalf of a potential new
owner’? Minister, doesn’t this statement prove that there are no guarantees for the three million Medibank private members and that after the sale they could face even higher premiums and reduced benefits?

Mr ABBOTT—I point out to the member for Lalor that competition and not government ownership is the best guarantee of good service. I make two further points. When members opposite had some sense of responsibility they actually believed in privatisation. They privatised the Commonwealth Bank and they privatised Qantas. They did that because they knew that privatisation could and would be good for those enterprises. I say it will be just as good for Medibank Private as it was for those organisations which the former Labor government privatised. The other point I make about private health insurance is that this government is the best friend that private health insurance has ever had. Most of all, thanks to the private health insurance rebate, premiums are $1,000 a year lower for the average family than they otherwise would be. The first thing that members opposite would do, if they got into government, would be to abolish the private health insurance rebate.

Economy

Mr NEVILLE (2.26 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of today’s business investment data? What does this data indicate about Australia’s economic outlook? Finally, are there any alternative views?

Mr COSTELLO—I thank the honourable member for Hinkler and acknowledge the importance of the area that he represents to Australia’s national economy, including Gladstone and the associated industry in the area. Members of the House will be interested to know that, coming after growth of 13 per cent in the December quarter, business investment moderated in the March quarter, rising by 0.6 per cent, but is now 28.9 per cent higher over the year. This increase in business investment has been quite widespread. It has been led, of course, by the mining industry, where investment has been up 91 per cent over the last year. But investment in the manufacturing industry is up by 14 per cent, and investment in other industries, including wholesale and retail trade, transport and storage, finance and insurance, construction and property and business services, has also increased by over 17 per cent over the same period.

The good news is that today’s capex figures show that investment intentions have again been upgraded for the balance of this year and early investment intentions for next financial year indicate that businesses are expecting investment to remain solid, albeit off a very high base. What we see is the Australian economy increasingly being led by business investment. We are seeing an improvement in our export performance at the same time as we see a moderation in relation to consumption.

I have noticed, beginning with his reply to the budget, persistent claims from the Leader of the Opposition that Australia’s economic performance is all the result of good luck and a minerals boom, which is funny because I remember, when the government announced its intention to balance the budget and repay Labor debt, the Labor Party said this would lead us into recession. When it did not, the Labor Party said the only reason the economy was growing was all the good work of Paul Keating. Now the Labor Party’s latest mantra, led by the Leader of the Opposition, is, ‘It’s all the result of a mining boom.’ Mining is a very important industry to Australia and contributes around four per cent of GDP. In his budget reply, the Leader of the Opposition claimed:

The minerals boom is putting an extra $160 billion ... into this government’s pockets.
The whole company tax take over the next four years is only $280 billion. He claimed that $160 billion of that $280 billion was an increase from one industry alone which contributes about four per cent of GDP. I overlooked that claim because I knew his budget reply speech was inspired by Bob Ellis, and one should never give too much credibility to anything written by Bob Ellis. I noticed this claim was repeated in a speech to the Australia-Israel Chamber of Commerce in Sydney on 26 May 2006. The Leader of the Opposition made this claim:

The resources boom has channelled $160 billion in extra tax revenue straight into the Government’s coffers.

Bearing in mind that mining contributes four per cent of GDP, Treasury estimates are that increases in company tax from the mining industry could be in the order of $5 billion per annum—more like $16 billion over the next four years, not $160 billion, as has been claimed by the Leader of the Opposition. He is likely out by a factor of 10 in this claim. There is no rational basis at all for this claim, which he has serially repeated since budget night, that the mining boom has added $160 billion to government revenues over the last four years. It is indicative of his lazy attention to detail, his inability to grasp economic fact and his refusal to come to grips with those economic issues which are important for Australia. That budget reply was based on a falsehood. His Australia-Israel Chamber of Commerce speech was wrong. I only hope that people did not have to pay to go and hear him. The Australian Labor Party should at the very least offer them their money back or pay them to come to future speeches by the Leader of the Opposition.

Medibank Private

Ms GILLARD (2.32 pm)—My question is again to the Minister for Health and Ageing. Doesn’t the Medibank Private brief for ‘Project good guys’ require PR firms to come up with strategies to manage scenarios which include, ‘A class action on behalf of members claiming the fund is owned by its members has been started and a member group actively campaigning against the sale is knocking on every door it can and is collecting signatures at major retail centres’? What advice has the government received about the potential for a class action by Medibank Private members who feel ripped off by the sale of Medibank Private and what will defending the class action cost?

Mr ABBOTT—I can only assume that the Leader of the Opposition’s question time tactics totally collapsed today after the first failed question and therefore he is finally giving the member for Lalor her run in the park after nine months.

Ms Gillard—Mr Speaker, I rise on a point of order on relevance. If he does not know anything about this matter, he should simply say so.

The SPEAKER—The member will resume her seat. The minister has only just begun to answer the question.

Mr ABBOTT—I can only assume that the Leader of the Opposition will not normally let her ask questions and Senate estimates will not ask those questions for her up there today. These issues are appropriately handled by departmental officials and she can ask all the questions she wants in Senate estimates. Let me make the simple point that privatisation was good for the Commonwealth Bank, good for Qantas and it will be good for Medibank Private.

Ms Gillard interjecting—

The SPEAKER—Order! The member for Lalor is warned.

Mr ABBOTT—The best guarantee of good service is competition, not government ownership.
Mr Beazley—Mr Speaker, on a point of order which goes to relevance: this bloke cannot answer a question on his own portfolio. He is just talking to the opposition’s spokesperson because he cannot answer—

The SPEAKER—The Leader of the Opposition will resume his seat. The minister was asked a question and he is answering it.

Mr Abbott—On the fundamental point that she is trying to raise about premiums, let me point out that the average premium rise between 1983 and 1996 of 11 per cent a year was double the premium rise under this government. Labor has no credibility whatsoever on this issue.

Workplace Relations

Mr Wood (2.35 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister update the House on the training opportunities available to employees under WorkChoices. Are there any alternative policies?

Mr Andrews—I thank the member for La Trobe for his question. I note that the unemployment rate in his electorate of La Trobe is 3.7 per cent, due to the good economic management of this government. In response to his question, it is a fact that the members opposite and the union movement continue to persist with their misleading and ridiculous claims that people will not be able to receive the occupational health and safety training provided by unions. As I have pointed out in this place on a number of occasions, occupational health and safety remains a state and territory responsibility. It seems that the only person these days who does not believe that, and is incapable of understanding that, is the Leader of the Opposition. First, we had the email from the member for Lilley, acting on the advice of the member for Perth, which said that this training would continue to be provided. Then yesterday we had the collective agreement entered into by Bill Shorten’s union, the Australian Workers Union, which provided not only for occupational health and safety training but also that the workers would get paid leave to go and do that training.

I came across some more information about this matter overnight in a document called the SafetyNet Journal. The SafetyNet Journal features in it each week a frequently asked question. This week’s question is quite interesting. The question is:

Does the ‘WorkChoices’ legislation mean a rep—a union rep—cannot attend a union OHS rep’s course?

The answer is:
No, it does not.

It goes on to explain:
The changes to the Federal Workplace Relations Act (‘WorkChoices’) do NOT affect an OHS rep... right to attend an initial/refresher course of their choice, including courses run by unions ...

This is very interesting advice because the SafetyNet Journal is published by the Victorian Trades Hall Council. If you go to the Victorian Trades Hall web site and look up this week’s question, you can get the answer to it. I note also that the journal says:
If you have any questions or need help—the Leader of the Opposition might listen to this—
with any OHS related issue, Ask Renata.

I suggest he give Renata a ring before he makes foolish comments in future. This ridiculous situation, which the Leader of the Opposition maintains, just shows that he and some of the unions will stoop to any lengths in order to make a political point, including recently making a political stunt out of the death of a worker, something about which Neil Mitchell, in his column in the Herald Sun this morning, had this to say:

We were tricked. This case was orchestrated and promoted by the CFMEU to further its cause. The
Mr Brendan O’Connor interjecting—

The SPEAKER—Order! The member for Gorton.

Mr ANDREWS—The member ought to listen to this:
It was a monstrous piece of black-hearted spin-doctoring and deserves to be treated with a new level of disgust by anybody with compassion or morality.
I could not agree more. I table the article.

Workplace Relations

Mr BEAZLEY (2.40 pm)—My question is to the Prime Minister. I refer the Prime Minister to his comments in the House about the 40 people in Mount Druitt employed by Spotlight on the 2c an hour Spotlight AWA. Isn’t it the case that in Mount Druitt there are nearly 600 employees employed in the retail industry on the relevant award or certified agreement who, if they work at Coles or Kmart and work the same hours as Mrs Harris, are $119 to $126 a week better off than those on the 2c an hour Spotlight AWA? Won’t the government’s industrial relations legislation force the other retailers in Mount Druitt to join the 2c an hour wages race to the bottom?

Mr HOWARD—No, and I might point out that Mrs Harris is employed in Coffs Harbour, not Mount Druitt.

Government members interjecting—

The SPEAKER—Order!

Ms Macklin—It’s a race to the bottom.

The SPEAKER—Order! The Deputy Leader of the Opposition is warned.

Avian Influenza

Mr SLIPPER (2.41 pm)—My question is to the Minister for Foreign Affairs. Minister, what action is Australia taking to ensure proper reporting of avian influenza outbreaks in our region? Minister, are there any alternative views?

Mr DOWNER—I thank the honourable member for Fisher for his interest in avian flu. I am aware of a report from the United Nations Food and Agriculture Organisation that some Asia-Pacific countries are underreporting cases of the deadly avian flu. We are keen that all countries in the region report cases quickly and accurately. We have been working since 2001 within APEC to assist: we have been training vets and animal health officials to improve their capacity to diagnose avian flu, we have been organising public meetings in villages and towns on proper handling procedures for livestock and poultry, we have been training district health administrators on what to do if there are outbreaks of avian flu and we have been providing antiviral medicines to Indonesia to help with avian flu outbreaks—and so the list goes on. We have been extremely active in this area. It is something we are cautious and concerned about.

The honourable member for Fisher asked if there were any alternatives. I explained yesterday that, in a sense, there are not any alternatives. The member for Griffith, who has been vocal on this issue, has done something that we can only regard as extremely flattering, and that is to plagiarise our words—the words of the Minister for Health and Ageing—and the words of international organisations. Yesterday the member for Griffith told the parliament that he had lifted, word for word, sentences from other sources and had not attributed them. He said, though, that he had only lifted seven paragraphs. This is, by the way, for the interest of the House, in an article that is 13 paragraphs long and is signed ‘Kevin Rudd’.

The member for Griffith has committed what in academia is certainly a very serious offence. I wondered what the penalty would
be for a student of—to use the name of the member’s own electorate—Griffith University if that student were found to have plagiarised sentences and paragraphs without attributing them. The penalty at Griffith University is ‘a fail grade for the course in which academic misconduct has occurred’. So, when it comes to avian flu, the great plagiariser is most certainly going to get a fail.

Workplace Relations

Mr PRICE (2.45 pm)—My question is to the Prime Minister. I refer to the 40 employees in Mount Druitt on the 2c an hour Spot-
light Australian workplace agreement. Prime
Minister, isn’t it the case that Spotlight has 86 other stores across the nation, employing nearly 6,000 staff? Won’t Spotlight’s 2c an hour A W A wages race to the bottom just spread like wildfire from Mount Druitt across the nation?

Mr HOWARD—The answer to the question is no. I also point out to the Chief Oppo-
sition Whip that it is of course consistent with the tactics being used by the opposition in this matter to describe their employment conditions as being ‘2c an hour’. The reality is that 38 of the new staff employed at Mount Druitt were previously unemployed. While they were on the unemployment benefit, they received $205.30 a week. Under the AWA, these employees would receive $543.40 a week. So what I would call these A W As are contracts of employment that provide remuneration increases of $338 a week for each of those employees.

Mrs Irwin interjecting—

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

Mr HOWARD—The member for Chifley knows better than anybody in this parliament that the unemployment level, despite the great improvement around the nation, is higher in his electorate and we have done something for the people of his electorate. We have, in the words of Tony Blair, given them ‘the chance of a job’. I will always be proud of policies that give to the men and women of Western Sydney the chance of a job. That is why, in the last election cam-
paign when I spoke to the people of Western Sydney in launching the government cam-
paign, the proudest boast I made in appear-
ing to them and asking for re-election of the members representing those seats was that, in the time we had been in government, we had provided to the people of Western Sydney lower taxes, lower interest rates, lower unemployment rates and chances of work that no Labor government could ever dream of, let alone implement.

Honourable members interjecting—

The SPEAKER—Order! The level of in-
terjections is far too high.

Medicare

Mr BAKER (2.49 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister advise the House on the progress of measures to strengthen
Medicare. Are there any alternative policies and what is the government’s response?

Mr Beazley—Mr Speaker, I rise on a point of order. This question has been asked at least once a week for the last five weeks. It has been fully asked and answered. He cannot answer questions our spokesperson asks, so he has to arrange himself—

The SPEAKER—The Leader of the Opposition will resume his seat. As I heard the question, the words used were different from previous ones.

Mr ABBOTT—I thank the member for Braddon for his question on health. Given that for nine months there were no questions on health from the opposition, thank God people on this side are still interested in this important topic. The Howard government is proud of Medicare. We are very proud of Medicare and that is why we are always looking for new ways to make a good system work even better. Amongst other things, the government’s bulk-billing incentives have driven GP bulk-billing rates for children and people in country areas—

Mr Beazley interjecting—

Mr ABBOTT—Does he object to bulk-billing rates going up?

Mr Beazley—Mr Speaker, I rise on a point of order, which goes absolutely to the fact that a question asked and already answered cannot be renewed. Fair dinkum, there were three questions from this side of the House and he could not answer them, but he gets asked this question that he is asked every week.

The SPEAKER—The Leader of the Opposition would be well aware that the standing order that applies to answers says that the answer shall be relevant to the question.

Mr ABBOTT—There are no questions from the opposition on bulk-billing rates, and that is because this government has pushed GP bulk-billing rates for children and people in country areas to record highs. There has been a—

Mr Brendan O’Connor interjecting—

The SPEAKER—The member for Gordon is warned!

Mr ABBOTT—20 per cent increase in bulk-billing rates in Braddon. And you will hear it again, I say to the Leader of the Opposition. You will hear this again—and you deserve to hear it, because this government is doing the right thing by Medicare.

Mr Beazley—Mr Speaker, on a point of order: the minister even had the hide to say that I was going to hear it again and again, confessing the fact that he has fully answered the question—

The SPEAKER—The Leader of the Opposition will resume his seat. That is not a point of order. Has the minister completed his answer?

Mr ABBOTT—No, I have not.

Mr Albanese—Mr Speaker, on a point of order: the minister has just conceded he is in breach of standing order 100(b).

The SPEAKER—The member for Grayndler is well aware that the standing order that applies to answers is standing order 104. He is in order.

Mr Kerr—Mr Speaker, on a point of order: answers to questions are not only governed by standing order 100; they are also governed by the general standing orders that prohibit tedious repetition, a matter which is in your responsibility to enforce.

The SPEAKER—The member for Denison will resume his seat. He would be well aware that successive occupiers of the chair have ruled that that standing order does not apply to question time.

Mr ABBOTT—I am just very surprised that members opposite do not want to hear
the good news about Medicare, thanks to the policies of this government. They have always claimed to be the party of Medicare, and what they object to is the fact that this government has done more for Medicare than any other government in Australia’s history. We will keep talking about our achievements with Medicare, because we believe in it and we have done the right thing by it. Not only have bulk-billing rates gone up but also primary health care is improving. Almost one million Australians now have GP management plans, thanks to the policies of this government. Almost a quarter of a million Australians in the last 12 months have enjoyed allied health professional care, thanks to the policies of this government. Almost $1 billion in new money is being spent on medical research, thanks to the policies of this government. And look at him: he yawns and he leans back. These things matter to the Australian people because today’s research is tomorrow’s new medicines and tomorrow’s new medical treatment—and these things are important. And we will keep talking about them.

I have been asked about alternative policies, and I regret to inform the House that, since 3 May, Labor has officially been a health-policy-free zone. That was the day when the Leader of the Opposition finally abolished the member for Lalor’s pet policy of Medicare Gold. Let me say it takes a lot of guts for Mr Twenty-Five Per Cent to scrap the policy of Madam Thirty-One Per Cent; nevertheless, he has finally done it—

Mr Beazley—Mr Speaker, on a point of order: since you decided to be so vigorous with the interpretation—

The SPEAKER—The Leader of the Opposition will resume his seat. I will rule on his point of order on relevance.

Opposition members interjecting—

The SPEAKER—The Leader of the Opposition is well aware that the occupier of the chair is not required to hear an argument. You have raised a point of order, you have said it is on relevance and I will rule on it.

Mr Beazley—I will make a further point of order which goes not to the point of relevance but to—

The SPEAKER—The Leader of the Opposition has asked me to rule on a point of order on relevance. Does he want me to rule on it? I will rule that the minister’s answer is relevant to the question.

Mr Beazley—Mr Speaker, I raise a further point of order on whether the material in the answer is permissible. The first question we asked was—

The SPEAKER—The Leader of the Opposition will resume his seat. He is well aware—

Mr Beazley interjecting—

The SPEAKER—The Leader of the Opposition will resume his seat and I will rule. He has asked me to rule on a point of order on the answer to a question. The standing order that applies to answers is standing order 104, and I am applying the standing order.

Mr ABBOTT—I do not like to see the Leader of the Opposition as frustrated as he is, so let me conclude on this point. The member for Lalor, the shadow minister for health—three years she has had in that position—came up with one policy, Medicare Gold, and it has now been officially scrapped by her own peers.

Ms Gillard—You still look incompetent. You don’t know anything about Medibank—
The SPEAKER—The member for Lalor is on thin ice. The member for Lalor has been warned.

Workplace Relations

Mr STEPHEN SMITH (2.58 pm)—My question is to the Prime Minister and it refers to his two denials in question time that the Spotlight AWA will not start a 2c an hour wages race to the bottom. Prime Minister, if that is the case, will you now advise those other Mount Druitt retailers, including Coles, Woolworths, Kmart, Target, Just Jeans, Best and Less, and Liquorland, not to go down the Spotlight 2c an hour wages race to the bottom?

Mr HOWARD—The only advice that I would give to those firms is the advice that I give to firms throughout Australia, and that is: take proper advantage of the wonderful economic condition created by the policies of this government. The other bit of advice I would give them is: take no notice of the pessimistic doomsayers of the Australian Labor Party. They were on about this business of driving down wages 10 years ago. Ten years on, what has happened? Wages have gone up by 16.8 per cent in real terms. The third piece of advice I would give to the businesses in Mount Druitt and to the businesses of Australia is this: if you want low wages and high unemployment, vote Labor.

National Education Standards

Mr RANDALL (3.00 pm)—My question is addressed to the Minister for Education, Science and Training. Would the minister advise the House of steps being taken to improve standards and consistency in education? Are there any alternative policies?

Ms JULIE BISHOP—I thank the member for Canning for his question. I acknowledge his deep interest in this issue. The coalition is determined to raise standards in education across the country. We believe that parents and students have a right to the highest educational standards possible wherever they may live, wherever they may receive their education. That is why, in considering a year 12 certificate of education, we have commissioned a comparative study into curriculum content across the country, including in English, Australian history, maths, science, physics and chem.

I am asked about alternative policies and I can report to the House that over in the west the state Labor government is seeking to introduce an outcomes based education regime. The implementation of this OBE regime has been nothing short of a debacle. It has been an absolute disgrace. Labor has managed to alienate virtually every stakeholder group, from parents and teachers to the State School Teachers Union of WA, the Western Australian Council of State School Organisations, the Independent Education Union, the Association of Independent Schools of WA, the Association of Heads of Independent Schools of Australia and the WA College of Teaching. So teachers, parents, students, academics and educators are calling on state Labor to stop this madness.

Through a lack of resources, a lack of time and a lack of preparation, students in Western Australia are facing English courses with no text, history courses with no dates and music courses with no instruments. We on this side of the House stand with the parents, the students and the unions in calling on state Labor to delay the implementation of this OBE regime. And what do we hear from the federal Labor members from Western Australia—the member for Cowan, the member for Fremantle, the member for Swan, the member for Perth and the member for Brand, who wants to be the education Prime Minister? We have heard not a word about this debacle. I think it is time for the Leader of the Opposition to show some leadership, stand up for the students in his state and call upon his state Labor colleagues to
delay the implementation in the interests of students in his home state.

_Opposition members interjecting—_

The SPEAKER—Members on my left are holding up their question.

_Workplace Relations_

Mr STEPHEN SMITH (3.03 pm)—My question is to the Prime Minister. I refer the Prime Minister to the statement by Spotlight about its 2c an hour AWA, ‘We are doing what we were told to do by the legislators.’ I also refer the Prime Minister to the comment made last night on the ABC _Lateline_ program by Professor Ian Harper, chair of the government’s low pay commission, that the government’s legislation—and I quote—‘pushes’ the low pay commission to reduce the minimum wage in real terms. Prime Minister, last night, didn’t we just see the second leg of your 2c an hour wages race to the bottom, cutting the minimum wage?

Mr HOWARD—The answer to that question is no. But, if you want some statements about contempt for the low paid and contempt for the unemployed, can I take the House back only to 6 May 1993. Flush with having deceived the Australian public in the infamous election of 1993 with a dishonest campaign against the introduction of a GST, when interviewed on _The 7.30 Report_ the then Minister for Employment, Education and Training had this to say—

Mr Stephen Smith—It was _Lateline_, not _The 7.30 Report._

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

Mr HOWARD—in response to a question. The interviewer said: ‘So this group’—namely the unemployed—

_Mr Stephen Smith interjecting—_

The SPEAKER—The member for Perth is warned!

Mr HOWARD—‘are being told in their 20s by society effectively, ‘You’re the losers. Go to the scrap heap’.’ In reply, the person being interviewed had this to say, ‘Well, for those who haven’t made it into work, who are among the long-term unemployed, that is a reasonable statement.’

Mr Albanese—Mr Speaker, on a point of order: standing order 104 is being breached. It was a clear question about last night’s _Lateline_, the low pay commission and the wages race to the bottom.

The SPEAKER—The member for Grayndler will resume his seat. The member for Perth asked a reasonably lengthy question. The Prime Minister is in order.

Mr HOWARD—This reply by the then minister for employment but now Leader of the Opposition throws a spotlight, dare I say, onto the contempt that Labor has always had for the unemployed in this country.

Mr Albanese—Mr Speaker—

The SPEAKER—Has the Prime Minister finished his answer?

Mr HOWARD—No. He’s got a point of order.

Mr Albanese—On a point of order, Mr Speaker, in relation to standing order 104. It was a very short question from the member for Perth—

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

Mr Albanese—and it was very specific. How can something prior to—

The SPEAKER—The member for Grayndler is now warned. When you are asked to resume your seat you resume your seat! The member for Perth asked a question which had a number of points in it. It men-
tioned legislators and it mentioned the Fair Pay Commission. The Prime Minister is in order.

Mr Albanese interjecting—

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

The member for Grayndler then left the chamber.

Mr Howard—But that remark by the Leader of the Opposition, in his then manifestation, was only the half of it because he then went on to say, on 30 June 1993, at the National Press Club:

Anything like full employment, however defined, will be desperately difficult to recapture in this country.

Mr Stephen Smith—On a point of order, Mr Speaker: the question was about the minimum wage in 2006 and him wanting to reduce it. He has not addressed that at all.

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

Mr Stephen Smith—He is not answering the question.

The SPEAKER—The member for Perth will resume his seat! The Prime Minister is in order.

Mr Stephen Smith—He is not answering the question. It is about—

The SPEAKER—The Chief Opposition Whip will tell me where the point of order is.

Mr Price—On a point of order, Mr Speaker: the question did not contain any request about alternative views but was directed at the low pay commission.

The SPEAKER—The Chief Opposition Whip will tell me where the point of order is.

Mr Price—Relevance.

The SPEAKER—The Chief Opposition Whip will resume his seat. I have ruled on that point of order.

Mr Howard—Mr Speaker, I would point out to the Chief Opposition Whip there is no low pay commission. The only time in the last 25 years this nation has needed a low
The SPEAKER—Order!

Mr ABBOTT—know the member for Lalor. They sure know her, don’t they? I table the document.

Ms Gillard—You are an idiot!

The SPEAKER—Order! The member for Lalor has been warned and continues to interject. The member for Lalor will remove herself under standing order 94(a).

The member for Lalor then left the chamber.

PERSONAL EXPLANATIONS

Mr BEAZLEY (Brand—Leader of the Opposition) (3.13 pm)—Mr Speaker, I seek leave to make a personal explanation while there is still an opposition member left in this place.

The SPEAKER—Does the Leader of the Opposition claim to have been misrepresented?

Mr BEAZLEY—Yes, I certainly have been.

The SPEAKER—Please proceed.

Mr BEAZLEY—The Treasurer, in his answer to a question in parliament, asked where I got the notion that they had benefited from $160 billion of extra revenue as a result of the resources boom. I will now cite the sources which are identified as budget papers 2002-03 to 2006-07, as compounded by initial assessment of the 2006-07 federal budget by Saul Eslake.

Government members interjecting—

Mr BEAZLEY—Dear me! Saul Eslake says:

The resources boom has put over $160 billion of extra revenue into Canberra’s coffers on successive budget estimates of total tax revenues.

The SPEAKER—The Leader of the Opposition has made his personal explanation.

Mr BEAZLEY—And then he cites the various parts of your budget papers—
The SPEAKER—The Leader of the Opposition will resume his seat; the leader has made his point.

Mr COSTELLO (Higgins—Treasurer) (3.14 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr COSTELLO—Yes, I do, by that personal explanation.

The SPEAKER—Please proceed.

Mr COSTELLO—What the Leader of the Opposition said is entirely false. I stand by the budget figures. It is quite clear his claim is false—

Mr Beazley interjecting—

The SPEAKER—Order! The Treasurer will resume his seat and the Leader of the Opposition will resume his seat. That was not a personal explanation.

QUESTIONS TO THE SPEAKER

Parliamentary Behaviour

Mr ABBOTT (3.15 pm)—Mr Speaker, I have a question to you. It was fairly obvious during question time today that a number of opposition members, in particular the member for Grayndler, the member for Swan and the member for Lilley, were standing during prime ministerial answers in ways which were clearly designed to block the camera shot of the Prime Minister while he was giving answers.

Opposition members interjecting—

Mr Tanner—It’s not our fault he’s short.

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

Mr ABBOTT—Mr Speaker, I would be grateful if you could review the footage and consider whether this is the kind of conduct that lowers the dignity of the House.

The SPEAKER—I thank the Leader of the House—

Opposition members interjecting—

The SPEAKER—Order! I am responding to the question. I thank the Leader of the House for his question. I will view the footage and consider a response.

PERSONAL EXPLANATIONS

Mr WILKIE (Swan) (3.16 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr WILKIE—Absolutely, by the Leader of the House in his previous statement.

The SPEAKER—Please proceed.

Mr WILKIE—I did not rise out of my seat during question time. He needs to get his facts right.

The SPEAKER—The member for Swan has made his point.

QUESTIONS TO THE SPEAKER

Questions in Writing

Mr MURPHY (3.17 pm)—Mr Speaker, I seek your assistance under standing order 105(b) in relation to some very important questions that have been on the Notice Paper for more than 60 days and have not been answered. They are questions Nos 3194, 3195, 3256, 3257 and 3258. They are questions about security at Sydney Airport, which is very important, and the minister is not answering them. Also, there are questions Nos 3388, 3389, 3391, 3392, 3393 and 3394. I would be grateful if you would write to those ministers and request reasons for the delay in answering those important questions.

The SPEAKER—I thank the member for Lowe and I will follow up his request.
Parliamentary Behaviour

Mr COSTELLO (3.17 pm)—I have a question to you, Mr Speaker. I drew the attention of the House earlier to the tendency of the member for Grayndler to stand in front of his frontbench looking at the camera. I wonder whether, when you view the videotape, you could look at his technique in doing that and whether you could also see whether, after he was ejected from the chamber today, this was taken up by the member for Lilley in his place? My question to you is: is it orderly for a member of parliament to stand, looking at their frontbench, in order to shield their frontbench from ministers when they are answering questions?

The SPEAKER—I thank the Treasurer for his question. I believe it is in the same vein as the question raised by the Leader of the House, and I will look at it further.

Parliamentary Behaviour

Mr FITZGIBBON (3.19 pm)—Mr Speaker, I have a question for you which is on a similar subject. Is it orderly for ministers to turn their back on you while addressing the House? This is a habit that the Minister for Health and Ageing has developed, more than any other minister on that side of the House.

The SPEAKER—I thank the member for Hunter. There have been occasions when I have asked ministers to direct their questions to the microphone, and I am happy to do that again when required.

Parliamentary Procedure

Mr RUDD (Griffith) (3.19 pm)—Mr Speaker, I also have a question for you, and it relates to when those circumstances arise in the House when ministers ask for the consent of the chair to add to an answer that they have already given. The reason I ask this question today is that the Minister for Health and Ageing, the Leader of the House, sought your indulgence to do that. He said that the reason was to provide supplementary information, if I understood him correctly. Under your ruling, Mr Speaker, is it also orderly for a minister in those circumstances to then launch a tirade of invective against members opposite, using that opportunity, which is exactly what the Leader of the House did in relation to the Manager of Opposition Business?

The SPEAKER—I thank the member for Griffith. The member for Griffith would be aware that the practice of the House has been that ministers have from time to time sought leave to add to an answer. I believe that the Minister for Health and Ageing was doing that, but I will take note of the point that he raises.

PERSONAL EXPLANATIONS

Mr RUDD (Griffith) (3.20 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr RUDD—Yes.

The SPEAKER—Please proceed.

Mr RUDD—Today the Minister for Foreign Affairs made certain statements concerning the opposition’s policy document on avian influenza in the region. Those statements by the foreign minister are inaccurate for the reasons outlined in my statement yesterday and in my statement last week.

AUDITOR-GENERAL’S REPORTS

Report No. 44 of 2005-06

The SPEAKER (3.21 pm)—I present the Auditor-General’s Audit report No. 44 of 2005-06 entitled Selected measures for managing subsidised drug use in the Pharmaceutical Benefits Scheme: Department of Health and Ageing.
Ordered that the report be made a parliamentary paper.

**SPEAKER’S PANEL**

**The SPEAKER** (3.22 pm)—Pursuant to standing order 17, I lay on the table my warrant nominating the honourable member for Denison to be a member of the Speaker’s panel to assist the chair when requested to do so by the Speaker or the Deputy Speaker.

**DOCUMENTS**

**Mr Abbott** (Warringah—Leader of the House) (3.22 pm)—Documents are tabled as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the *Votes and Proceedings* and I move:

That the House take note of the following document:
Roads to recovery programme—Report for 2004-05.

Debate (on motion by Ms Macklin) adjourned.

**Mr Abbott** (Warringah—Leader of the House) (3.23 pm)—I present documents on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House:

Availability of Herceptin on the Pharmaceutical Benefits Scheme—from the member for Warringah—125 Petitioners

Availability of a new class of insulin on the Pharmaceutical Benefits Scheme—from the member for Warringah—1084 Petitioners

Falun Gong—from the member for Chisolm—20 Petitioners

Availability of Herceptin on the Pharmaceutical Benefits Scheme—from the member for Deakin—2348 Petitioners

Falun Gong—from the member for Higgins—60 Petitioners

Whaling in Australian territorial waters—from the member for Richmond—2867 Petitioners

**MATTERS OF PUBLIC IMPORTANCE**

**Rural and Regional Australia**

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

The adverse impact on families living in regional Australia of the Government’s distracted, divided and destructive performance.

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

More than the number of members required by the standing orders having risen in their places—

**Mr Beazley** (Brand—Leader of the Opposition) (3.23 pm)—There could be no better backdrop for this MPI than the arrogant, out-of-touch performance by this government in question time—their absolute determination to be interested in their own affairs and not anyone else’s. The Nationals are particularly to blame. They spend their time longing to be Liberals, when they ought to be standing up for the bush. They should be protecting people like Mrs Annette Harris from the Prime Minister’s AWAs. That AWA, which after all is being offered in one of the government’s constituencies, would see Mrs Harris lose $90 in penalties and get just 2c an hour extra in return. That AWA trashes the conditions that millions of Australians hold dear—the penalty rates they need for their mortgages and the time they need for their families. Of course, in the bush, where there is less freedom of choice when it comes to jobs, these things are all the more important. If workers lose their employment—if they opt not to take the AWA—it virtually means they have to leave town.

This government is divided, this government is distracted and this government is destructive. It is a government that cares
more about itself than about Annette Harris and the millions like her who are forced to compete in the Prime Minister’s race to the bottom—the hundreds of other workers of Mount Druitt who now find themselves to be unwilling participants in the Prime Minister’s race to the bottom. Annette Harris deserves better, people in rural Australia deserve better, the workers of Mount Druitt deserve better, middle Australia deserves better from the Howard government and regional Australia deserves better from the National Party. Fair dinkum! This government has been in office 10 years now—how out of touch they are. They are talking about themselves, they are talking about their internals, they are talking about the relationship between the Liberal and National parties and they are talking about nuclear power. They have every conceivable form of elite and internal distraction out there and running. Do they give a darn about what is happening to ordinary Australians? Not one bit of it!

This government is imploding from one of its member’s hatred and contempt for another. We all know about the relationship between the Prime Minister and the Treasurer, in which the Treasurer sulks with a sense of entitlement and the Prime Minister feels that he is entitled to stay there forever, travel wherever he likes and no longer be accountable to ordinary people in this country. Neither of these two perceptions of the world have much to do with the needs of ordinary Australians, but they have nevertheless got them locked in a death dance of ambition.

Then there are circumstances in which the Deputy Prime Minister finds himself. He is treated with absolute contempt by the Prime Minister—I will get onto that in a minute—and he is treated with absolute contempt by his own party people. He is completely undermined by the Minister for Agriculture, Fisheries and Forestry who, I see, is going to speak on this.

**Mr McGauran**—What are you talking about?

**Mr BEAZLEY**—You know what you have been doing in regard to single desk. You know what you have been doing in all the trouble that Vaile has been confronting. Do you think we do not know? You know exactly what we are talking about. Let me get to the position of the member for Blair, because this is most interesting. This gets to the nub of what has happened in Queensland in recent times. This gets to the obsession of the Liberal Party and the National Party with their own affairs—who gets the white cars, who is on top and who gets to share the spoils. It does not matter a darn what is happening to ordinary people. This is what the member for Blair said when he was asked a question—and he was not going to retreat, despite the Prime Minister’s intervention at the time:

When the person who moves the motion on the Liberal side is the Prime Minister’s representative on the state executive, and when the president of the party is appointed with the Prime Minister’s imprimatur, I think people who are sitting around that table are entitled to expect that those moves have been done with his full knowledge and concurrence.

That is not all the member for Blair had to say. It is quite a lot, but it is not all that he had to say. He continued:

But the people who have to have answer to that—this refers to the fact that the whole show collapsed—were the people who were aware of it earlier. Like, they weren’t just aware of it on Sunday like a lot of us were. They were aware of it on Friday. They were aware of it the week before. They were in a position to be able to plan for it and facilitate it effectively or stop it if it wasn’t going to work.
Journalist: Are you disappointed in the way the Prime Minister has handled his position on this?
Cameron Thompson: You know, I mean, I think there is answers to be had all round.
Indeed there are. For two weeks, the Prime Minister had that information before him. For two weeks, the Prime Minister understood that the Liberal Party and National Party were to amalgamate in Queensland. For two weeks, others of course had an understanding of it—and these were the sorts of things they said. Bruce Scott said, ‘Queenslanders wanted a single alternative to Labor that would get the priorities right for all Queensland.’ De-Anne Kelly said:
In terms of the state, we need to forge a closer relationship between the two parties to provide an alternative to the Beattie government.
Warren Entsch said, ‘The sooner they can get together, the better it will be.’

The DEPUTY SPEAKER (Hon. IR Causley)—The leader will refer to members by their seat or their title.

Mr BEAZLEY—Senator Ferguson said: ‘You don’t have to run two different campaigns, you don’t have to run two different organisations. When parties merge it does not mean the end of the party, it means the start of something new.’ The member for Blair said, ‘If we are to be competitive, if the good conservative people are to have the strength of representation that they expect, they need one strong political party to represent them.’ The member for Fisher said, ‘Look, I think this is a very positive initiative.’ The Minister for Health and Ageing said: ‘I am happy to see people in Queensland doing what is necessary to beat the state Labor government there. I am always pleased to see new Liberals. I love new Liberals.’ Doug Anthony said: ‘From my point of view it would be brilliant if it can be done quickly. The nation would be served by two major political parties.’ Larry Anthony said, ‘There is no doubt a united conservative party in Queensland would really challenge the supremacy of the state ALP.’

This has been an extraordinary time. This is a time when the National Party has finally declared itself irrelevant. Understand this was not an amalgamation; this was a surrender—this was a takeover. Here is the relevant section of the agreement between the relevant party officials:
Liberal Party of Australia Queensland division to remain and continue to be part of the Liberal Party of Australia with existing name, an amended constitution incorporating transitional provisions—
That refers to the proposed constitution; in other words, the Liberal Party is the proposed party. It continued:
National Party of Australia Queensland to become part of this organisation in accordance with the following process.
Then it goes through a series of approvals from various organisations. This is the National Party in Queensland saying: ‘We no longer exist. We are there for the Liberal Party and no-one else.’ Elsewhere it says:
Staff and assets of NPAQ and LPAQ, including intellectual property, such as livery and use of names ...
The intellectual property would be in a very small basket indeed—probably something like the 2c an hour that Annette Harris was offered. That would be the equivalent of the intellectual property. Under this agreement all that would pass over to the Liberal Party.
The essence of it is this: the National Party has ceased to consider itself an effective representative of regional Australia. Eighty-six years ago the National Party was created in order to contest the bush with the Labor Party. People may have forgotten this, but at the time the Labor Party actually held most of the bush seats. The Labor Party was strongly founded on the working men and
women in regional and rural areas of Australia. It is no accident that many of the iconic sites, as far as Labor Party people are concerned, are all in regional Australia—Barcaldine is a good example.

The National Party, then called the Country Party, was put in place to contest the bush with the Labor Party. After 86 years the con job has finally come to an end. The con job is now completely exposed, as the National Party has surrendered every position that matters to ordinary workers in regional Australia. Its members surrendered palpably on Telstra. They surrendered despite the fact that there was barely a person in regional Australia who did not absolutely comprehend that, for them to be guaranteed the services they need, Telstra had to remain in public hands. And they totally surrendered on these industrial relations propositions.

As we go around the country now, we see the Spotlight case in Coffs Harbour, but we also see the meatworks in Cowra. We see people having to compete with foreign workers and losing their apprenticeships and jobs in Ballarat. We see the affairs at an abattoir in Naracoorte. We go around regional and rural Australia and we see examples of the first assault of that termite-like undermining of the industrial conditions of this nation. The National Party guaranteed the passage of that legislation.

Of course, what does this mean for people in rural and regional Australia? These people do not have choices. I do not think workers get choices in many places anyway, but they certainly do not get many choices in the country towns of this nation. When a Spotlight store in one of those rural centres says to a person coming into town, ‘You take this AWA,’ it means that that person would have to undermine every other worker in that shop and threaten them with a $90-a-week wage cut. If that worker does not take that AWA, it is likely to be the only job they would find on offer in that town. Therefore at that point they would determine to leave. It is as simple as that.

You can take that through to apprenticeships. It is unbelievably difficult to get an apprenticeship in any industrial centre outside the main metropolitan areas. It is possible, but it is incredibly difficult. It is difficult to get a kid in the bush a chance at an apprenticeship, let alone a university degree or anything else—very difficult. So what does the government do after it puts in place its industrial legislation? It brings in this idea of foreign apprentices coming in. Where are they going to be located first? In regional Australia—in the bush. So what little chance the kid had goes forever, as the employer in the bush is invited to bring on at half price an apprentice from overseas. I simply cannot believe that the National Party sits in this place and permits these things to go on.

You can see it too in the trashing of universities in this country and how extraordinarily difficult it now is for kids to get an opportunity to educate themselves in regional Australia. The government do not care. The seriousness of the situation even goes to nation building—once you move away from those little bits and pieces that encourage a National Party member to stick a plaque up somewhere in his constituency so he can pretend to be working. When it comes to something serious which will determine whether or not anyone with any decent progressive business, such as Telstra, invests in the bush again, we respond in the Australian Labor Party. We say, ‘We have a plan for high-speed broadband connection across Australia which we know, if put in place’—and it is affordable with the slush funds handed out to the National Party, and thank God not yet spent by them, for little penny-packet stuff—‘would actually create
an opportunity for employment in regional Australia.’ But they do not care.

All that they and the Deputy Prime Minister care about now is sustaining themselves in office. The Queensland section thought they had a cunning plan for sustaining themselves in office to become Liberals. I tell you what our cunning plan is: to expose The Nationals in every regional area in Australia with positive alternatives to their propositions, which really do serve ordinary people in this country. We will start this century off where we started the last century off—as the party of regional Australia. We are on their side. We think about them, not about us. We think if they put in, they ought to get something decent back. That is what we think, and we are going to pursue The Nationals and their hypocrisy to the next election. (Time expired)

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (3.37 pm)—Confected rage and bluff and bluster will never be a substitute before the jury of rural people and public opinion on hardcore policy that is credible, that is targeted and that is properly enlisting country people. The funniest statement amongst many in the presentation by the Leader of the Opposition today, which I will address, was that the National Party was founded to compete with the Australian Labor Party, which was created in the bush. That is not an accurate reading of history. The National Party was created by its forefathers because of the failures of the Labor Party in representing country Australia, just as it remains the case almost 90 years later.

The sweeping and challenging final statement of the Leader of the Opposition was that the Australian Labor Party will represent country Australia today as it did those 90 years ago. You only have to rely on the assessment of one of their senior frontbenchers, the shadow Assistant Treasurer, Mr Fitzgibbon—

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

Mr McGAURAN—The member for Hunter, a frontbencher, on 10 February, made a thinly veiled attack on the Leader of the Opposition for his failure to support other frontbenchers under attack by ambitious union officials with the aid and support of branch stackers. He said:

In recent years, federal Labor has struggled in rural and regional Australia ...

He noted that the ALP holds:

... just 4 of 45 rural electorates in the House of Representatives.

Their own frontbencher, the shadow Assistant Treasurer, has condemned the Leader of the Opposition and his own party for their systemic failure over decades to properly represent rural Australia and which has left them with four seats out of 45. So, when the Leader of the Opposition thinks that he can turn over a new leaf and, on the basis of some generalised criticisms of the government on issues such as workplace reforms—which country people and their representatives very broadly and enthusiastically support—he is sadly mistaken. The opposition has four out of 45 rural representatives in this House. Quite frankly, as the realistic frontbenchers of the opposition themselves know, that is a dismal performance. It says a lot about the Leader of the Opposition himself. For all of his years in opposition, he has never sought to properly represent people in rural Australia. They are not going to fall for a three-card trick that suddenly the Leader of the Opposition and his party have seen the error of their ways.

I have been looking forward to this matter of public importance. I consider myself very fortunate that I, amongst some serious com-
petition from a number of my colleagues, have the opportunity to address it. This matter of public importance is a test of which party has the credibility to best represent rural Australia and is best credentialed to represent rural Australia. Until now, rural Australia has voted literally for the Liberal and National parties in overwhelming numbers. That is not a vote we take for granted. We know we have to constantly prove ourselves. We have to be relevant and we have to be effective.

Mr Deputy Speaker, I take you back just three weeks. I know that in Australia we have political memories that are extraordinarily fleeting. But only three weeks ago this government brought down a budget that was universally praised and endorsed by rural Australia for its funding of roads and bridges and support for social security reform and assets tests for farmers and landholders. The government was also widely praised for its capital gains tax reform. That is concrete delivery of reform and benefits of a measurable and concrete kind to regional and rural Australia. The Leader of the Opposition, being out of touch with the aspirations and needs of rural Australia—and it is very hard for him, having but four of them to counsel and guide him—is doing them a disservice.

The backdrop for today’s debate is not as the Leader of the Opposition would have us believe of a disunited or divided government, but rather it is one of a chaotic opposition. We have seen over the course of this week a deliberate and calculated strategy to bring the House into disrepute by way of uncontrolled, disorderly behaviour—so much so that the Manager of Opposition Business and the Deputy Manager of Opposition Business, the two supposedly most responsible servants of the parliament, are absent. They were both evicted for disorderly and rowdy behaviour—that is quite unprecedented—together with a number of their colleagues.

That is what desperate oppositions will do. They will seek to pull down the institution of the parliament because they have nothing else to say. Look at their questions. I ask any fair-minded and balanced observer to go through the Hansard of the questions of this week and see the opportunism and shallowness of the opposition.

But the Leader of the Opposition would have us believe that today is a new day, because he has announced a new initiative for rural Australia. He is going to establish a new dialogue directly with regional Australia. He has been Leader of the Opposition for several years. The Labor Party have been in opposition for 10 years, but as of 1 June 2006 they are going to develop a dialogue with rural Australia. Better late than never, but do it on a meaningful and respectful basis. Do not treat them like fools. They can see through the political hyperbole and the political manoeuvring. You will have no credibility with rural Australia—not that it behoves me to give tactical or political advice to the opposition on regional politics—but it is self-evident that you must take rural Australia seriously.

Simply having a new task force is not nearly enough, particularly when it is headed by the member for Hotham, who is the shadow minister for regional development—and I will come to that in a just a moment. That may be a surprise to people; it certainly was to me. I did not know that the Labor Party had a shadow minister for regional development; when you go to his website and the ALP’s website, you will understand why.

The co-chairman of this task force or talk-fest is the member for Corio, the shadow minister for agriculture. The shadow minister for agriculture no longer has a seat at the next election. He has been stripped of his preselection and, as a result, will not be re-
turning to this parliament after the next election. For several months, he has been heavily distracted. He has been railing against the branch stackers and has these matters on appeal within his ranks. All of us on this side of the House feel more than a passing sympathy for him. I do not believe that the member for Corio is an effective shadow minister, but I am biased and happy to admit it. But I will say one thing about the member for Corio that I cannot say about any other member of the Australian Labor Party in this place—and that is, he has a rural background. On the few occasions that he ventures into rural Australia, he gets dust on his boots; nonetheless, instinctively and intuitively, he understands agricultural needs, farmers and rural and regional communities. I will give him that. However, I will not make the same concession about the member for Hotham.

Today the Leader of the Opposition was on Country Hour, which is the principal voice that deals with country people on a daily basis. He was interviewed by James Martin, a serious journalist, who does not give anyone a free ride, me least of all—and fair enough. James Martin put this question to the Leader of the Opposition:

1. Mr Swan—A bit more than that.
2. Mr McGauran—It is not a bit more than that. We get no questions on agriculture in this parliament. About 700 questions are given to the government each year—maybe it is several hundred more—and hardly any, if there are any at all, go to rural, regional or agricultural matters. That is a deep disappointment because all on this side representing rural and regional Australia want our issues to be the focus of attention and consideration by not just the government but the parliament.

As for the shadow minister for regional development, I find it very interesting. As I have said, I did not know that the member for Hotham was Labor’s spokesman on regional development. I looked up Simon Crean under regional services on the Labor Party’s website and I found one lonely entry. It is the transcript of a doorstop that the member for Hotham gave in August last year—almost 10 months ago. On top of that, the transcript was criticism of Telstra for announcing its $5 billion fund for the bush. So the only transcript, rambling and disoriented, on the website criticises Telstra for investing in rural and regional areas.

But, to be fair to the member for Hotham, I took it a step further. I looked up regional development. Surely this would be where Labor would hide its interest and engagement in rural Australia. I looked up that website and what did I find? I found a press statement dated 30 May, two days ago, but unfortunately it was from the shadow minister for regional development complaining...
about the government amalgamating five Melbourne area consultative committees into one organisation. He was complaining about a Melbourne issue. With the greatest of respect to the member for Hotham, I am glad that he is interested in a multitude of issues, but we would rather that he, as shadow minister for regional development, understand that Melbourne is not part of regional Australia. So his latest and most significant contribution for some time has been to issue a press release entitled ‘Labor opposed to amalgamation of Melbourne ACCs’. That is a deep disappointment and a deep worry.

The member for Hotham and the member for Corio, on the few occasions they do come together to live up to the Leader of the Opposition’s empty promise of a new dialogue with the bush, will have a lot in common and will sympathise with each other’s position. They have both claimed that the Labor Party is ‘rotten to the core’. Are we meant to forget that, only a few weeks ago, a number of its backbenchers were overlooked because, stripped of preselection, they do not attract the same attention as frontbenchers? But only a few weeks ago the Labor Party, especially in Victoria—

Mrs Hull—The member for Isaacs.

Mr McGauran—One was the member for Isaacs. See how quickly you are forgotten when the Labor Party exiles you? It is papering over all of its cracks, but the divisions and enmities within run deep. The disagreements and the dislikes plunge to almost unfathomable depths. After all, it was the member for Corio who talked about the rottenness in the Labor Party. Empty promises with no track record to rely upon and no serious policy initiatives of any kind are no substitute for hard work. Lazy oppositions are always held accountable in the same way that governments are.

Country people are above all else fair and balanced. They will assess the performance of local members. They will assess the performance of political parties. They will give Labor a chance. But Labor has never done anything for them to assess, as against the policies and the programs of the Liberal and National parties. We have much to be proud of in government in our 10 years of representing regional and rural Australia and we have many plans for the future. We have the same energy and dedication that first brought us to office. We have a vision for rural and regional Australia—the building of infrastructure and support for rural and regional communities. Unlike the Labor Party, we will not sell them out and we will never descend to the depths of empty rhetoric and false promises.

Mr Price (Chifley) (3.53 pm)—I am pleased to speak on this MPI. I was really pleased to learn from the Minister for Agriculture, Fisheries and Forestry that it is actually the failure of the Labor Party that has sustained the National Party—in its origins and today, he said. I can imagine what a terrific conversation the minister had with the senator from St Kilda. ‘Pete,’ he’s saying, it’s the Labor Party, it’s got me. I’ve got to leave the Nats because of the Labor Party and go over to the Libs. I’m sorry, the Labor Party’s let us down again, Pete, and I can’t take it!’ I do not know that anyone really believes that. What has been in the news this week? The Liberal Party and the National Party are going to merge. They are going to develop a deeper and more meaningful relationship. In fact, as someone interested in property law, they seemed to do the property settlement before the marriage. But, anyway, it is all off. The National Party and Liberal Party are divided to the extent they can have a relationship but they will never get married.

I want to praise today in the MPI debate a great woman from regional Australia. I have
to say I admire her immensely—Annette Harris, the employee of Spotlight. And haven’t we heard a lot about Spotlight this week? Haven’t some of the things the Prime Minister has had to say been very destructive? He says that the reason the Spotlight employees at Mount Druitt are getting a job is the new IR laws. It is really quite laughable. The DA went in in October last year before the laws were passed. In fact, the shop is not open anymore. Yes, Prime Minister, it is I think a tragedy for me in Chifley and for so many families there. I have 6,000 people who are unemployed. The one thing I desperately want for them and for any person who is unemployed wherever they are in Australia—in the cities, in the regions, in the bush—is that they get a job, because that is how we credential ourselves.

This is where the Prime Minister and I disagree. I do not believe someone who goes from unemployment to employment should be exploited. That is what we have learnt this week. Under the Spotlight AWA at Mount Druitt, people will not be getting penalty rates. Their penalty rates have gone. There is no provision for overtime, so if you work 12 hours—tough—you are still on single rates. Mr Deputy Speaker, even you, the Speaker and the Speaker’s panel have a structured workload that allows you to have a rest break. Why can’t those workers at Spotlight also have a rest break for things like going to the toilet? There is the elimination of breaks between shifts, the elimination of the maximum and minimum shift length and a cap on the number of consecutive days work. They are all gone for those new workers. They are working at inferior rates. But this is the rub. There are 86 other Spotlight stores throughout Australia with 6,000 employees. As sure as night follows day, as someone said in this place, they are going to have a race to the bottom. All those conditions are going to go, they will get 2c an hour and the whole 6,000 current Spotlight employees will be on the same Australian workplace agreement.

The shadow minister for industrial relations talked about the stores in Mount Druitt. I have to say I was not at the original opening of Westfield Mount Druitt, but I was there when Prime Minister Hawke opened the second extension and this year I opened the third extension. We have shops such as Coles, Woolworths, Kmart, Target, Just Jeans, Best and Less and Liquorland. What is going to happen to those workers? Spotlight is not going into Westfield; it is actually going into ShopSmart. I did not open the original shopping centre, but when it changed hands and became ShopSmart I opened that. What is going to happen to the stores that are there—the coffee shop, Colorado et cetera? Those workers are going to be faced with a race to the bottom. We are not going to improve overall employment.

If new stores open where the wages are lowest—Prime Minister, in India the average wage is about US80c an hour—why wouldn’t Spotlight be opening 50, 100, thousands of stores there or in China or in Thailand? Of course, stores open where there is a market. Not only are we going to have competition on price, product and service but all stores now are going to be competitive in terms of the rates of pay they offer and it will be the workers and working families of Australia that will pay the price.

We have heard that 600 additional workers are going to face that pressure in Mount Druitt. In the electorate of Lindsay, Penrith Plaza is a much bigger shopping centre. If I have 600 workers, they will have 1,000. In the electorate of Greenway—the member for Greenway is not in the House—the Westfield shopping centre there is much bigger. In fact, I would say the shopping centre is even bigger than Penrith. So there will be more than 1,000 workers facing the grim reality not
only of high petrol prices and increases in their mortgage repayments but also now, if they have work in the local shopping centre, of taking a $90 a week pay cut in trying to bring up their families.

Of course, Spotlight is not just confined to those shopping centres. For example, there is one in Dobell. Mr Deputy Speaker Causley, we have already noted that you have a Spotlight store in your region, as does the member for Cowper in Coffs Harbour. The electorate of Riverina has one. I saw the member for Riverina in here yapping away whilst the minister was responding. It is going to put pressure on the Riverina. Are we saying that there are heaps of jobs and heaps of choices in the Riverina?

In Queensland there is a Spotlight store in the electorate of Moncrieff. There is one in the electorates of Fisher, Dawson—the electorate of the absent parliamentary secretary—Longman, Bonner, Groom and McPherson. Wherever the Spotlight stores are—whether they are in West Burleigh, Townsville, Toowoomba or Mount Gravatt—the workers in those stores know the one thing the Prime Minister has guaranteed them here in question time is that, at some point in their future and their family’s future, they are going to be signing an AWA which will be giving them 2c an hour, all their conditions will go away and they will be worse off but they will be expected to pay for petrol, their mortgage and their kid’s education and it is all for their welfare—and, if it is not for their welfare, it is for the good of the country. I do not think people will believe that.

In South Australia there is a Spotlight store in Clovercrest in Adelaide. There is a Spotlight store in Mount Gambier, in Kingston and in Grey. The same things are going to happen in those shopping centres. The workers in those shopping centres know that they face in future a $90 a week pay cut. They will get 2c for doing away with things like overtime, shift allowance and restrictions on the number of days worked. There are only two Liberal members in Tasmania, but I might point out that the same thing will happen in Burnie in the electorate of Braddon and also in Launceston in the seat of Bass. Gee! The member for Bass has got a lot to say but not one word about the workers who are facing this $90 a week cut. I think the Prime Minister has been very destructive, in the terms of the MPI proposed by the Leader of the Opposition. *(Time expired)*

Ms LEY (Farrer—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (4.03 pm)—In this matter of public importance we really have not heard any serious policy discussion from the Labor Party—not from the Leader of the Opposition and not from the member for Chifley, who has just delivered a 10-minute speech on shopping centres. The Leader of the Opposition has touched on a couple of issues, because he did mention a broadband policy for the bush. I think I can argue that you have to have activity, business and confidence in the bush before people are going to take a step that involves what he proposes.

Why is the Labor Party so afraid of the ‘A’ word—agriculture? Agriculture has not been mentioned today by either of the speakers from the opposition. The Minister for Agriculture, Fisheries and Forestry and I certainly have mentioned it and will continue to. The Leader of the Opposition talks about opening a dialogue with rural and regional Australia. I, too, have the transcript from today’s *Country Hour* where he said he met with the NFF last night. He said:

We had a very good chat with the NFF. They came to Canberra—in fact they do not come to Canberra; they are here already—
to talk to us about issues that were important to them, and we discovered very high levels of commonality, very high levels of commonality on regional policy, on things like nationbuilding issues—
et cetera. I will give some advice to the Leader of the Opposition on talking to the NFF—and I do not propose to speak for that particular group: you as an opposition will have to tackle the hard issues if you are to win over the hearts and minds of rural and regional Australia, not one of whose votes we ever take for granted. Where do you stand on the hard issues facing agriculture and rural and regional Australia: live sheep exports to the Middle East; intensive factory farming; irrigated agriculture in the Murray Valley; plantation forestry; the very difficult issues farmers face with state governments on native vegetation laws that are driving them absolutely mad; Work Choices, which farmers support; and foreign workers, which farmers support? If you want to open a new dialogue with regional Australia then you will have to come out with some statements about these issues that can resonate with the people that I represent and the people that other coalition members in rural areas on this side of the House represent. That is a lot more difficult for you than simply mentioning nation building and talking about broadband connections in the bush—which I am keeping a close eye on and I think it is going very well. If the Labor Party takes to the next election the policies it took to the last election, it will be doing nothing for rural and regional Australia. It has to move a seismic shift away from where it was then to even get the attention of farmers and people in rural towns.

If I think back to the 2004 election, I was concerned—and I am sure the member for Mallee was equally concerned—about the Labor Party’s policy to put 1,500 gigalitres of water into the Murray River. The member for Kingsford Smith trotted down to the confluence of the Murray and the Darling with the then Leader of the Opposition—everybody was looking very uncomfortable because they were so far away from the big smoke—and announced, ‘We are here to save the river’—how many times have we heard that from them?—and, ‘We will put 1,500 gigalitres in the river.’ Every individual along both sides of the Murray River—and that adds up to a significant proportion of rural constituents—was horrified because they knew what the Labor Party did not know, which is that, if you chose a policy like that, you would decommission Hume Dam and you would close down irrigated agriculture in the Murray-Darling Basin. I am not sure about the figures for irrigated agriculture, but agriculture generally makes a contribution of about $13 billion to the national economy from the Murray-Darling Basin alone. So to come up with a policy like that, designed to provide some confidence to a city based constituency, was a very big mistake.

This is an example of how the Labor Party view agriculture issues: they simply do not understand. If you talk about water, they do not think of irrigation; they think of environmental flows. If you talk about things growing in the bush, they do not think of crops or produce; they think of native vegetation. As the minister said, we have an ongoing vision for rural and regional Australia about improving market opportunities, about tackling the difficult natural resource management issues, about having an industry policy that facilitates capacity building. In the bush we do not have large numbers, so we have to punch above our weight. We need the capacity there, and we are building it in our rural industries. We have a vision about structural adjustment, where and when needed, and about drought relief for exceptional circumstances. This government has
been criticised most unfairly for its record on exceptional circumstances drought relief. I remind people that we have already paid out $1.02 billion in drought relief. To whatever extent we need to support farmers in drought, we have an open-ended commitment to do so.

We have a vision for research and development—an issue close to my own heart as the parliamentary secretary. The only way we can combat the decline in farmers’ terms of trade is by increasing productivity, and the main driver for increasing productivity is R&D. Our commitment of a $500 million research and development package and 14 statutory and industry based R&D bodies is really making it happen for the nation’s farmers—the best science, the best minds and the best people applying themselves to the task, with an extension network that means that in the paddock and on the tractor you can realise a benefit that puts you at the cutting edge of the world in leadership in agriculture, farming and productivity.

We have made significant contributions to protecting our flora and fauna from pest and disease incursions. I ask the four rural members opposite if they can name just three weeds on the national list of weeds of significance. There are 20 weeds on that list. Can they name three of them? I doubt it. To further emphasise our commitments, particularly in the last budget, we have a $2 billion Australian water fund, we have committed $44 million to defeating weeds—

Mr Murphy—Paterson’s curse.

Ms LEY—The member for Lowe is naming weeds, but I will have to get to him after the MPI. The government has made a commitment of $500 million to the Murray-Darling Basin. This is significant. The government has said it recognises that it has made a promise regarding additional water for our icon sites but that it has to get the balance right between agriculture and the environment. We recognise that it has been difficult for the states—I am being polite here—and that they have faced some obstacles. We have another $500 million on the table to get this right and to make it happen, for the benefit of everyone, by 2009. I certainly recognise that it is not just about watering the icon sites, important though that is, but about the security of water for the irrigated agriculture interests along the Murray, giving them the level of confidence they need to produce and contribute, as they have done, to our terrific record.

The government’s commitment of $9 million in the last budget for rural counselling demonstrates that we know only too well the disastrous social effects drought can have on communities. It is disappointing that in my own state of New South Wales, around Christmas, the amount of the state that was drought declared was about 40 per cent less than it is now. So much of New South Wales came out of drought, but just for a brief time. We have now slipped back into drought. The government’s commitment is still there. The drought task force is working to make our exceptional circumstances program as good as it can possibly be, and we have provided additional support for rural counselling because we know what a drought does to farming families and communities.

The Leader of the Opposition mentioned various things that I do not think were particularly relevant to the debate. A lot of argument has centred on the issues that the Labor Party has with the Liberal and National parties. I think I should comment on that as a rural Liberal. The constituents whom I represent are not interested in the squabbles that the media or the Labor Party may report on our behalf. They have no time for representatives who come here with an agenda like that. All they want to see is their representatives cooperating with each
other—as we do in the coalition—and working together, as is evidenced by the strong working relationship I have with the member for Mallee and the member for Riverina. When we talk, we do not talk about these issues. We talk about the industries we share that reside in our areas and that matter to all of us as rural members. That is the only basis on which our constituents should vote for us. Maybe some of my constituents do not realise I am a Liberal and not a National. The same thing could be said elsewhere. It is not the No. 1 issue. The No. 1 issue is who you are and how you do your job. *(Time expired)*

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

### COMMITTEES

**Publications Committee**

**Report**

*Mrs DRAPER* (Makin) *(4.13 pm)—I present the report from the Publications Committee. Copies of the report are being placed on the table.*

*Report—by leave—adopted.*

**Mr Murphy**—Mr Deputy Speaker, I draw your attention to the state of the House.

*The bells having been rung—*

**Mr Tuckey**—The quorum has now been called for but, Mr Deputy Speaker, the member for Hunter has completed his remarks on the Medicare bill.

**The DEPUTY SPEAKER** (Hon. IR Causley)—That was not indicated. I did hear the conclusion of his speech. It was not indicated because the Speaker did not call for a seconder. So I cannot assume the member had completed his remarks.

**Mr Price**—Mr Deputy Speaker, can we withdraw the call for a quorum? There has been a misunderstanding.

**The DEPUTY SPEAKER**—I am told that we cannot stop the bells.

**Mr Price**—Mr Deputy Speaker, I suggest we do not do a quorum count at the conclusion of the ringing of the bells.

*(Quorum formed)*

**TAX LAWS AMENDMENT (MEDICARE LEVY AND MEDICARE LEVY SURCHARGE) BILL 2006**

**Second Reading**

Debate resumed.

The **DEPUTY SPEAKER** (Hon. IR Causley)—The honourable member for Hunter has moved an amendment. Is the amendment seconded?

**Mr Murphy**—I second the amendment and reserve my right to speak.

**The DEPUTY SPEAKER**—The original question was that this bill be now read a second time. To this the honourable member for Hunter has moved an amendment. Is the amendment seconded?

**Mr Price**—Mr Deputy Speaker, I suggest we do not do a quorum count at the conclusion of the ringing of the bells.

*(Quorum formed)*

**Mr TUCKEY** (O’Connor) *(4.17 pm)—I thank the Chief Opposition Whip for his prompt action in rectifying an unfortunate mistake. The Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2006 is very important legislation inasmuch as it recognises the growth in salaries and, more importantly, increased costs, which I am pleased to say are at a very low level. Traditionally, the Medicare levy of one per cent has not been placed on low-income individuals and low-income families. As a result, the government brings to the House legislation to increase the threshold at which the application of the levy commences.**

As the explanatory memorandum explains, the individual threshold amount specified in paragraph (c) of the definition of the ‘threshold amount’ in section 3(1) of the Medicare Levy Act 1986 is to be increased.
from $15,902 to $16,284. That is a reflection of the inflation effect. In the years prior to 1996, that figure would have been not a few hundred dollars but thousands of dollars, simply because the inflation per annum would have been around eight per cent to 10 per cent, which of course was also reflected in interest rates. The family income threshold is also to be increased from $26,834 to $27,478. The family income threshold is to be increased by a further $2,523, instead of the previous figure of $2,464, for each dependent child or student. They are important measures and they are fair to people. There are other measures of a similar nature which I think the previous speaker also mentioned. The legislation also addresses the issues of health and how Medicare services the community, as mentioned by the previous speaker.

These figures drew the attention of the Minister for Health and Ageing in the Financial Review today. Back in 1988, as shadow minister, I had the responsibility of representing the opposition on health. At that time it was the boast of the Australian health administration—the bureaucracy, if you like—that eight per cent of Australia’s GDP was expended on health. Today, as the minister openly admits, the figure now spent by Australians and their governments on health is 10 per cent of GDP.

I think the Americans were accused then, and still are, of spending about 12 per cent of GDP on health. One of their problems has always been the nature of their litigious society—and the member for Lalor could probably give us a speech on how that works. It is well known in America that, whilst payments of large amounts of money create a problem and are reflected by the insurance premiums of medical practitioners and the charges they levy accordingly, the real cost of that litigation in America is that it causes medical practitioners to order all sorts of additional tests and procedures to ensure that the ambulance chasers, as they are known, can find no gaps in the procedures they followed in assessing or diagnosing someone’s illness. Interestingly, my wife had such an experience in Detroit about a year ago. The way we hear it in this place, the American system is in tatters and very expensive, yet we were in a medical facility where people were coming and going and paying $10 for a diagnosis. It did not seem to be that expensive at all. The doctor diagnosed that my wife had pneumonia and that it was in the bottom half of her left lung, but he still had to send her downstairs for an X-ray to confirm that, and the X-ray confirmed his diagnosis.

These are the sorts of costs that pile up in a system when you have that sort of process hanging over your head. To the credit of state governments and this government, we have put some caps in so that the ambulance chasers have been seriously out of work in this country. There has been a huge drop-off in their occupancy of barristers’ offices and things of that nature. We have not got that problem, but we are catching up to America in terms of the percentage of GDP that we invest in health. The federal health minister, Tony Abbott, not surprisingly, admitted that federal spending on health and ageing has more than doubled during the Howard government’s decade in power, to $48 billion, and is expected to put increasing pressure on future budgets as the population ages and medical technology costs rise.

The other point that the minister made is that long hospital waiting lists and increased patient expenses are unavoidable if the federal government is to keep the lid on the nation’s spiralling health costs. When it comes to public hospitals and public health treatment, the only mechanism of cost control is waiting lists. It is interesting that I heard a very respected New Zealand health administrator, who was in fact a dame, address a
conference as the keynote speaker and say exactly that. But she went on to complain about the administration of waiting lists and how, if you had an active MP or if you knew someone who knew someone, you could get promoted up the list. There was a classic case here in Canberra relating to a person with great political connections and no private health insurance getting a place at a hospital, a private room and her doctor of choice. Of course, that all occurred because of that lady’s political connections—in fact, she was married to a Treasurer.

The reality is that it is time we analysed one of the reasons for this situation of rising costs without improving services and continuing waiting lists. Let me point to a very simple example: we tend to fund our public hospitals virtually on a bulk block budget situation, maybe with some movement. But, at the beginning of the financial year, the administrator of a public hospital has a pretty good idea of the extent to which they can spend money, and they are frequently accused in the media and other places if they exceed that amount of money. That process in itself makes a patient a liability. If you have a fixed budget, you do not want too many patients. You have got to be terribly careful about them. You cannot have too many prostheses to remove pain and suffering for people with arthritic hips and things of that nature, because you are going to run out of money. As generous as you would like to be as a health administrator, you are constrained by a budget. On the other hand, if you are running a hospital where your revenues come from the private health insurance system, you get paid fee-for-service and, therefore, you are able to help these people out.

I am getting messages that you, Mr Speaker, need 60 seconds—and you are naturally going to get it—but first I want to make the point that it is important that we look at the way we manage hospital services and know why we have queues. There are queues in public hospital systems all around the world, and they will never go away. There will never be enough money to fix it while we run the systems we do. In this country we run another system in which Medicare—the very organisation that we are discussing today along with the way its levies are raised—competes with private health. It is perceived as a free service. People pay their taxes—the group we are discussing today do not even pay their taxes—and they find themselves thinking they get it for nothing. If you are in the young and healthy sector who would otherwise be contributing to private insurance, you say, ‘No, Medicare will do me.’ So all that revenue that should be there to assist the elderly and those who have genuine needs is not there, and all the private funds get are those in what might be called the high-risk category. I ask leave to continue my remarks at a later date.

Leave granted; debate adjourned.

SPEAKER’S PANEL

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

ADJOURNMENT

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

That the House do now adjourn.

Workplace Relations

Mr GIBBONS (Bendigo) (4.30 pm)—I am delighted to see my friend the member for Corangamite in his usual adjournment mode, wandering around the government benches looking for any coins that might inadvertently have fallen out of his colleagues’ pockets, and I wish him well.
Last night the Howard-government-appointed chair of the low pay commission admitted that the government’s legislation pushes the Fair Pay Commission to reduce the minimum wage in real terms. The government is clearly not satisfied with having argued for lower wages for the past 10 years. In fact, had the Prime Minister’s arguments been adhered to then millions of Australian workers would have been $50 per week, or $2,500 a year, worse off. Professor Harper’s admission clearly indicates that the second leg of the Howard government’s wages race to the bottom, further lowering of the minimum wage, is under way.

The ruthless campaign by the owners of Spotlight stores to systematically reduce the real take-home pay of their staff is just one example. Spotlight, Australia’s largest fabric store chain, is using the federal government’s new workplace laws to strip away penalty rates for shiftwork, overtime and public holidays as well as to scrap annual leave loading and scheduled rest breaks. This is not scaremongering by the unions or the opposition, as the Howard government would have the general public believe. It is a fact. The loss of these conditions by Spotlight employees is despite the numerous guarantees from the Howard government that the employees’ minimum conditions would be ‘protected’. Spotlight’s so-called agreement will offer staff a miserable 2c per hour extra in exchange for losing at least eight award conditions, resulting in losses of up to $90 per week. Shop assistants are not highly paid or highly unionised and are some of the least able to afford a pay reduction of around $90 a week.

Spotlight could not use the argument that economic conditions or profitability were to blame. Spotlight operates approximately 100 stores in Australia, employing more than 5,000 staff, as well as having stores in New Zealand and Singapore. Research on the company shows that Spotlight has been growing at about seven per cent annually and that the two Melbourne based brothers who own the company have been listed in the Business Review Weekly Rich 200 list of Australia’s wealthiest individuals at No. 86, with a fortune valued at $340 million. They obviously subscribe to the ‘greed is good’ mentality championed by the Howard government. The Howard government’s new IR laws have always had the unstated objective of reducing wages and conditions in real terms. Their potential impact has always been alarming, but when an extremely profitable national company with a large store in our backyard starts to exploit working people, in keeping with the government’s new IR legislation, it is truly frightening.

There is no clearer example of the Howard government’s destructive performance in regional Australia than the potential loss of 250 jobs in Bendigo that has emerged just in the past two weeks. Kyneton’s John Brown Hosiery factory have announced they will close with the loss of around 40 jobs; Milnes engineering in Bendigo have closed with the loss of 30 jobs; Network 10 Bendigo have announced the loss of 10 jobs; there are 19 jobs under threat at Bendigo’s Mirridong aged care facility; and Empire Rubber in Bendigo have announced they are considering laying off 150 employees. The potential loss of around 250 jobs in Bendigo could result in the direct reduction of wages of at least $10 million a year in the Bendigo economy.

These 250 jobs potentially lost in such a short period are a damming indictment of the Howard government’s management of the economy, the new workplace relations legislation and tariff reduction policies. The Prime Minister and the Treasurer constantly brag about their strong management of the economy, but the possibility of losing 250 jobs in two weeks clearly shows how se-
verely their policies impact in the real world. Companies and small businesses are either experiencing considerable financial pressure or just taking advantage of the Howard government’s new workplace relations laws to shed jobs at current award rates with the intention of replacing them with workers on Australian workplace agreements at substantially reduced wages and conditions.

It is bad enough that low-income wage earners have lost their jobs—and I am pleased the Minister for Human Services is in the House to listen to this—but those with young families who receive family payment benefits could be facing substantial tax slugs because they would have underestimated their annual income for this financial year. They would have had no way of knowing that their employment would be terminated, and any accrued entitlements and termination payments would not have been allowed for, potentially resulting in a substantial tax debt in some cases. I want to stress that this only applies to some employees who are in receipt of family payment benefits. Those redundant workers who do not receive family payment benefits are usually not affected by this callous and unfair treatment.

I raised this appalling situation with the Howard government in late 2004 on behalf of two or three former employees of the Frew abattoirs in Kyneton, but the government flatly refused to help, other than by extending the time allowed for people to pay the debt. In fact, a letter to me from the then Parliamentary Secretary to the Minister for Finance and Administration stated that, since the Howard government believed the abattoir’s closure was not the fault of the government, they could see no reason to help the redundant workers. If anyone has any doubts regarding just how unfair the Howard government’s treatment of low-income earners is then this clearly should remove all doubt. I will continue to harass the Howard government until they rectify this appalling and heartless situation—and, Minister, I will be writing a letter to you very shortly along those lines. *(Time expired)*

**Mr Ray Babbage**

**Mr HARTSUYKER** (Cowper) *(4.35 pm)—On 26 April 2006 Ray Babbage was tragically drowned at Coffs Harbour’s Diggers Beach at the age of 53. Ray, a much loved teacher, sports coach and family man, is sadly missed by many in the Coffs Harbour community. Ray loved the sea. He was an expert surfer who was known as the ‘wave magnet’. He would surf the break at Diggers every day when there was the slightest swell, and when there was no swell or if the wind was up he would go fishing in his sea kayak. He would catch the waves that no-one else could, but on the morning of 26 April the sea was rough and the circumstances behind Ray’s drowning remain a mystery. It serves as a timely warning to all beach goers of the power of the ocean and the very real risks present on our beaches.

Ray taught first at Coffs Harbour primary school and for the last 12 years at Boambee Public School. He loved children and rejected the lure of promotion to remain a classroom teacher. He gave much to his teaching, and as a result he was held in the highest regard by many present and former students and their families. Ray sought and achieved a high standard. ‘Never leave the bar at average,’ he would say, ‘Aim above that.’

Despite initially knowing nothing about AFL football, Ray coached Boambee Public School to the state semifinals of the Paul Kelly Cup, held at Homebush Bay—a great achievement for a small country school. He was a champion sailor and a winner of the Australian Sports Medal and coached many Coffs Coast youngsters to success at state and national sailing championships in a range of different boats. His son Scott won
national championships in several classes, including Moths, 29ers and Flying 11s, and is also a world championship winning sailor on 29ers.

A memorial service was held for Ray at his beloved Diggers Beach. Tributes were paid by the principal and students of Boambee Public School. Boambee is a fine school with a dedicated principal, in Bill Gates, and a devoted staff. At that service the children of Boambee Public School paid tribute to their teacher and shared their memories:

Dear Mr Babbage, you were more than a teacher. You were a good friend and I wish you were here. I miss you.

He was nice to be with when you were sad.

He loved his sport like surfing, sailing and fishing.

He was a really good teacher to us. He was happy and kind. He was the best teacher we ever had.

Mr Babbage you were the best teacher. Catch a wave for us up in heaven.

The students from kindergarten also offered their comments. They said:

Mr Babbage liked to dress up and be funny.

Mr Babbage was good at lots of things.

As a final tribute to Ray, a plaque was placed in the dunes overlooking the beach and a large group of surfers paddled out to cast floral tributes on the water. Teaching is a great profession. It is indeed a valued vocation to shape the development and character of young Australians. I believe the most lasting tribute to Ray is the influence that he has had on the many children that he has taught over his 30 years of teaching in Coffs Harbour. Abraham Lincoln said, ‘In the end it’s not the years in your life that count. It’s the life in your years.’ There was much life indeed in Ray’s 53 years. He will be fondly remembered by his wife, Rosie, and his children, Scott and Tina, and his passing is a tragic loss for us all.

Australian Labor Party

Ms HALL (Shortland) (4.38 pm)—On Monday night the member for Dobell launched a vicious attack on a community based volunteer group, Coastal Voice, and its president, Craig Thomson. Tonight I would like to correct the record and address the comments made by the ill-informed member for Dobell, who has made only nine speeches in parliament this year. Two of those have been attacks on people outside the parliament. Coastal Voice, the group that the member for Dobell attacked, was founded after a community age care forum on the Central Coast. Whilst the member for Dobell was invited, he failed to attend, even though 25 per cent of the people living in Dobell are aged over 55, a fact acknowledged by the member in his first speech in this parliament. Having a member that does not listen to his electorate, the community had to get their message to this government through other means.

Coastal Voice was formed after the aged care forum, as it became obvious that there were many issues that governments at all levels needed to address. It was logical for those attending the forum to fight to have these issues addressed, hence Coastal Voice was formed. Invitations to the official launch, which was held last Saturday, were sent to all local, state and federal politicians. The member for Dobell again failed to attend or even reply to the invitation. Apologies were received from the member for Robertson and other representatives.

The member for Dobell asserted that Coastal Voice was an ALP front. That may be the way the Liberal Party acts, but it certainly is not the ALP way. Coastal Voice has members from both sides of politics and from no sides of politics. Members of the ALP are members of Coastal Voice. I would expect that as they are people who are com-
mitted to social justice and a better community for everyone. The member for Dobell has made allegations regarding the involvement of the Central Coast Mariners. It is my understanding that it was as a result of direct threats by the member for Dobell that the coach of the Mariners withdrew as patron of Coastal Voice, but he and two of the Mariners still attended the launch.

Mr Hockey—Mr Speaker, I rise on a point of order. I am loath to do it but there are very substantial allegations being made here about the member for Dobell, suggesting that he made intimidating threats to individuals. I would ask that either a substantive motion be moved or the member stop making these sorts of allegations because they are very serious.

The SPEAKER—I thank the minister. In calling the member for Shortland, I would draw her attention to that point and ask her to be aware of how she frames her remarks.

Ms Hall—Thank you, Mr Speaker. Perhaps if the member for Dobell spent more time fixing local problems, he may not have a group of locals so concerned that they have to form a group to represent the Central Coast. To set the record straight, the Leader of the Opposition did not launch the group; rather he attended the launch, as he is interested in issues confronting the people of the Central Coast. The group’s website—www.coastalvoice.com.au—reflects the views of the community in a series of forums and everyone is welcome to subscribe and post comments. Coastal Voice will publish the numerous emails and comments sent from the member for Dobell. I encourage the community to visit the website and see how the member’s staff members spend their day working for the taxpayers of the Central Coast: sending nasty, scurrilous emails to a community group staffed by volunteers.

The member for Dobell also viciously attacked Craig Thomson in this parliament on Monday night. I can assure the House that Mr Thomson has done nothing except work hard for thousands of Health Services Union members and their families. It is an honour to work with Mr Thomson. He is a colleague who is committed to the rights of workers. He is committed to a fair go for locals on various issues such as transport and Medicare. You will not stop Craig Thomson. He will stand up to the member for Dobell and he will stand up for the Central Coast. My advice to the member for Dobell is stop attacking community groups and his constituents and to concentrate on solving the problems that Coastal Voice has identified. This is an arrogant, out of touch, inept government with extreme views and an extreme agenda, and there is no better example of this than the member for Dobell.

Smartcard

Mr Laming (Bowman) (4.43 pm)—One of the most important elements of welfare policy is a safety net, but right now it seems that the most important safety net of all is that for the Australian Labor Party’s welfare policy. Nowhere has that party been more vacuous and more equivocating than with its position on the Human Services access card announced in this year’s budget. We have a Minister for Human Services and a Minister for Community Services with the courage to take on the issue of streamlining services and the provision of welfare for Australians. I would like to quote today a few salient statistics: 670 million contacts in Human Services each year; each day 250,000 face-to-face contacts; 150,000 phone calls; and 100,000 letters sent out by Centrelink. It is an enormous operation. During the average 15-minute phone call that clients make to Centrelink, a full three minutes can be spent on attempting to identify the person on the other end of the phone. For this system the
advent of an access card offers enormous efficiencies.

Concession card holders are already at the mercy of up to 17 different forms of health and welfare cards in this country. The access card offers an opportunity to pull all those together. This single card has a photograph and a signature on the front, and on the back is a number that allows people to access welfare services quickly and more effectively. The other great strength of this card is that a single change of address can be reflected across all the agencies under Human Services. Most importantly of all, this card is going to offer, via a 64-kilobyte chip, the chance for Australians to carry on that card essential details such as major illnesses, next of kin, doctor details and immunisation status, and even organ donation consent, which is a vital piece of information so often missing at just the moment it is required in our hospitals around the country.

Let us make no mistake: Australia is by no means a world leader in this area. Already France, eight years into this, has found enormous gains for its welfare system, and is even moving into the area of biometry and face recognition. But it is also in Germany, Finland, Taiwan, South Africa, the Netherlands, Greece, Spain, Hungary and, soon, Ireland—so by no means are we a laggard either. But the $1.09 billion announcement that will see these access cards being rolled out in 2008 is a really promising move, and it took the vision of the Howard government to finally make it happen after decades of it being talked about.

It has been at least 20 years since the infamous Australia Card was proposed. I want to say one thing: the access card is a completely different proposition both in what it does and in its reception by the community. The warmth of the embrace for the access card has been significant in my electorate. There is a lot of excitement about what it can offer, mostly because young Australians particularly have become quite used to access to technology. They are a networked community. Those under 30 have lived in the interactive age where the PC, the game console and the mobile phone are all converging. Younger Australians are more familiar with those kinds of advantages. In addition, we have the regular engagement of technology, the regular use of this sort of thing, and that is why there will be a great deal more comfort with the advent of the access card. Let me lay out the—

Opposition members interjecting—

Mr LAMING—There is some illumination on this side of the House, even if there is not a great deal of light.

Mr Murphy—The light is shining on me.

Mr LAMING—Let me illuminate you further on the benefits of the access card. There are three areas that we are worried about with personal information: personal earnings, taxation information and, of course, public welfare information. The access card is primarily merely about identification verification to access government services. From 2010, one will have to present that card in order to access those taxpayer funded services.

But on the EFTPOS platform there is an enormous amount of potential for the future. It is a multi-application platform. It offers the chance to streamline medical billing within general practices, which is something that holds an enormous amount of promise. We will be able to streamline the interaction with the medical system at the doctor’s desk. That still needs to be worked out. We already have the HIC online system rolled out to nearly 70 per cent of GPs, but it still has a low take-up. One of the key reasons is the lack of banking details held by doctors and, of course, the patient’s ability to remember their own bank-
Workplace Relations

Mr BRENDAN O’CONNOR (Gorton) (4.48 pm)—I think it is important that I rise to illuminate the chamber with some comments on the effects of the Work Choices act. This week we have heard a great deal about the real effects of this legislation upon working Australians. There was no greater example of the adverse effect upon hardworking Australians than the recent effect imposed, unwillingly of course, upon Annette Harris, an employee of the company Spotlight. She has been asked to forfeit more than $90 per week of her ordinary weekly earnings so that the company can impose Australian workplace agreements upon its staff in one store. What we know, as a result of the way in which the legislation is constructed, is that this is likely to follow in other stores of that company and, as a result, will follow in other companies that compete with Spotlight.

This is a race to the bottom. I have had the great fortune to travel across Australia as chair of Labor’s industrial relations task force. We have managed to visit 20 electorates in the last five months. We have visited 15 government held seats. We have travelled to every state and territory of this land. We have spoken to hundreds of people. We have spoken to employees, to small businesses, to church groups and to community organisations about their concerns and anxieties about the Work Choices act. This week in parliament we saw an outrageous example of the effects of that on Spotlight employees.

This is just the beginning of a race to the bottom across this country. There is no doubt it will continue unless there are fundamental changes to the industrial relations policies of this nation. We have heard stories of maltreatment of employees by some employers in Lismore. We heard the same thing in Gladstone, in Townsville and in Launceston.

Mr Baker interjecting—

Mr BRENDAN O’CONNOR—I would like to let the member for Braddon know that we will be in Burnie and Devonport soon.

Mr Baker—I look forward to it.

Mr BRENDAN O’CONNOR—I am sure that, unfortunately, as a result of this legislation we will hear stories about the effects on workers suffering in those great communities of Devonport and Burnie in Tasmania. What will the member for Braddon do? The member for Braddon voted for the legislation. He likes to pretend to be a friend to workers down in Tasmania, but he came to Canberra and voted for this legislation. Like many government members, he pretends to be a friend to workers, but when he comes to Canberra he votes against their interests. We will be informing all the constituents in the seat of the member for Braddon about the manner in which their member has represented their interests, as we will of course with all of the members of government held seats. Their constituents deserve to know what their representatives are doing in Canberra and they deserve to know about the effects of this legislation. Of course, we do not need to tell many of them about that because they are already experiencing these adverse effects.

This task force set up by the federal parliamentary Labor Party will continue its work until election day in order to expose the way in which this legislation imposes itself upon good employers so that they do bad things, as well as imposing itself upon working people. This legislation allows bad employers to do bad things and forces good employers to do the same. This legislation is coercive by nature. It legitimises the bad behaviour of some employers and forces decent employers—good corporate citizens—to
consider doing the same just to stay in competition. That is an outrageous regime to set up in this country—a commercial arrangement whereby companies have to consider cutting the conditions of their own staff in order to compete with the worst elements of the employers in this country. What a regime to set up! What have the workers of this country done to this government? They have been the backbone of this nation’s economic performance for 20 years and, for their efforts, they are being treated in an outrageously bad way. We will continue to expose that across the country in as many government seats as possible. (Time expired)

The SPEAKER—For the benefit of the House, I understand there has been a lightning strike and that the lights will be restored shortly.

**Spirit of Tasmania**

Mr BAKER (Braddon) (4.53 pm)—I rise this afternoon to reflect on a matter of serious concern in my electorate and, indeed, in all of Tasmania. Members would be aware that the Tasmanian government owned TT-Line currently operates a daily passenger service between Devonport and Melbourne on *Spirit of Tasmania I* and *Spirit of Tasmania II* and three services per week between Devonport and Sydney on *Spirit of Tasmania III*. The *Spirit of Tasmania III* service was introduced as a result of the success of the twin ferry service between Melbourne and Devonport and was aimed at the New South Wales and Queensland markets. I know that a great many people have enjoyed voyages on *Spirit of Tasmania III*, but unfortunately it has become evident that the service is not sustainable from a financial perspective.

A recent report by TT-Line, which is currently under consideration by the Tasmanian cabinet, recommended disposing of the ferry. Serious questions are rightly being asked in the Tasmanian parliament as to whether the Labor government knew of the problems facing *Spirit III* prior to the recent state election. We all know about the recent accusations against the Tasmanian government in relation to Hydro Tasmania, a company the government said it would never sell. Given the conditions in the chamber at the moment, it is appropriate to say that Labor does business in the dark. We just heard the member for Gorton ranting and raving about industrial relations. Currently, the Maritime Union official in Tasmania, Mike Wickham, is blaming everyone else. He does not understand that the business case for *Spirit of Tasmania III* is that it must have 130,000-plus passengers to be viable. At the moment, the state Labor government can only attract around 80,000 passengers, which is indicative of Labor’s lack of knowledge of business and how markets and the real economy work.

Mr Hockey—They dropped the ball on tourism.

Mr BAKER—They dropped the ball on tourism. And the federal government has put millions of dollars into tourism not only in Tasmania but all over the country.

I want to expand on the member for Gorton’s proposed visit to my electorate. I hope he sits down with the farming community and all the agricultural contractors and asks them about their feelings on the new Work Choices legislation. There will be one system nationwide and they will not have to deal with four different jurisdictions and rules, regulations and award systems when they move from Tasmania to Victoria, New South Wales and Queensland. The system has been a complete and utter mess and a nonsense. It just shows you how out of touch Labor is with the reality of business. Members on this side of the House come from 48 different occupations and members on the other side come from—I will be kind—fewer than 10
occupations. That is a classic example of why they do not understand how business works and operates.

This government has created 1.7 million new jobs in the last 10 years. We have record low interest rates and inflation steady at around two to three per cent and more and more people buying their own homes. And they talk about this government being out of touch! Before I was elected, I was in the workforce and I witnessed the pain of extraordinarily high interest rates and record bankruptcies. The opposition need to talk to business people and employees in the workplace.

While the loss of Spirit III would be a psychological blow, I believe the critical issue is not about the future of any particular mode of transport but about ensuring that people continue to come to the great state of Tasmania. That is borne out by last year’s report by the Tasmanian government’s own Treasury department, which found that the mode of transport used by tourists to travel to the state is not of particular significance to the majority of the tourism industry. It is important that the state government put in place a plan to attract tourists to Tasmania. Instead of continually blaming the federal government and putting its hand out, the Tasmanian government should start taking some responsibility. Whether it is health, business, education, investing in our schools or investing in our roads, the state Labor governments are incompetent. It is about time they recognised their failings and learnt how to do business from the federal government. (Time expired)

Sydney (Kingsford Smith) Airport

Mr Murphy (Lowe) (4.58 pm)—Bearing in mind the member for Braddon’s comments on the contribution made by the member for Gorton, I would like to reassure the House that, notwithstanding the very poor level of illumination in the House at the moment, this is not a case of the blind leading the blind. Mr Speaker, you will doubtless recall my having sought your assistance under standing order 105(b) after question time today in relation to some important questions on the Notice Paper. I made reference to questions on security in the baggage handling area at Sydney (Kingsford Smith) Airport. I want to draw it to the House’s attention that, on 28 March, I put follow-up questions 3256, 3257, 3258 and 3259—and, on 30 March, question 3391—to the Minister representing the Minister for Justice and Customs in relation to the two closed circuit security cameras at Sydney airport which had been interfered with on three occasions between October 2004 and October 2005. I want to remind the House that, in October 2004, Schapelle Corby went through Sydney airport and something like $10 million worth of cocaine went through Sydney airport.

This is a very serious episode. I want to express my grave concern that it took Senator Ellison nine months to answer my questions and he has taken a further two months to tell the people of Australia what has happened in relation to the inquiries, investigations, findings and conclusions that were made in relation to the two cameras that were sabotaged on three separate occasions. It is a very serious issue. People want to know that when they check their luggage in it is safe.

The Speaker—Order! It being 5 pm, the debate is interrupted.

House adjourned at 5.00 pm

House adjourned at 5.00 pm until

Tuesday, 13 June 2006 at 12.30 pm, in accordance with the resolution agreed to this day.
NOTICES

The following notice was given:

Mr Garrett to move:

That this House:

(1) note numerous calls by the international community, including motions passed by the European Union, the United States Congress, the United Kingdom House of Commons and others, for a cessation of human rights abuses in Burma;

(2) note also statements by the Australian Government including most recently at the International Labor Conference in June 2005 concerning the current situation in Burma in relation to forced labour practices;

(3) recognise that there has been no meaningful progress towards democratic rule in Burma and that opposition leader Aung San Suu Kyi remains under house arrest and that this detention has been extended for a further twelve months;

(4) Note the recent offensive against the Karen people entailing destruction of housing and forced relocations.

(5) recognise that the National Convention established by the Burmese junta cannot in its present state achieve a state constitution that will guarantee human rights, democracy and federalism in Burma, and to date has made nil progress;

(6) call on the Australian Parliament and Government to reject the sham National Convention;

(7) repeat calls for the urgent cessation of human rights abuses in Burma;

(8) repeat calls for the immediate and unconditional release of Nobel peace laureate Aung San Suu Kyi, U Tin Oo, Khun Tun Oo and remaining political prisoners;

(9) urge the United Nations Security Council to act immediately, in concert with the international community, in relation to the current situation in Burma; and

(10) further call on the Government to continue to engage vigorously with regional states, including the People’s Republic of China, and India, with a view to encouraging support for the placing of Burma on the agenda of the UN Security Council.
The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Rural and Regional Australia

Mrs ELLIOT (Richmond) (9.30 am)—I rise today to speak about how the Howard government, and in particular the National Party, have abandoned the people of regional Australia, particularly in relation to employment and training. The youth unemployment rate in northern New South Wales is currently 30 per cent. After 10 long years of the Howard government, the member for Page has finally shown some interest in the high unemployment rate in this area. Recently he asked, ‘Why is it so?’ Why is unemployment so high when there are local businesses that cannot find skilled workers? If the member for Page wants to know why there is a skills crisis in the Northern Rivers area, he should ask his own government. The answer is that in the past 10 years the Howard government has ripped money out of education and training—and this is when the skills crisis is the No. 1 road block in our economy.

The member for Page needs to ask his own government why the 2006 budget largely ignored education and training and why the Howard government’s 2006 budget slashed $13.7 million from an incentive program to encourage rural and regional businesses to take on apprentices and why the 2006 budget abolished a $38.5 million scheme to encourage more women to take up training in the traditional trades. Instead of focusing on training Australians first, the Howard government has imported an extra 270,000 skilled migrants since 1996 but in that time has turned away 300,000 Australians from TAFE. Unlike the Howard government, federal Labor’s priority is to train Australians first and train them now. Only federal Labor is committed to giving young people the training and opportunities they deserve, particularly the young people in regional areas, like northern New South Wales.

So, to answer the query from the member for Page, ‘Why is it so?’ it is because the Howard government has sold out regional Australia. Indeed, it is the National Party specifically that has sold out regional Australia. Time and time again we have heard about it. Not just in this area—by failing to educate our young people—but in so many different areas we have seen how the National Party has abandoned the bush. An example is that the member for Page and his National Party mates voted to sell off Telstra—abandoning the bush and abandoning regional Australia. So many locals tell me how disappointed and angry they are about that.

Also, the member for Page and his National Party mates voted for the extreme industrial relations changes. Those changes impacted the bush and regional areas severely. They really impacted the working conditions and wages of the people of northern New South Wales. At the moment we see the National Party in total disarray. If the member for Page wants an answer to, ‘Why is it so?’ I will explain why. It is because the National Party have sold out regional Australia time and time again. That is why the party is in rapid decline. They are vanishing from the landscape.

The truth is there is only one true friend of the people of regional Australia, and that is the Labor Party. We will not let them down. We will not sell them out. We will not do what the National Party have done. Time and time again we have seen the National Party abandon the
people of regional and rural Australia. Time and time again people tell me that. There is no doubt that, with the National Party now in complete disarray, its days are severely limited.

**Workplace Relations**

**Telstra**

**Australian Technical Colleges**

Mr LINDSAY (Herbert) (9.33 am)—Mr Deputy Speaker, I put it to you that it is the Australian Labor Party who have abandoned the people of Australia. The constant railing against the new Work Choices legislation is railing against the future of our country. The member for Richmond might like to listen to this. The member for Richmond should take note that the reason this difficult legislation has been put through the parliament is that it is in the interests of our country. It is in the interests of making sure that we get the productivity growth we need in the years ahead to stay competitive. The member for Richmond is basically saying, ‘Get rid of Work Choices legislation, let the country become uncompetitive and let people to the north of us take our jobs.’ I cannot see that being in the interests of the people of Australia, or in the interests of the working people of this country.

The member for Richmond also says that she would not sell Telstra. Again, that is a very narrow-sighted point of view. It is in the country’s interest that the government divest itself of its 51 per cent shareholding in Telstra, because only that way will we get better communications in the remote areas of our country. I was sorry to hear the member for Richmond criticise the member for Page—unfairly I might say, because the member for Page is a fighter for his electorate, and always has been. The member for Richmond, by railing against the sale of Telstra, rails against the provision of the latest technology in this country.

Telstra’s plans to roll out 3G right across the country is a magnificent nation-building exercise. To have 3GSM right across the country at very high speeds, providing all of these new facilities, with an upgrade path to 4G in the future, will lift our country to world standards. Yet the member for Richmond rails against that. She does not want to see the latest technology available.

Ms Hall—No, she rails against the National Party!

Mr LINDSAY—And the member for Shortland clearly does not want to see the latest technology being made available to our country. That is classic Australian Labor Party: live in the past and go back to the past.

Ms Hall—Speak for yourself. Don’t speak for me, speak for yourself. I’m capable of speaking for myself.

Mr LINDSAY—The member for Shortland should get up in this place and indicate her support for delivering much-needed new technology to all Australians. That is what the rationalisation of Telstra will do.

In relation to training, the government has established 25 new Australian technical colleges. I am turning the first sod of the one in Townsville tomorrow. All the places are already filled in the new technical college and we are going to expand it by another 30 places because the demand is there.
Mr GARRETT (Kingsford Smith) (9.36 am)—There has been much media attention and discussion in the House and in the public on Indigenous issues and the significant difficulties some communities face of late. The critical importance of starting and staying with education is universally acknowledged, especially as the rates of satisfactory progress of Aboriginal kids through primary and high school and into further study or training remain low. At La Perouse, in my electorate, there is a program that has been functioning well called the Home Instruction for Parents of Preschool Youngsters—HIPPY. This program helps parents teach their children skills that will assist them to concentrate in their first years of schooling. The program has been operating successfully in La Perouse for four years on a very modest budget of around $100,000 per year to cover the costs of a coordinator, materials and trainers who go into the homes of mums and help them learn how to teach their kids to get ready for school.

The skills taught include paying attention, concentrating, reading and writing. The program has doubled its number of participants since its inception. It is very well regarded by teachers in the local schools and by the aunties and grandmothers who are helping let others know about HIPPY. Importantly, it greatly assists mums, who find that they are able to teach their children and, as a consequence, gain increased confidence to go on to other learning and training activities.

This is a positive, successful and important program, but HIPPY’s funding through FaCSIA is not being continued and will finish on 30 June. I understand that the department is examining ways of enabling HIPPY to continue, as its funding in part derives from the Local Answers program and is not recurrent. Mr Deputy Speaker, I put it to you that it is not realistic to expect a small-scale program of this kind to easily develop business models and operate on a self-sufficient basis after only four years of operation. Yet this is the very kind of program that pays real dividends. HIPPY works. My state colleague the member for Maroubra has made representations to the state government, but this program has been funded by the federal government. It gets kids into school—disadvantaged kids—gives them a good foundation for continuing their education and helps their mums as well. It deserves and needs the support of this government.

Mr VASTA (Bonner) (9.38 am)—I rise this morning to acknowledge 12 state schools in the electorate of Bonner, each of which submitted outstanding applications under round 2 of the Investing in Our Schools Program. Just two days ago I was notified of the program’s successful applicants, and in the past 24 hours I have had the great pleasure of speaking to each school individually in relation to the grant that they worked so hard to achieve. I would like to take this opportunity to commend Hemmant State School, Lota State School, Mansfield State School, Mansfield State High School, Mount Gravatt Special School, Mount Petrie State School, Murarrie State School, Rochedale State High School, Tingalpa State School, Upper Mount Gravatt State School, Wynnum North State School and the Queensland School for Travelling Show Children.

Each of these school communities is extremely deserving of the support they have been shown by this government. From classroom refurbishments to covered walkways, library air-conditioning and shade structures, each project will benefit the learning outcomes of students,
and it is these students across the Southside and Bayside of the Bonner electorate that will ultimately benefit from these funding grants.

The Investing in Our Schools Program has facilitated the opportunity for me to work closely with many of the school communities in Bonner. I have grown to know the principals and the students well and I remain thoroughly impressed with the high calibre of teaching staff across south-east Brisbane. After countless letters of support and visits to each of the schools, it is immensely rewarding to note that 21 of these state schools in the electorate have now received funding under the program. In this latest round, grants range from $37,415 for Mansfield State High School’s project to aircondition their library to $150,000 for Rochedale State High School’s shade structure and arts facility upgrade project. These are just two of the many worthwhile projects that have been specifically designed by each school for the benefit of their students.

The response to these grants has been overwhelming and in many cases highly emotional. I know first-hand the difference that each of these projects will make in the school communities and I can confidently confirm once again that the Investing in Our Schools Program is bringing about positive change at the grassroots level. The Principal of Wynnum North State School, Glenyce Hadfield, echoed the sentiments of many principals when she said, ‘This Investing in Our Schools grant has made my year.’ Ms Hadfield, along with all the local principals, works tirelessly for the school and its students. They, together with their P&Cs, deserve congratulations on such a fine achievement. In the coming months each project will transform school facilities. I am really looking forward to witnessing these great improvements that will have been made possible by this government’s commitment to education through the Investing in Our Schools Program.

Climate Change

Ms HALL (Shortland) (9.41 am)—Global warming has become an issue of great concern to people throughout Australia. It is constantly raised with me by people within the electorate. They all say to me that they are very concerned about the fact that the Howard government have failed to sign the Kyoto agreement and that, on one hand, they give lip-service to the fact that global warming and greenhouse gas is a major issue yet, on the other hand, they ignore the easiest and most practical way of making a commitment to reducing greenhouse gas. I believe that the government stands condemned for its inaction in relation to Kyoto.

Recently the Prime Minister had a rush of blood when he declared that Australia should go down the path of nuclear power. I believe it was an ill-conceived statement—one that he made in a moment when he was looking for an agenda that he could run on and he decided on nuclear power. He thought, ‘Maybe we can cause some division within the Labor Party.’ He thought it was a good issue to get out there to try and divide the community. As we all know, the Prime Minister specialises in creating divisions and angst within the community.

I would say to the Prime Minister that he really needs to look at how nuclear power stacks up from an economic point of view. I believe it is economically unviable and I agree with the statements of Senator Minchin. There are many issues that revolve around the safety and the storage of nuclear waste, which has a very long life and is very dangerous. To my way of thinking, you do not move from one technology to another technology that also has problems. What you do is look to new and innovative approaches, try and solve the problem and make a commitment to Kyoto.
That brings me to the conclusion of my speech. I categorically state to the people that live in Shortland that I will fight to make sure that there are no nuclear power stations on the Central Coast or at Port Stephens—both areas that have been touted as potential sites for nuclear power stations. We do not want nuclear power stations in the Shortland electorate, we do not want nuclear power stations on the Central Coast, we do not want nuclear power stations at Port Stephens, and I know the member for Flinders does not want nuclear power stations in his electorate. (Time expired)

Investing in Our Schools Program

Mr SLIPPER (Fisher) (9.45 am)—I am particularly pleased to be able to rise in the Main Committee today to talk about the Investing in Our Schools Program and the more than $1.3 million in government funding that we have recently been able to attract to our electorate. These funds are necessary because the state government of Queensland serially underinvests in government school infrastructure and does not help non-government school infrastructure either.

The government schools that have recently received funding include Buddina State School, with $80,365 for several projects including new shade structures, protective awnings, library refurbishments and shade structure replacements. Buderim Mountain State School received $150,000 for hall extensions. Chancellor State College in Sippy Downs received $150,000 for covered walkways and sports courts. Chevalium State School received $86,900 for amenities and shade structure upgrade. Currimundi Special School received $85,699 for shade structures and play equipment upgrade. Kawana Waters junior campus in Bokarina, received $35,195 for information communication technology upgrade and Kawana Waters senior campus in Kawana Waters received $137,576 for enhancements to the Kawana Waters State High School learning environment. Maleny State High School received $116,183 for covered walkways and wheelchair access, science laboratory refurbishments, and music instruments and resources. Mooloolaba State School received $150,000 for classroom upgrade, and Mountain Creek State High School received $32,652 for a pool shade structure.

Independent schools include Harmony Montessori School at Buderim, which received $54,265 for airconditioning of classrooms and for resources and refurbishments. Caloundra City School at Pelican Waters received $75,000 for a playground area with equipment, shade and seating. Caloundra Christian College received $75,000 for airconditioning of classrooms and for an undercover walkway, and the Ananada Marga River School in Maleny received $75,000 for computers, printers, a projector, musical instruments and play equipment.

The Investing in Our Schools Program is a fantastic initiative of the Australian government because it helps fund projects that school communities themselves have identified as being necessary. This initiative has seen more than $1.5 million allocated to schools in the electorate of Fisher. The Investing in Our Schools Program is enormously popular because it cuts the state governments out of the equation and means that much-needed infrastructure—the needs for which have been ignored by the state government—is provided by the Australian government, indicating our keen interest in education and our determination to make sure that we as a community recognise that our children are our future. I am very proud of this initiative; I am proud of the more than $1.3 million in recent funding, and I am proud of the $1.5 million in earlier funding. I commend this program and I salute the schools. (Time expired)
Family Relationship Centres

Ms ROXON (Gellibrand) (9.48 am)—I want to use the time this morning to talk about the government’s family relationship centres, because today is 1 June and exactly one month from today we are going to see the first of these centres open and available to the community. While this is a program that we have supported and we are keen to see the centres start servicing the community, we are worried that already we have seen not just political interference but also a fairly shambolic approach to the set up of the first services. Some services are going to be opening in temporary premises; the service in Townsville was apparently told that it should open in a tent if it could not open anywhere else. Obviously this is not the way that sensitive relationship services should be set up to guarantee the safety of clients as well as staff.

We were told by FaCSIA in estimates hearings last week that not all of the centres that will open will be operating with full services. But what is strange to us and an indication of the Attorney-General’s priorities is that we were also told in estimates hearings that the advertising campaign is fully up and ready to go. They have been able to design the ads, test them in focus groups and have them ready to go for 1 July. If only they had put some of that attention into making sure the services themselves could be up and running. It is not going to be much help to anybody if they can see an ad about a fabulous new service that promises so much but then they go and find that their service has not opened yet, that it is operating in a tent or that there are not proper staff involved. The contracts have not even been signed yet and there is one month to go. How organisations are expected to employ people and plan properly for a good start to what should be a good program is really beyond us.

We are really worried about the way the government is prioritising the running of this program. We are obviously very concerned about the politicisation of the locations of the services. We learnt in estimates last week that FaCSIA had identified a range of places of very high need—including Alice Springs, Bendigo, Caboolture, Maribyrnong, Melton and Fremantle—but none of these places got one of the 65 services. Meanwhile, places that were not ranked highly—such as Brookvale, in the health minister’s electorate; Strathpine, in the Assistant Treasurer’s seat; and North Ryde, in the Prime Minister’s seat—did receive family relationship centres.

On the information we have, it is impossible to avoid the conclusion that the Attorney has shifted these sites around to favour his Liberal Party mates. He says this is not so, but still he refuses to make public the advice he says he received from the Attorney-General’s Department. I have to say that, if it looks like a rort, if it walks like a rort and if it sounds like a cover-up, we in this House all know what it actually is. The Attorney-General should be ashamed of himself. This is a program that was set up after the really good work done by a bipartisan committee. It should be offering something new to the families of this country, and it is being mismanaged and rorted by an Attorney who is putting politics before the needs of families. (Time expired)

Public Hospitals

Mr JOHNSON (Ryan) (9.51 am)—Faith plays an important role in the lives of many Australians, and prayer is also a source of immense comfort to many of our fellow Australians. So too is the Bible a source of immense comfort and reassurance to many millions of Australians, as it is to many thousands of my constituents in Ryan. I want in the parliament today to thank
those constituents of mine who have contacted me to join in the chorus of strong opposition to and condemnation of the Queensland government in its attempt to ban the Bible in the Queensland public hospital system. As I said, prayer, faith and the Bible are of great importance to Australians in times of tragedy and despair. The Queensland government’s attempt to ban the Bible in public hospitals is simply political correctness gone mad. I want to join my colleagues in the parliament and many of my fellow Ryan residents to condemn this very churlish and selfish attempt, this very mindless proposal, to take away bibles from Queensland hospital bedrooms.

The state member for Capalaba, Mr Michael Choi, was the only Labor member in the state parliament—as far as I am aware—to voice his personal opposition to this ridiculous proposal. I want to condemn the state Labor members in the Ryan electorate—that is, the state member for Mount Ommaney, Mrs Julie Atwood; and the state member for Indooroopilly, Mr Ronan Lee—for remaining silent in the face of widespread opposition to this from their constituents and the Ryan constituency generally. This attempt to take away a source of great comfort from the bedrooms in hospitals is just an example of the Queensland Labor government taking its eye off the ball. It is as if it does not have enough problems in the Queensland health system to worry about when it focuses on this absurd proposition of taking away bibles from hospital bedrooms. I will be writing to my constituents and letting them know that this is the sort of governance that the Queensland government gets involved in. Instead of trying to fix the problems of the ailing and underfunded Queensland hospital system, it turns its mind to this mindless activity.

The Queensland government is even talking about changing the curriculum to try and do away with religious education. Fortuitously, many Queenslanders, the churches and other very sensible people in the community have stood up and said that this too is an absurd proposition. It is no less absurd than trying to take away bibles from the hospital beds. I stand here in the parliament to very strongly condemn this mindless proposition by the Labor government in Queensland. (Time expired)

Dental Health

Ms GEORGE (Throsby) (9.54 am)—With the record budget surplus, I had expected that this government would finally do the right thing by addressing the needs of 650,000 Australians now languishing on waiting lists for dental treatment. But again we were to be profoundly disappointed. This government shows a heartless disregard for people who have to wait for years and give up hope, either resorting to pulling out their own diseased teeth with pliers on some occasions or having their teeth fall out—as constituents in my electorate have reported—as a result of their diseased gums not being treated.

The local Illawarra Dental Health Action group have worked tirelessly to highlight these concerns in the hope the government would finally rectify this injustice and reinstate the national dental program. They organised a petition signed by 8,135 local constituents, copies of which they left with the minister in February this year and which I wish to present formally to the House today. This petition has been certified by the Deputy Clerk of the House. Now, to add insult to injury, we learn that the government has set aside $52.1 million for an advertising campaign to promote private health insurance. What a disgrace. The government has no problem in using taxpayer funds to promote private health insurance but cannot find a cent to invest in a national dental scheme.
Already through the private health rebate the government is spending around $430 million a year subsiding dental care for those fortunate enough to afford coverage, yet it turns its back on those most in need. As subsidies for dental care of privately insured Australians grow year after year, the aged and low-income earners whom I represent continue to wait for years to get treatment in a public system that is being deliberately run down. This is creating a huge divide between rich and poor in our society. Just consider one statistic that says it all: low-income earners without private dental health insurance are 25 times more likely than high-income earners with insurance to have all their teeth extracted. I think that says it all. The 7,586 people waiting for dental treatment in the Illawarra and Shoalhaven would have had their teeth and gums treated if just a fraction of the $52.1 million was directed to clearing the backlog not just in my area but across Australia. It is hard to find a more blatant example of the misuse of taxpayer funds.

The petition read as follows—

Petition 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 long dental waiting lists and under funding of our public dental system.

Your Petitioners therefore ask the House to:

• Re-introduce the Commonwealth Dental Scheme and restore funding to public dental health,
• Reduce waiting times for public dental health services, and
• Train more public dentists.

from 8,135 citizens

Dental Health
Nuclear Energy

Mrs GASH (Gilmore) (9.57 am)—I thank the member for Throsby for bringing up dental health. It is a big issue in my electorate as well. Why aren’t you chasing the state government to do something about it? Do you know they have a six-year waiting list in the Illawarra and the Shoalhaven? Have you done something about it with the state government?

Ms George interjecting—

Mrs GASH—I did not ask for a comment. I just made the statement.

The DEPUTY SPEAKER (Hon. IR Causley)—There are no interruptions in members statements.

Mrs GASH—It is a big issue and I want to thank her for bringing it up. It is a state concern, and I hope that she is pushing the state government as hard as I am on this particular issue.

Ms George—As hard as I’m pushing your government.

Mrs GASH—It is not actually a federal government issue anymore, but never mind. I would like to speak about the invisible member for Fraser. Where is the invisible member for Fraser, Mr Bob McMullan? He is quite capable of making comments about locating a nuclear facility in the Jervis Bay territory. I say that his comments were mischievous, misleading and irresponsible. Frankly, I am surprised that Mr McMullan even knows where this part of his seat is and I wonder whether his constituents have ever seen him. He is just plain invisible.
Mr McMullan seems only interested in the welfare of his constituents in the Jervis Bay territory if there is a political gain to be made. His statements are pure speculation. Despite the fact that I have ruled out a nuclear facility for Jervis Bay, he persists in peddling the story because he is more interested in whipping up anxiety and doubt. He did the same for ethanol when the Labor Party tried to kill off the debate by supporting the line from the oil companies. You might recall Mr McMullan, the member for Fraser, made a comment about a garage mechanic saying that ethanol caused the concerns in the car’s faulty system when in actual fact it was kerosene. He did not even have the decency to apologise to the House.

The Parliamentary Secretary to the Minister for the Environment and Heritage, Greg Hunt, is already on record in the South Coast Register as ruling out such a proposal unreservedly because it is plain that it is not a suitable location for a number of reasons. In fact, I will go so far as to say that if this gets up I will resign. That is how positive I am that there will be no nuclear reactor or nuclear waste depot at Jervis Bay. There is no basis that would justify such a conclusion. All that has been said so far is that the nuclear debate is rightly on the table as is the debate over other forms of alternative energy. That should happen, of course. To then draw all sorts of far-fetched conclusions is not only irresponsible but ignorant of the facts. He could well have speculated that because I have been a strong advocate of ethanol I was going to arrange to have wheat fields planted on every spare block throughout Gilmore. He just could not be sillier. Mr Invisible, come and see your electorate.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! In accordance with sessional order 193, the time for members’ statements has concluded.

APPROPRIATION BILL (No. 1) 2006-2007

Cognate bills:

APPROPRIATION BILL (No. 2) 2006-2007
APPROPRIATION BILL (No. 1) 2006-2007
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2006-2007
APPROPRIATION BILL (No. 5) 2005-2006
APPROPRIATION BILL (No. 6) 2005-2006

Second Reading

Debate resumed from 31 May, on motion by Mr Costello: That all words after “That” be omitted with a view to substituting the following words: “whilst not declining to give the bill a second reading, the House is of the view that:

(1) despite record high commodity prices and rising levels of taxation the Government has failed to secure Australia’s long term economic fundamentals and that it should be condemned for its failure to:
(a) stem the widening current account deficit and trade deficits;
(b) reverse the reduction in public education and training investment;
(c) provide national leadership in infrastructure including high speed broadband for the whole country;
(d) further reduce effective marginal tax rates to meet the intergenerational challenge of greater workforce participation;
(e) provide accessible and affordable long-day childcare for working families;
(f) fundamentally reform our health system to equip it for a future focused on prevention, early intervention and an ageing population;
(g) expand and encourage research and development to move Australian industry and exports up the value-chain;
(h) provide for the economic, social and environmental sustainability for our region, and
(i) address falling levels of workplace productivity; and that

(2) the Government’s extreme industrial relations laws will lower wages and conditions for many workers and do nothing to enhance productivity, participation or economic growth; and that

(3) the Government’s Budget documents fail the test of transparency and accountability”.

Mr ADAMS (Lyons) (10.00 am)—We are purportedly sitting in a country of plenty—so much plenty, according to this government, that you can throw money around like water, almost indiscriminately. It seems this government thinks that what is important in Australia is finding where to spend more money and where to take it from. These are the priorities of this government. The Treasurer wants to be the magic giver, apparently throwing money at everybody. But let us see where those funds are going, who is actually getting the largesse. My constituents have said they would rather have the services than minuscule tax cuts.

Let us have a look at the Pharmaceutical Benefits Scheme, a method of subsidising those very important lifesaving drugs that people need in this country of ours. The Treasurer said after the last budget that we cannot afford the PBS in its present form, that we had to change it, that it had to be cut back and reduced. The result was that in 2005 we saw a dramatic drop in the number of prescriptions being filled—almost two million fewer scripts than were filled in 2004. This does not signify that people are getting better. It means that both Abbott and Costello have targeted the PBS to deliver savings—

The DEPUTY SPEAKER (Hon. IR Causley)—Order! The member for Lyons will refer to members by their seats or by their titles.

Mr ADAMS—without considering or explaining the impact these measures will have on sick Australians. With an increasing and ageing population it is irrational to argue that people in our community would be requiring fewer medicines. The PBS should and must be a priority to ensure that all people have access to medicines and that it is not a question of cost that prevents them from seeking assistance with their health problems. The PBS is one of the great things that we do for the people of Australia, and we should protect it, look after it and not cut it, as is being done by this government. Everybody is feeling the skills shortage crisis—

The DEPUTY SPEAKER—Order! Is the member for Ryan seeking an intervention?
Mr Johnson—Yes.

The DEPUTY SPEAKER—Will the member for Lyons accept an intervention?
Mr ADAMS—Yes.

Mr Johnson—I wish to ask the member for Lyons if, by his comments, he infers that he opposes the government’s measures to reform the PBS to make it more affordable for the Australian community.

MAIN COMMITTEE
Mr ADAMS—It is not a matter of having good reforms and doing what one can to make the PBS a better system. I know that there are people who are not getting their scripts because they have been cut back by this government.

As I said, there is a skills shortage crisis. Whether it is with builders, electricians, plumbers, doctors, teachers, nurses, dentists or chefs, to name a few—all those skills are scarce in Australia. Yet this government have boasted that they have set up some additional colleges around the states. That was about a year ago. This is to solve all the shortages that we have. But where are they? And where are the new tradespeople? I think we are looking at four colleges struggling to come up at the moment. I understand that there might be one in Queensland, which has one student. And there are others that have students where they come from and that has given a boost to the numbers. But there are still very small numbers coming out of the four that are up. I think it will be 2010, and probably more like 2015, before we have anybody really coming out of these colleges.

Yet we have a perfectly good TAFE system in the state system. Some immediate funds could have gone into those establishments. We could have had courses going and we could have had students coming out in 2008-09. These colleges were mooted for political reasons—

The DEPUTY SPEAKER—Is the member for Ryan seeking to make an intervention?

Mr Johnson—Yes, I have a question.

The DEPUTY SPEAKER—Will the member for Lyons take the question?

Mr ADAMS—No, I will not take the question. I want to make some points. These colleges were set up for political reasons to try to attack the technical teachers union, who were not happy to sign AWAs. The private colleges have problems being set up to teach trades. My concern is that they are going to break the traditional depth of skills that we built in our tradespeople in this country down to where we have some mickey mouse scheme where people get very little training and are turned out as tradesmen. I think that will be a very sad day for Australia and will not do the country any good in the long term.

I think employers do want skilled people. The problem that they have, of course, is that they do not want to pay for training. We all remember the old training levy days when the Hawke-Keating government tried to improve training in this country by getting employers to pay. We do not really want to go back to levy days, but we do not want to go back to where we are importing all our tradesmen and women either. We really do have to train people in this country and we have to find the right ways to do that. We have to train them properly, because the country needs those basic skills for the long-term future and not five- or six-week courses or three-month courses after which people are turned out that we call tradesmen—but who are not tradesmen at all.

Arrangements could have been made with the states. Negotiations and the failure of the federal minister to negotiate with the states to get a deal through the TAFE system could have achieved the same result—or a better result than we presently have. Of course, Labor has said that it will abolish TAFE fees, state fees, so that we really encourage people into the TAFE area. We will also assist unemployed people into training in areas of need, and TAFE will continue—

The DEPUTY SPEAKER—The member for Ryan is seeking to make an intervention. Will the member for Lyons accept the question?
Mr ADAMS—Yes.

Mr Johnson—Thank you. I just wish to clarify with the member for Lyons if he understands that TAFE falls under state jurisdiction. I am wondering how a federal Labor government would abolish fees in relation to state governments.

Mr ADAMS—We will negotiate in a proper, sensible and responsible manner with the states and offer them the money to abolish TAFE fees—what the government, under the former minister, should have done instead of setting up these federal technical colleges, by negotiating with the states and getting an agreement with the states to improve the skill level of this country. And they failed. It is a failure by the federal minister to negotiate properly with the states to achieve things. Federalism is about negotiations between the states and the Commonwealth and, of course, our other tier of government as well. When that fails, you have stupid things set up, like these federal technical colleges.

TAFE does an excellent job in the states, but it could do better if it had more funding and federal help. I heard an example only the other day when I was talking to the Tasmanian state minister David Bartlett, who said that the TAFE teaching delivered to the students enabled them to experience some real work practice through working with clients, developing a brief and negotiating a successful outcome. He was telling me that a number of students that he had just been talking to had won a design award to promote Tasmanian wine by designing wine labels for a client. I know Labor will be providing assistance once we are in government, and we will abolish fees to make life easier.

We also need to do a lot of work to develop new apprenticeships and trade skills in many areas and to look for ways to encourage people to finish their trade training. I understand that we also need to encourage people to finish their training in technical areas, right through to certificates V and VI and diploma levels. That is something that has been totally missed by this government.

Communications is probably at its lowest ebb yet. We have a situation where Telstra has been struggling with providing broadband. Australian technology is becoming antiquated. We are now slipping behind other countries in the world in this fight for technology and in having technology where it should be so that people can increase productivity and increase their opportunities for training and education through fast, efficient and effective technology at the right price.

Poor old Telstra is now struggling to compete because the basic infrastructure is not there. We have cut off all the options for putting Telstra’s energy and skills into rolling out new infrastructure for broadband across the country because we have sold off half of Telstra and we are now attempting to sell the other half. We need to get rid of all the sales items around the provider and get on with renewing the copper wire and looking at how we can improve fibre optics, wireless delivery and satellite access. We really have to lift our game as a nation. This government has failed to do anything in this budget to assist in this area.

Business in Australia is climbing up the wall trying to get proper services out in the regions, as you would know, Mr Deputy Speaker Causley. People are not able to do what they want where they want to do it. They cannot live and work where they want to. I know this only too well in my electorate of Lyons. One of the biggest issues is the lack of access to broadband and all other IT innovations. I could say the same about free-to-air TV. Why these
two cannot somehow come together to approach and use technologies to make people’s lives a lot better, I just do not know. There is nothing in this budget to help. There is nothing at all from this government to help us in this area. And this is about productivity, it is about training, it is about education and it is about improving our country.

As it is, I have people in the Lyons electorate who have no broadband within 20 minutes of the capital city. That is disgraceful. I have people in northern Lyons who get no free-to-air television—none, zip—and they are within 40 minutes of Launceston. I noticed in one of yesterday’s news clippings another whole section of people in north-west Tasmania who suddenly have no television. They have lost it because of broadcasting changes. This is just ridiculous. A few of the millions that are being allocated to tax cuts and other things could have been better employed in making sure that communications in Australia are better delivered, that we have a plan to do the whole of this country and that we get broadband at a price that is comparable with the price in rest of the world. Labor plans to make this happen, to give Australia an opportunity to compete on equal terms with other countries.

No funds have been allocated to infrastructure and there is no vision for nation building in this budget, just cheap hand-outs for buying votes and trying to stay popular so that the Treasurer has an opportunity to have a crack at the leadership of his own party. That is how the Treasurer is looking at Australia. No budget items were allocated to help boost superannuation. There is no further encouragement for people to save for their retirement, despite the removal of the tax on the end benefits. We should be encouraging people to save more.

This brings me to the statement that the Prime Minister loves to make, especially in the parliament—and yet it is so wrong—that wages were so much lower under Labor. He is trying to imply that people are better off under the Liberal industrial relations policies. How wrong can he be? Costs were lower then so in comparison wages were higher, and the workforce put a proportion of their wages into superannuation. There were trade-offs, and tax cuts were put into superannuation. So, although the weekly payment may have been lower, workers were building on their future payments by saving in superannuation.

I believe the individual was a lot better off under Labor than under this government. We will see that as we go on, with some of the stuff that is starting to emerge. The Spotlight example, where people are losing $90 a week, is a prime example. At least in the old days they had a living wage, not a make-believe amount that the government gives with one hand and takes away with the other. We looked to the future when we introduced compulsory superannuation for everybody. That will make a lot of difference to young women just starting out in the workforce now. But there should be a greater contribution from both employers and employees, and we can do that through tax cuts. That would give a lot of people more opportunities for the future.

The other area that is a disgrace is the funding for defence forces and veterans. There have been comments made lately by the federal Minister for Veterans’ Affairs, Bruce Billson, that Defence Force personnel should be more emotionally resilient. He was criticising the troops from the past as being misfits and ne’er-do-wells. What the devil does that mean? I do not understand, but I think I have some idea. Our very highly trained and efficient defence forces are sent into areas of conflict and at times become affected by what they experience and see. They should be emotionally affected; if they were not they would probably be robots, just primed to kill and nothing else. That is not what our troops are; in most cases they play great
roles in peacekeeping and as trainers. They are human beings, so it is not surprising that when they are faced with atrocities these things affect them.

As veterans they should have the same resources as those that are physically injured. Mental injuries are just as long lasting and are more likely to affect their families and be passed down to their children. Today our defence forces are spread all over the place, with long tours of duty because recruitment is down, and we are running out of troops. Inevitably some will not be able to cope as well as others.

We are wasting our time in Iraq. I think we are spending $1 billion plus there. We have all these problems in our local areas, like East Timor, the Solomon Islands and other parts of the Pacific, where we could be playing a lot more of a role and spending that money on diplomatic work, aid, training and making better governance. We seem to be able to spend money on war zones, but not in our own area looking after our own troops, either serving or retired. Not only is this government not looking after them but it is insulting those on the front line. It is heartless and thoughtless and should be strongly condemned. My veteran constituents are demanding an apology from the member for Dunkley for his insensitive comments.

Mr Cameron Thompson—He didn’t say that.

Mr Adams—That is what the veterans in my electorate believe, and they are asking for him to apologise. That is what the emails that I have received from my constituents say. We have a budget that has been thoroughly wasteful in some parts and downright stingy in anything to do with community services, the elderly, health and education, the very areas that need the most attention. I guess these people are expendable to the government. Contrary to the Treasurer’s closing comments, this budget does nothing in the way of taking this nation forward with infrastructure, with training and with human consideration. Labor can do a lot better. We will not have a whole pile of hidden cuts and changed programs. We will respect the people who have served us and we will deliver on key needs for a more equitable and fair society.

Mr Fawcett (Wakefield) (10.20 am)—I will try to respect the request to keep the length of speeches to a minimum, but I wish to cover so many positive aspects of the Appropriation Bill (No. 1) 2006-2007 and cognate bills. This budget builds on a number of others that have benefited so many people in Australia, and particularly the people in Wakefield.

After 10 years, many people are now starting to take for granted the fact that there will be budget surpluses, record low unemployment, low interest rates and low inflation. Yesterday I had the privilege and pleasure of opening a conference on the helicopter industry in Australia and the Pacific, and we had a number of industry participants from North America, Europe and Asia. They remarked a number of times on the economic management in Australia and the strong conditions that this government has created for industry, employment and people, and they observed that people here in Australia enjoy a high standard of living. Those comments were remarkable. But what does this budget, building on previous budgets, mean for the people of Wakefield?

Firstly I would like to highlight the point that people continue to benefit from the underlying investment ongoing in areas such as health and aged care. Investment in health and aged care, for example, has doubled since 1995 to well over $40 billion. Investment in skills training, in real dollar terms, has increased from around $1 billion in 1995 to over $2½ billion.
now. These measures build cumulatively and people benefit from them. For example, with tax cuts, people often look at a budget and ask, ‘Where is the tax cut for this particular group?’ But, cumulatively, you see that people individually are paying less tax now. Many people say that this is the highest taxing government ever but they ignore the fact that, while the revenue from tax may be high, it is because there are more people in work now than ever before; hence there is a larger base for the revenue. Individuals are not footing that bill per se.

I would like to take this opportunity to recap some of the specific things that this economic management has meant and some of the factors that underpin it. One of the things that has characterised this coalition government is the fact that local members and the government try to remain connected with people at the local community level. Communication is important. Individually, I have taken that up by continuing my regular presence at train stations, listening posts and shopping centres and by doorknocking, as well as having regular structured meetings with local government to optimise the outcome for regional developments and investment. So the CEOs and mayors from the Wakefield Regional Council, the Light Regional Council, the Clare and Gilbert Valleys Council, the District Council of Mallala, the Town of Gawler Council, City of Playford, City of Salisbury Council and I have regular meetings to discuss how we can best work together at both an Australian government and a local government level to see investments that are not opportunistic but really will benefit the health and prosperity of people in the region of Wakefield.

I also facilitate the Wakefield Forum, which is an opportunity every six to eight weeks for people involved in particular sectors—whether it is health, education, aged care, tourism, small business or defence—to come together with the appropriate minister so that they can hear first-hand some of the government’s policy initiatives and the background and thinking behind them. And, importantly, they then have an opportunity to provide direct feedback on those things that they perceive are working well and those areas for which they believe policies can be enhanced. They have proved incredibly popular because people value the opportunity to directly connect with the ministers of this government to make sure that our policies truly work to the benefit of people.

Not only have we listened but we have acted. Nationally, unemployment is at an all-time low. In Wakefield, there are areas where unemployment is as low as 1.5 per cent. There are also areas, however, where unemployment is near 10 per cent and we have some of the classic problems of substance abuse, dependency and intergenerational unemployment. Having connected with and listened to people and tried to find solutions that they believe would work, I am pleased to say that this budget supports a number of measures that have been brought in by the coalition government.

The technical college which will be located in Elizabeth West has received terrific support, both from the community and also importantly from the business sector—and not just peak bodies, but individual employers who have signed up to be on the board and who have committed to taking on apprentices. Based on recent developments in the southern part of Adelaide and the feedback we have had from other parts of the country, we expect to be well and truly oversubscribed in terms of the people who would like to take up trade training.

We recognise, though, that there are some young people who, because of the barriers they face, do not have the capacity individually to even stay at school or move into something like the technical college. Having looked around to see who is delivering effective outcomes, not
just making good promises, we have funded Boys’ Town to the tune of more than $600,000 to come down and set up in the city of Playford to make that strong connection with youth who have disconnected from education and ongoing training. Based on what they do in Logan, Boys’ Town have a fantastic record of connecting these kinds of young people with meaningful employment by shaping their attitudes. Most employers tell me that, if they get a young person with a good attitude, they will give them the particular workplace skills that they need. The Boys’ Town program works hand-in-hand with employers to achieve that outcome. Some 80-odd per cent of the people who go into their programs get the kinds of outcomes that we are looking for.

We have also, through things like the Sustainable Regions program, given over $1 million to the Northern Advanced Manufacturing Industry Group. This is a group of employers and manufacturers who work together with high schools in the area to give hands-on experiences to young people. They can come out and see how the kinds of things that they learn in school such as maths, science and physics translate into the workplace and what kinds of career opportunities there are. We have employers leveraging off this program and coming up with things like the Concept Creation program, where these young people are encouraged and given the opportunity to develop their own innovative abilities so that they have a purpose to stay connected to school and to move into the workplace.

Then there is the Investing in Our Schools program. There is a strong connection here. This meets the needs of local communities, because they have identified that the structures that are often put in place by the state governments do not meet the real needs they have. This has been incredibly well received. Then there is federal government funding going to individual schools. For example, in Kapunda, the high school science labs were downright dangerous and out of date. Some $2.3 million went directly to that school project. The coalition has funded simple things, such as the connecting of communities with early childhood education. Early childhood education is important, but many people cannot access that if they do not have a second car in the family or even a first car. The government has funded groups like the Playford council for a bus so that they can move young mothers and their children and connect them to some of these early learning opportunities.

There are more opportunities in child care. There is incentive funding to establish child care in Kapunda. We are working with people in Clare to make sure that they have adequate child-care services. There is more vacation child care at St Thomas Moore, for example, in Elizabeth. Importantly in this budget, out of school hours care and family day-care have been uncapped, which will provide great opportunities.

Programs such as Work for the Dole have seen the township of Gawler benefit from renovations at the Gawler train station. The Elizabeth Lions facility has been upgraded. Then there are things like Green Corp. I have been involved with a number of Green Corp projects now and have seen the life-changing impact on young people who have been put into an environment where they are encouraged and mentored to develop the life skills and the habits that will make them employable. I have been pleased to have been able at the end of that to take some of these young people who have not yet picked up work and connect them with employers. In fact, only last week I received a phone call from an employer saying, ‘I just want you to know that that young man is still with me.’ Despite all the issues that he was facing, the
basis of the Green Corp program, coupled with an employer who was prepared to encourage and mentor him, has created an opportunity for this young man that will transform his life.

With regard to infrastructure, this budget continues the vision of AusLink in building infrastructure for this nation. Communities have long bemoaned the fact that there has been a disjointed approach to infrastructure planning in this nation. It is one of the great achievements of this coalition government that we have put in place a program where local governments, state governments and the Australian government, along with user groups, come together and look at transport corridors and put down in order of priority the connections and the infrastructure that they need to ensure goods flow and that safe travel for people is possible.

The coalition government have done specific things for local communities: the Black Spot funding for Hoskins Corner on the Balaklava-Mallala Road; the new northern approach to Adelaide, which will take traffic off Main North Road and make it a safer, cleaner environment and more effective for the transport of freight; and, with regard to West Avenue, allocating some $5 million to link Elizabeth West and Edinburgh Park so that we can see further investment by industry and creation of jobs for the people of Northern Adelaide. There has been cooperation and leadership from the federal government over things like flood mitigation. There have been programs that cost some $20 million where, under the original formulas, local governments just could not afford to invest in. Leadership from the coalition government has looked at changing the funding formula so that the federal government and the state government picked up a larger amount, which has seen the Gawler Regional Flood Mitigation program now funded after more than 12 years of inaction because of a lack of structure, leadership and guidance at the local and state levels. I commend the local governments who have come together and worked within this new framework to reach agreement, which is going to benefit all of the people along the Gawler River floodplain.

There are other areas I could cover with regard to infrastructure, such as health care out of hours funding, skilling Australia's defence industry, new facilities for Vietnam veterans, the ex-military rehabilitation centre and aged care, but I am out of time. In summary, I want to confirm the fact that one of the reasons I so strongly support this government's approach is that it seeks to connect with people. My objective in the electorate of Wakefield has certainly been to connect with people, listen to them, bring back their ideas and see effective outcomes that benefit the people of Wakefield and build a stronger Australia.

Ms GEORGE (Throsby) (10.31 am)—In my contribution to the discussion on Appropriation Bill (No. 1) 2006-2007 and cognate bills, I want to concentrate on the issue of work and family balance in particular. It is a major issue that affects a lot of constituents whom I represent in this parliament. It is an issue about which much has been said by the government. I can recall some years ago the Prime Minister saying that this issue was a real ‘barbecue stopper’, and the Treasurer certainly raised expectations when he said in the lead-up to the budget that we ought to be looking at making this nation the most family-friendly place on earth. I agree but, when you look at the budget provisions, you will see that there are very many identifiable gaps. I want to suggest today in my contribution some initiatives that might inform the government about practical ways of addressing the work and family balance if they genuinely want to achieve progress in that area.

Interestingly enough, a recent Relationships Australia survey found that 89 per cent of Australians agreed that relationships do suffer because of work-life conflict and 40 per cent of
parents felt that they had no real choice regarding their ability to balance paid work with family responsibilities. Around 95 per cent of men and 63 per cent of women with children under 15 are now in the labour force. As we know, there has been a steady increase in women’s labour force participation, which is particularly marked in the employment rates of mothers. That is why the balance between work and family life is so important and a particularly pressing issue for women.

Despite many profound social changes, women’s labour force participation is far more sensitive to the presence of children than men’s, reinforcing the historical role of women as bearing the primary responsibility for managing family life. Though the traditional family model of the male breadwinner out at work and the female homemaker at home looking after family now represents only a minority of couple families—around 30 per cent—it is women who have had to make the major adjustments in the balance of work with family life. The most prevalent household arrangement in families with children today in Australia is the female secondary earner working part time and the male being the breadwinner. That is certainly the largest group of couple families with children in the electorate of Throsby. Some 4,526 families that I represent fall into this category. I know that mothers work on a part-time basis so that they can take care of children. Their workforce participation rates increase as children get older. One-third of mothers are employed when the youngest child is under one, more than half are working by the time the youngest reaches primary school age and 70 per cent by the time the youngest child reaches secondary school age.

Women’s diverse requirements and choices about their transition back to work following giving birth require appropriate government support to facilitate those options. However, I find that ‘choice’ for some women I represent is a meaningless concept because of economic and financial pressures to return to work as soon as possible. It is also important that as legislators we do not miss the message revealed in recent HILDA Wave 3 unpublished research that, of the mothers who are not at work with children under two, 62 per cent indicated that they did not want paid employment at that point in time. These facts speak for themselves and call for a rethink of government policies, bearing in mind the different aspirations of women.

Specifically, I urge the government to extend the 52 weeks of unpaid, job protected parental leave following the birth or adoption of a child to two years; extend to eight weeks the simultaneous unpaid parental leave for both parents; and ensure compliance with the ILO convention on paid maternity leave, noting that in 2004 only 34 per cent of women had access to paid maternity leave in their job, which is an appalling situation considering almost 100 years have passed since the ILO first adopted its basic standard of leave for mothers. It is much to our shame that we are one of only two OECD nations that have not complied with that basic ILO convention. We ought to look at the British experience of providing parents the right to negotiate suitable hours of work following parental leave, with the proviso that an employer may reject such a request only if it is reasonable to do so. The experience in the UK shows that this can work well.

The juggling act for women is exacerbated when they run up against relatively unchanged institutions and workplaces that have not adequately responded to women’s increased participation. In the absence of responsive family-friendly environments, people are often forced to make hard decisions about starting families or deferring parenthood and very often end up with smaller sized families than they would prefer.
The OECD has noted that there is only a low penetration of family-friendly work practices in Australia. In the past, test cases before the Industrial Relations Commission, such as on parental and carers leave, introduced the minimum standards for all workers, but this option will be cut off in future under the Work Choices legislation. There are few statutory minima in Australia and only one specific family-friendly provision in the federal government’s new safety net—that is, the 12 months of unpaid parental leave, hardly nirvana. Most family-friendly benefits are in fact available only to a minority of employees, primarily composed of higher skilled workers in large and/or public sector enterprises. Recent ABS data, for example, show that only 27.6 per cent of women who work in the private sector claim to be entitled to paid maternity leave, and I represent many such women in my electorate. I think this highlights just how difficult it is to spread family-friendly conditions across a whole workforce in the absence of test case decisions with national application.

I made mention earlier of the high rates of part-time employment of mothers with dependent children. Quality part-time employment is a condition of employment widely sought by mothers whom I represent. But there are considerable problems currently with the quality of part-time employment, primarily because of the strong overlap of casual with part-time employment. Indeed, over 60 per cent of all part-time employees in Australia today are employed on a daily casual basis and, as we know, casual employment, by its very nature, represents a significant gap in eligibility for family-friendly benefits. Casuals today lack even basic entitlements such as paid annual leave.

This is a major issue which government policies and the budget fail to address when you consider that today 40 per cent of women with children under 12 who are employees are in fact casually employed. We are getting to the stage where nearly one in every three women who work is being employed as a casual. The irony is that casual employment today is disproportionately made up of the very people who have particularly strong needs for family-friendly benefits and, regrettably, they are precisely the people missing out. Unfortunately, as it operates today, part-time employment too often represents a trade-off for many women, whereby, in return for the opportunity to work reduced hours, women tolerate poor conditions and lack access to family-friendly benefits.

Time does not permit a detailed analysis of all the family unfriendly provisions contained in the Work Choices legislation, but it is absolutely correct to assert that the employment standards of many women will only be as strong as prevailing minimum legal standards and no stronger. The Spotlight AWA, to which we have made much reference, is a classic example of that contention. Experience to date shows the pitfalls of individual bargaining. Data from the department show that the level of provision of family-friendly arrangements in AWAs in 2002-03 was pathetically inadequate. From a random sample, we learnt that only eight per cent of AWAs had paid maternity leave. Only five per cent had paid paternity leave. Only four per cent provided for unpaid purchased leave, with only a quarter of AWAs providing for some form of parental leave, be it paid or unpaid.

As an immediate step, I suggest that the government, if it is serious about work and family, should firstly expand the safety net in the Work Choices legislation to incorporate family-friendly provisions, guarantee the payment of penalty rates, shift loadings and overtime, give priority to collective over individual agreements, restore the right of national test cases to be handled by the Industrial Relations Commission, introduce legislation along the lines of the
UK Part-time Workers (Prevention of Less Favourable Treatment) Regulations which ensure
that part-time workers are not treated less favourably in their terms and conditions of em-
ployment, and investigate the reasons for the very high levels of casual employment among
women and the options for their conversion to permanent part-time work.

With an ageing population, the issue of workforce participation is a key economic consid-
eration for this government and for the opposition. In this regard, the government needs to
appreciate that Australia’s female participation rate of 56.6 per cent is only moderate by
OECD standards and is particularly low among mums and women over 55. The OECD has
described motherhood in Australia as having a particularly marked dampening effect on
women’s employment. This low participation rate may represent a choice willingly made by
some mums. However, as we know, there are constraints that impact on their choices. For ex-
ample, a shortage of suitable child care, inflexible welfare and often unsuitable work provi-
sions combine to discourage potential second income earners from returning to work.

Just as there are considerable costs for women who leave the paid workforce to have chil-
dren, the decision to re-enter work also has significant financial implications. The effect of
taxation, loss of government payments and benefits as earnings increase and the escalating
costs of child care act as a disincentive to many mothers whom I represent who want to return
to work. According to a recent study by Professor Apps, second earners in Australia—
overwhelmingly women—face an average tax rate of around 50 per cent, the second highest
in the developed world. Often women I represent come to the judgment that there is no eco-
nomic incentive to return to work because of the impact of these high effective marginal tax
rates. Let me quote one of my constituents, who said:

I’ve looked at going back to work part time but we are near the means test maximum. So if I did go to
work we would lose the staying home allowance, and any family payments. These amounts are tax free
so after going back to work, paying for child care, holiday care and all the costs of travel, uniform etc
earning a wage but then paying tax I am not that much better off ...

So there is no doubt that, among current government policies—or lack of effective ones in
areas like child-care provision—there are constraints that act as significant disincentives to
women’s increased labour force participation in Australia. It may well be time for this gov-
ernment to consider the replacement of the family tax benefit scheme, with all its complexi-
ties and in-built disincentives, with universal payments for all children aged one to five years.
Such a scheme was recently introduced in Austria and appears to be working well. It is time
also that all governments guaranteed universal access to pre-school education in the year be-
fore primary school age.

The Treasurer has often argued in this place that demography is destiny, and we all appre-
ciate the economic consequences of Australia’s declining fertility rate. There is now, however,
strong international evidence that a good work-family balance has a positive effect on a na-
tion’s birthrate. Today countries with higher employment rates for mothers also have higher
fertility rates, and it is precisely these countries that provide a range of positive policies to
support a better work-family balance. It is an important message for the Howard government,
and one they cannot ignore.

As I said at the start of my comments, the Prime Minister identified work and family issues
as the barbecue stopper. Unfortunately, his barbecue stopper has become a fizzer. In the lead-
up to this budget the Treasurer promised a lot, saying we ought to be looking at making this
the most female-friendly place on earth. We can all agree with that noble sentiment, but it takes more than just rhetoric to achieve good outcomes. This budget fails to make any significant advances in enabling parents to balance their work and family life and their obligations, and with the introduction of the regressive Work Choices legislation that balance will become even more problematic in the future. The international evidence about public policy settings that assist employees, households and employers to achieve work-family balance is clear. The case for serious action by this government is compelling.

Mr CAMERON THOMPSON (Blair) (10.46 am)—It is great to join the debate on the Appropriation Bill (No. 1) 2006-2007 and cognate bills in the wake of such a well-received, positive and innovative federal budget, and to speak on issues that arise in part out of it and which directly affect my electorate. The No. 1 issue in my electorate, and something that is being resource through the Commonwealth budget and addressed by the Commonwealth, is the question of dealing with the problems of the Ipswich Motorway. There is continuous commentary on the Ipswich Motorway coming from a range of Labor members in my area. I am sure that the Deputy Speaker would be relieved to hear that these Labor members are not hypocrites in their approach to these matters; they just continually express mutually exclusive views and objectives in the way they present their arguments.

In particular, there is the question of the Goodna bypass, which is overwhelmingly recognised by the people of Ipswich as a good thing. It is time that those people who represented the community of Ipswich and surrounding areas worked for it and did what they could to speed and progress work on the Goodna bypass. Lately I have been very pleased to read some comments from the Mayor of Ipswich, Paul Pisasale. I will quote from the local newspaper, Ipswich's Own:

Cr. Pisasale said he would be in favour of any bypass option right now. ‘I understand the Federal Government has got to make a decision and as Mayor, I will support any option they choose. It’s their money, I’m happy for them to spend it as they see fit and take responsibility for their choice. And I’m happy to work with the Federal Government. Let’s just get on with it.’

That is a breath of fresh air in the debate compared to what we hear from Labor identities in the Ipswich area.

There has been an awful lot of community support, and I think that the Mayor of Ipswich is finally starting to tap into that when he uses the words that he did in that article. The state government and its generally Labor representatives should give the people of Ipswich and our region a bit more credit than they do. The community is not fooled by the continual delays, incompetence and rhetoric that we get from the Labor Party. The community of Ipswich recognises the benefit of the bypass not just when it comes to the practicality of dealing with traffic in a sensible manner—moving all the heavy interstate freight onto a road designed specifically to cater for it and allowing local traffic full access to the existing Ipswich Motorway. That involves meeting the needs of both types of traffic; facilitating the flow of interstate freight on a route designed for it so it is not going to inconvenience or burden local people, but allowing local people full access to that great road network that currently exists and not closing off exits, as has been proposed by the Labor Party and its Department of Main Roads.

Business in our area recognises the advantages that will come from being able to use a reliable transport corridor that will connect them with where they want to go and allow them to avoid the delays caused by congestion and accidents. The thought of seven years of such de-
lays caused by digging up the road is more than frightening to local businesses, and that is precisely the prescription that the Labor Party and their fellow travellers continually seek to represent to our community. They seek to misrepresent it by trying to tell everybody it would be good for them if the road that they are trying to drive on were dug up. A few people in the community are starting to cut through the Labor dross. The community want trucks out of our suburbs. They want a bypass that will give arterial and heavy traffic an alternative route that does not cut through the middle of our residential suburbs. There is evidence of this in a letter to the editor by a resident of Redbank, Ken Lloyd. The letter was published in the *Queensland Times* on 14 May, and it was headlined ‘Super highway will ruin homes’. It read:

It is ridiculous for State Transport Minister Paul Lucas to suggest that anybody other than himself and Bernie Ripoll are responsible for ‘betraying’ the residents of Ipswich. It is their ill-conceived super highway, up to 14 lanes in places, through the residential suburbs of Gailes, Goodna, Redbank and Riverview, that has ‘betrayed’ the voters of these suburbs. It’s obvious to anyone that has intelligently studied the motorway fiasco that heavy through traffic must be separated from residential areas. A bypass must be built around residential areas to provide a route for heavy traffic that now has no alternative but to pollute our suburbs. Messrs Lucas and Ripoll should remember that the loyal Labor voters of these suburbs mistakenly believed that they would have their quality of life protected by their elected representatives. The Federal Member for self-promotion should get off his bike long enough to represent his electorate, not destroy it with his flawed personal agenda.

Those were the words of Ken Lloyd in the *Queensland Times*. I think he tapped into the concerns of the community and expressed them quite well. The letter also recognises the rough-shod manner in which Ipswich residents are being treated by the state government, who despite their pleas to the contrary are determined to push ahead with their upgrade plan—despite the harm it will cause to every motorist, resident and business in the region.

I note that Mr Lloyd talks about 14 lanes in places of this super highway. In order to get the 14 lanes, Mr Lucas would have to count the fact that he is planning to take up ordinary local streets—like Brisbane Terrace and Smith Street—and ram traffic down those streets, as if they were part of the motorway complex. Those streets are currently available to local residents who want to go shopping. That will not be the case under the Lucas and Ripoll plan. You will have all of this through traffic congesting the suburbs in the streets that the residents are entitled to use for their own purposes. The maximum number of lanes on the full length of the motorway itself—that is, if you want to drive from one end to the other—will be six. The maximum number of cars that could drive abreast in each direction will be three. There will be a total of six lanes. You could only get 14 lanes by dragging into the super highway local streets and filling them up with heavy transport, much to the chagrin of concerned residents like Ken Lloyd.

Ken Lloyd makes a mockery of the state minister Paul Lucas’s assurance of 2004, which I mentioned in the chamber earlier this week, that the state government would support the progression of the Goodna Bypass following the feasibility study conducted by Maunsells. In fact, the comments that he made were very reminiscent of those recently made by the mayor. Paul Lucas, the state transport minister, said in his press release:

…Queensland welcomed the appointment of … Maunsell Australia to independently evaluate the proposed Ipswich northern bypass.
"The Queensland Government will do all in its power to cooperate with the Federal Government in delivering their roads priorities, including the northern bypass," he said.

"The simple fact is that the Australian Government is providing the money for the national highway and they decide how their money is spent.

"The Queensland Government’s position has always been that we must upgrade the Ipswich Motorway regardless of whether the northern bypass is feasible or not," Mr Lucas said.

... ... ...

"If the feasibility study indicates the northern bypass is not a viable project, Queensland and the Commonwealth will need to look again at how we address traffic congestion on the Ipswich Motorway."

Unfortunately, those words escaped from the mouth of Mr Lucas and then—I don’t know—they took them around the back, beat them up and turned them into something else, because, ever since, much to the disappointment and anger of people such as Ken Lloyd, he has been pursuing this stupid upgrade plan of wanting to dig up the road that people are trying to drive on, spend seven years or something like that doing it, take over their over local roads, ram traffic through there and close as many of the local exits as possible. This is completely anti local business and anti the local residents. There are plenty of other locals angry about it and they have been writing letters to the Queensland Times. I could run through a list of those locals, but I do not think I will. What I will talk about is the latest effort by one of the local Labor luminaries to try to pump up some community support for their ridiculous scheme.

The latest effort came from Rachel Nolan, the state member for Ipswich. She has produced what she calls a ‘petition’—a postcard asking for the motorway to be fixed. On one side of the document, she invites those in receipt of this postcard to ‘sign the petition’. But, if you turn it over to where people actually sign, it says ‘names will not be released to any third party’.

How can it be a petition, if you are never going to tell anybody who signed it? I think this is a moral quandary for the member for Ipswich. Honestly, I go back to what I said earlier: these members are not hypocrites; they just continually express mutually exclusive views and objectives.

Mr PRICE (Chifley) (10.56 am)—I wish to speak on the appropriation bills. I note that I am following the honourable member for Blair. I want to compliment him as he is one of, I think, three members of the Liberal Party who have courageously stood up and said that a merger between the National Party in Queensland and the Liberals is the way to go. We know that today that has been abandoned, but let me say to the member for Blair, ‘Congratulations; I think as times goes by you will have the last laugh.’ Like the member for Blair, I also want to comment on our trade deficit situation, but I will do so a little later.

Mr Deputy Speaker, it will come as no surprise to you that the fate of the employees of Spotlight stores is making the national news and, particularly, the new store that now is proposed to be opened at Shop Mart in Zoe Place, Mount Druitt, I think on 15 or 16 June this year. The Prime Minister has said that the 6,000 Spotlight employees—the mums and dads who are working in Spotlight—are facing, immediately and over time, a loss of significant parts of their conditions of employment. Let me just run through those conditions: no provision for any penalty rates, no provision for any overtime, the elimination of paid rest breaks, the elimination of breaks between shifts, the elimination of maximum and minimum shift lengths and a cap on the number of consecutive days worked. For all this, they will be paid an extra 2c an hour.
In question time, the Prime Minister has suggested, firstly, that the opening of the Mount Druitt store is somehow a function of his new IR laws. For the sake of comparison, I could take China, Thailand or some other country, but I will just take India. In 2003 Indian workers were earning approximately US$0.80 an hour, which equates to A$1.05. Is anyone suggesting that, because of the low rates of pay for workers in India, we will now see 1,000 Spotlight stores bloom all over India, China, the Philippines or Indonesia? Of course not. Mr Deputy Speaker, if I tried to run an argument by you that new stores are opened based on the rates of pay of the workers who will work in them, you would laugh me out of court. You open a new store where there is a market, and, to be fair, workers’ rates of pay are not taken into account when considering and planning to do so.

The critical point in the Spotlight argument is one that the Prime Minister totally evades. Yes, it is good news that we are getting 30 new workers. I am thrilled about it. I certainly regret they are going to be so low paid, but I am always pleased to see people enter into employment. However, they are entering into employment on the backs of the employees in 100 other stores—that is, 6,000 employees—losing all of those conditions: no penalty rates, no overtime, the elimination of rest breaks, no breaks between shifts, no maximum and minimum shift lengths and a cap on the number of consecutive days work. For all that, they get an extra 2c an hour, but, compared to the award, they are actually losing $90 a week. That is what the essential unfairness is.

It is true to say that not every one of those 6,000 employees will face that dilemma immediately. We know what is happening in Coffs Harbour. We know of the employee there—a lifelong supporter of John Howard—who thinks she has been bitterly deceived by him and these extreme IR changes. Every one of those 6,000 employees is going to face this loss. My friend and colleague the member for Calwell knows that people who work in Spotlight stores do not earn very much money. They are not the highest paid workers in the land, but what the government is saying is these 6,000 employees should take a $90 a week pay cut. Families are facing unprecedented prices for petrol to run the family car, to use the car to go backwards and forwards. In my part of Western Sydney and in Western Sydney in general, you will always find a family that has a car, and often two cars. The car is required for work, it is required to drop kids off at school, and it is often required so mum can go to work. So they are really facing a great impost.

The other thing I want to point out is interest rates. Just before the budget was delivered, we had a 0.25 per cent increase in interest rates. Mortgages in Western Sydney are very large. They are not as high as the inner city, they are not as high as the North Shore and they are not as high as the eastern suburbs of Sydney, but the honourable member for Lindsay would agree with me when I say that for us in Western Sydney they seem to be particularly high for families moving into a new home. And people are very sensitive to the slightest rate increase. It is those same families, those same poor workers not on flash money, who have had an interest rate rise and who are facing increasing petrol prices and a loss of $90 a week in their take-home pay.

This budget, because it has lavishly spent something like $58 billion over four years, has most commentators predicting the certainty of a future interest rate rise. Depending on what is happening in America over the next 12 to 18 months, one could almost say it has also called into question a second rate rise. In a period of 12 to 18 months, we are therefore going to be
faced with mortgage rates going up by not just 0.25 per cent but three times that—0.75 per cent. The increase before the budget, on a modest mortgage of $200,000, meant an increase of $32 a month and $384 a year. The budget, I regret to say, has guaranteed another interest rate rise and the possibility of a third.

Mr Lloyd interjecting—

Mr PRICE—I am glad that the minister interjects because I wanted to talk about foreign debt as well because this has not been addressed. I know that the Treasurer says, ‘Look, Australia is in a very healthy position because there’s not any federal government debt.’ It is a good thing that there is no federal government debt. But, whether Australia’s debt burden is due wholly to government, wholly to private enterprise or to a combination of both, what you have to look at is what our foreign debt is. It is now half a trillion dollars. In fact, that 0.25 per cent increase has meant that on that foreign debt we will be paying something like $283 million a year extra just on interest payments. Foreign debt, which has absolutely ballooned in the 10 years of the coalition, means that Australia now has a burden of $24,276 of foreign debt for every man, woman and child in Australia. I will repeat that, Mr Deputy Speaker, because you probably do not believe it, but it is the figure. There is $24,276 of foreign debt for every man, woman and child in Australia, and there is no prospect of it diminishing.

It is all very well to say, ‘Look, it’s reputable banks that are borrowing that money from overseas.’ Yes, it is, but we still have to pay the interest. Whether it is banks or anyone else, Australia still has to earn sufficient income to be able to pay that. As the chief executive of Bluestone, Alistair Jeffery, said, this problem is a ‘bus smash waiting to happen’, and it is un-addressed in the budget.

I wanted to talk about our trade deficit because the honourable member for Blair, a member of the coalition, has courageously raised this as an issue. Why wouldn’t he? We are now into our 49th consecutive trade deficit. We are heading for half a century, and again there seems to be no plan in this budget to try to rectify it. The Minister for Trade said that in his watch as Minister for Trade he wanted to double the number of exporters. That is a very worthwhile objective and is certainly one that is totally supported by the opposition. But the reality is that, far from increasing the number of exporters by one, we have actually gone backwards. The number of exporters has diminished. No wonder the honourable member for Blair says we have a king-size problem with our consecutive trade deficits.

There is so much that we believe could have been done in this budget, like building our skills base so that we can become a far more productive country. There is no need for us to import Chinese apprentices into Australia to overcome our skills shortages. There are many young Australians that are only too happy to take up those opportunities. I will have one last word on Spotlight. The Prime Minister says these low wages encourage employment. He used Mount Druitt as the example. Why then in the budget forecast is unemployment forecast to grow and not diminish? This is a disappointing budget.

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (11.10 am)—I appreciate the opportunity to make a few comments on Appropriation Bill (No. 1) 2006-2007 and related budget bills today. As honourable members would know, the speaking opportunities for ministers in the House on local and electorate issues is quite limited, so I plan to use the opportunity today to speak on issues that affect my electorate.
But, firstly, I would like to commend the budget and commend the Howard government’s sound economic management of this country. Economic management has an impact on the lives of each and every one of us in Australia, and the fact that we are now running significant surplus budgets and that we have paid off Labor’s $96 billion debt has a positive impact on all Australians. By paying off that debt, we are now saving some $8 billion in interest payments, and all of us who have a credit card debt realise what a waste it is when you are paying interest on that debt. That $8 billion can now be turned back into infrastructure building and into positives for the Australian community.

It is also interesting how there is an expectation now that when the federal budget comes down there will be tax cuts—benefits the Australian government can provide to the Australian community. That is very good, but I guess I am at an age where I can remember the fact that, when previous governments brought down their federal budgets, people used to have this fear and trepidation of the Australian government bringing down its budget, particularly when Labor was in office. People would say: ‘What’s going to increase? What taxes are going to increase?’ I remember the front pages of the Daily Telegraph 15 years ago when they would say: ‘Smokes up. Beer up. Petrol up. Increased taxes.’ They covered a whole range of issues about what the Australian government was taking away from the community. How that has changed under the Howard coalition government. Now the expectation—and the rightful expectation—is that the benefits of sound economic management will be returned to the Australian community in increased infrastructure spending and increased tax cuts. In fact, some $36.7 billion in tax cuts are being returned to the Australian community.

A good, sound economic position enables us to invest in infrastructure. Obviously, as the federal government’s Minister for Local Government, Territories and Roads, I was delighted that we were able to secure an additional $307.5 million for the very popular Roads to Recovery program. This program provides additional money to all the 703 councils around Australia. The initial four-year program was for $1.2 billion. This current four-year program, now with this additional $307.5 million plus the additional $100 million for the strategic component of Roads to Recovery, means that over the next four years there will be approximately $1.7 billion for local councils to invest in local communities.

Certainly in my own electorate and on the Central Coast of New South Wales this means that Gosford City Council will receive an additional $968,000 on top of the funding they would have received for this year. Neighbouring Wyong Shire Council will receive an additional $903,000. Importantly, this $307.5 million will be paid in advance to councils. It will be paid this current financial year. All councils have works programs. They all have jobs that they can start working on straightaway, so the money will be paid to them to get on with the job.

Another part of the budget that I was delighted to be able to announce as the federal roads minister was the increase in funding for the widening of the F3 freeway south of the Hawkesbury River. As honourable members would know, a large percentage of the population and residents of the Central Coast commute daily either by rail or road to Sydney for employment. It puts significant pressure on our community life. Those who drive to Sydney can spend an extra three or four hours of their working day travelling—1½ to two hours in each direction. It puts a great strain on their families when they are trying to provide for them.
One of the major objectives that I have had since being elected to parliament some 10 years ago was to ensure that we had three lanes each way on the F3 freeway, to end the congestion that happens on a regular basis. We have been successful in widening the F3 in the Mount White region, and that has made a tremendous difference, but we still have the bottleneck south of the Hawkesbury River. I am very pleased that we have been able to announce that $105.8 million is available to widen the freeway south of the Hawkesbury River.

This project had a total cost of $132 million, and I am very pleased that the New South Wales government is contributing to this project for the first time. Under our AusLink agreement, there is now shared funding on the national highway network, and I am pleased that the New South Wales government are now contributing. It means that we can fast-track this project. Already preconstruction activities are under way, including the stripping back of the rock cuttings, and it is now expected that this project will be completed and open to traffic by mid-2008 or towards the end of 2008—in about two years time. It will make a very significant difference to the families on the Central Coast who commute down the F3.

Of course, I was also pleased that—again, under the roads portfolio—we have been able to announce a continuation of the black spot road funding program. This is also a very successful program which, to my surprise, was scrapped by the previous Labor government. One of the first things we did when we came into government in 1996 was to reintroduce this very important program which does save lives. One of my major objectives as roads minister is to save as many lives as we can on our roads, whether it is our local roads or our national highways. We still lose far too many people on our highways. Even though under our National Road Safety Strategy we have reduced the road toll significantly over the past few years, there is still a lot more to be done. One of the ways in which we can do this is through the black spot program.

In the electorate of Robertson, my electorate, we will be able to provide to the councils there $1,290,000 from the Australian government over the next financial year for black spot improvements. That is part of the $44.5 million in the current financial year. In recognition of the success of the black spot program, the Australian government has extended the program for a further two years to 2006-07 and 2007-08 at a cost of $90 million. I am pleased that my electorate could also benefit from the black spot program.

Whilst we are talking about Roads to Recovery, there have been so many positive comments from councils all around Australia, and I have a couple of those comments with me. The Loddon Shire Council in Victoria, when talking about the Roads to Recovery program last year, said:

It is one of the best programs that has ever been introduced to support the maintenance and upgrade of local road infrastructure in rural areas. The Howard government, and particularly your ministry, are to be congratulated on understanding the needs and finding the resources to support rural councils.

Another comment that I really did appreciate was from Paul Bell, the President of the Australian Local Government Association, ALGA. At his roads congress in 2005, he said:

We very much appreciate the federal government’s assistance for this task, and will continue to work with the Australian government to ensure this program continues to address the massive backlog in local road maintenance work.

Another result of sound economic management and the fact that we actually have a surplus for the Australian government to be able to invest in infrastructure has been the Australian
investment in water infrastructure. Obviously, in many parts of Australia, we are suffering significant water shortages, and New South Wales is no different to many other parts of Australia. The Central Coast is one of those areas where you would not expect droughts as such—we are on the coast and we do get a fair bit of coastal rain—but our water supply is being depleted and is now under 20 per cent. This is a real worry for a rapidly growing area, where we have significant investment, a massive increase in residential construction and new businesses coming to the Central Coast all the time.

I am very pleased that we have been able to secure Australian government funding of $6.61 million towards the construction of a water pipeline between the Hunter and the Central Coast region. This is a massive project. It is some $37.76 million in total. The project involves the construction of a pipeline between the two water supply areas from the Hunter and the Central Coast. It will have a capacity to transfer some 20 megalitres of water per day. I understand that is about one-quarter of the Central Coast daily usage, so it is very important. The Hunter system, because it has a major river involved in the system, replenishes its water supply much quicker than the small catchment areas of the Central Coast. So, even in times of water shortages, there will be water available from the Hunter system that could be utilised for storage and use on the Central Coast. This agreement between the two areas will benefit and serve a population of some $800,000 people. One of the objectives that I have as a local member on the Central Coast is to ensure that we can secure our water supply and ensure that we do not restrict growth, investment and job creation on the Central Coast, because we still have far too many people who are commuting from the Central Coast to Sydney. We need more local jobs and local investment.

Speaking of investment and returning the surplus back to the community, again because we have managed our economy well the Howard government were able to create the Investing in Our Schools program, which is in addition to the money that we provide to the state governments to run public education in the states and territories around Australia. Certainly the Central Coast schools have benefited greatly from Investing in Our Schools. In one of the latest rounds, I was able to announce that some 15 schools located in the Robertson electorate will be receiving $1,450,587. It is a very important program.

I will list some of the benefits for some of these schools. These are for what in many cases are relatively minor upgrades, maintenance or facilities that possibly the P&C would have had to raise money for because the state governments were not providing these facilities. These are just some of the grants. The Gosford Christian School at Narara is receiving $68,000 for the completion of fire precautions at their wood tech area. The Brisbania Public School at Saratoga is receiving money for installation of airconditioning so that the children are not sitting in hot conditions or in freezing cold rooms. They are receiving $89,454. We have the Chertsey Primary School, a great little school in a unique area where there is a whole socioeconomic range of families, some from underprivileged areas and some from middle-class areas. They are also receiving money for installation of airconditioning: $94,329. Gosford High School, for a shade structure and classroom and ICT upgrade, is receiving $150,000. Narara Valley High School is receiving money—and this is a project that I had supported and fought very hard for the money for—for the installation of a school stage: $99,999, close enough to $100,000. They have a wonderful musical group and they have a great performing arts section at that school. I could go on, but people are looking at me here and saying that

MAIN COMMITTEE
time is of the essence. I just want to commend the budget and the appropriation bills to the House and highlight how important this is to the people of Robertson.

Mr ANDREN (Calare) (11.23 am)—I want to concentrate on several key issues in the budget reply. I will not go into the details of my objections to the massive tax cuts in this budget and the complete distortion of priorities away from much-needed school, hospital and transport infrastructure in favour of cash in the pocket for those in least need, but I make a few comments. Notwithstanding the minister’s remarks a moment ago on the welcome initiatives around some road funding, local government continue to receive but a fraction of their needs to replace ageing transport infrastructure. It is a state problem as well as a federal problem, but it is after all a problem of national significance. The doubling of Roads to Recovery funding for the next year is but an extra $300 million. That is about enough to reform and resperse 300 kilometres of road, so let us get the whole process of infrastructure refurbishment into some sort of perspective.

Any tax cuts for middle- and lower-income earners have been swallowed up by mortgage, rent and petrol increases within a few weeks. The polls show that the budget has not captured any widespread support. In fact, as I have said for a decade or more, and many others as well, most Australians want better services rather than money in their pockets that will disappear with cost of living increases. They want better hospitals, fairer health care coverage and more child-care premises which are community funded, not provided by a greedy private sector prepared to cut corners—not all the private sector do, I must say, but there are enough signs in the sector to show that there is an exploitation of what should, after all, be a community delivered service. In so many circumstances, we have seen the benefit of private shareholders. I have grave concerns about the possibility for exploitation of child care and aged care for the benefit of shareholders. The shareholders, after all, should be the aged and the children of this nation.

The constituents I talk to want all children to have equal opportunity and access to the best educational opportunities. An index of educational facilities and infrastructure is the sort of thing we need—a sort of barcode you could run against all schools, state and independent, and when the red light flashes it would suggest that there is something vital and crucial in the infrastructure of that school that is not there, that is outstanding, that needs attention. Until and unless those shortfalls are met, there should not be another dollar spent on the educational opportunities of others in our community. The take-up of the Investing in Our Schools grants scheme is symptomatic of the need out there in the public school system. The 2008 program has been brought forward to this year, such has been the demand for this very welcome and very necessary program. But like Roads to Recovery it suggests that we are only scratching the surface. Who should take ultimate responsibility for this? Of course the states have ultimate responsibility for the state education process, but we cannot stand by and play some sort of a blame game. Surely we should have an agreement at state and federal level on the absolute basic requirements of every school in the system—state or independent—and provide accordingly.

There are plenty of pluses in this budget. The mental health initiative is an outstanding one. I certainly wait to see the outcomes of increased residential care rather than the jailing option we see all too often for those who should be treated rather than criminalised, acknowledging as we must the violence involved in their behaviour. So often in recent years I have come
across cases where the only option is the jail option, with all the horrific consequences that
that involves in terms of the outcome for any sort of proper treatment of the mental health
victim. With such a budget surplus surely more services for the physically disabled should be
provided. This should not be just a state responsibility.

The forgotten people in recent budgets have been age pensioners. Let me read a letter from
several constituents at Manildra, a village between Orange and Parkes. The letter is addressed
to Peter Andren MP and says:

Dear Sir

... ... ...

We do not smoke or drink, we cannot afford to go on holidays or a night out.

By the time we pay our rates, Phone, & water Bills with G.S.T. on these. There is not much left. We
have to pay $250 twice a year for sewage which we haven’t got yet—
in that village, which again is an infrastructure problem—
& at our age we will probably be dead & gone by the time it gets here.

Here in Manildra we have to pay 145.9 per litre for petrol per Lt. We have to have a car to get around
for our Groceries, Doctors & specialist, Pink Slips go up every year for your car—
of course, they are a state responsibility for inspection—
& green slips go up as well. The Prime Minister said, they help with the pharmaceutical, yes! they
might. But we have to spend over $250 Dollars before we can go on the free list. Every time you go to
town for your Groceries they have jumped up quite a bit. So you can see there is very little that you can
go out and have a good time on.

The Prime Minister can go over seas quite a few times a year. And going on the newspaper, pays
over $9,000.00 Dollars a night, just for a bed to sleep in.

We would think it like Christmas if we could get away for a short holiday.

That is symptomatic of the pressures on the elderly out there and of the fact that the age pen-
sion is not keeping up with the cost of living. Surely in a time of such surpluses we should be
able to properly adjust. I suggest that we should be looking at 27½ per cent of the average
weekly earnings as a fair pension in this country, given the circumstances that have prevailed
since the GST and given the current pressure of the cost of living.

I will reserve my comments on the plight of our Aboriginal Australians until my contribu-
tion to the debate on the Northern Territory land rights legislation. But I will say here that,
until Aboriginal Australians are treated as equal partners in their own self-determination, until
the top-down paternalistic, government-knows-best approach is abandoned, until we talk with
and not about Aboriginal society and until we stop marginalising and defaming Aboriginal
society, there is no way forward for a people whose spirit and esteem has been broken over
and over again. Of course we need to address child abuse and family violence—as we should
throughout our society. But the bigger challenge, as it has been for 200 years and more, is to
address the legitimate grievances that go to the very soul of our Indigenous first nation and its
peoples.

We stand up in parliament and describe the horrific attacks on children—which do occur;
we know and admit that—but how often do we stand up and describe the attacks that occur on
children, siblings and adults in our non-Indigenous society? I was appalled to see the degree
of detail that it was felt necessary to use in question time to highlight the circumstances in
some of the Aboriginal communities. Sure, there is dysfunctionality. But there is certainly
dysfunctionality in many of our other communities, societies, suburbs, villages and towns. We
need to take a far more measured approach in this circumstance because we are talking about
people who are the battering ram of the most outrageous of racist attacks, not from the par-
liament but from too many Australians. Those Australians will grab hold of this information to
further damn Indigenous communities and to further squash, tread down and erode any self-
estem within those communities. I beg caution in this debate, because we run the risk of fuel-
ling the fires of racism in this country.

Let me turn to the energy crisis facing the country and the pathetic lack of commitment to
alternative energy options contained in the budget. The Prime Minister was saying a month or
so ago that he did not believe nuclear energy was on the horizon, or words to that effect. The
argument went that with our huge coal reserves there was little need for energy from any other
source—energy, that is, for power generation. It has been estimated that we have enough coal
for 300 years. I would hate to think of the state of the world by then if coal was still being
used, clean or not.

But on his road to Washington the Prime Minister had some sort of revelation and now
firmly believes that nuclear energy is inevitable in Australia. Does this mean that he is also
talking about nuclear powered cars, trucks, planes and ships? Of course not. But power gen-
eration accounts for but 30 per cent of our greenhouse problems and the resulting climate
change. Transport is heading from 16 per cent towards 20 per cent and increasing rapidly. All
the TV and video footage of smoking factory and power station stacks—much of it steam,
incidentally, in the case of power stations—is very convincing. But the silent, often invisible,
killer is coming from the engines of our cars—invisible, that is, until you look at the haze
over Sydney at certain times of year, Los Angeles or New Delhi, where it gets down to around
waist level.

Nuclear power stations would cost an absolute fortune and consume much energy-
depleting fuel in their construction. They take 10 to 15 years at least to get up and running and
then use huge amounts of energy to extract the finite and very impure uranium ore required to
run them. Then there is that little problem of what to do with all that indestructible radioactive
waste. This government has encouraged debate on nuclear energy—and I have no problem
with that—but why has it refused to extend the two per cent mandatory target for renewable
energy to at least five per cent, which most experts who know regard as the minimum re-
quirement? Why aren’t we encouraging a mix of wave, wind, hydrogen and, most impor-
tantly, solar energy initiatives? It would not have anything to do with the short-term interests
of the mining and oil sector, or the overseas companies lining up to build nuclear power plants
around the world, would it?

Let me put a few points on the record regarding solar energy, a technology which Australia
once led until lack of interest and support from successive governments forced it to seek en-
couragement in Europe, while we continued to promote quarrying of climate-destroying min-
erals for short-term and short-sighted economic gain. Indeed, talk about fool’s gold; this is
fossil fuel fool’s gold. As the global crisis looms large, our government and most of the
greedy West goes for a quick fix nuclear option, followed by emerging economies like India,
China and now Indonesia—sitting as it does on the earthquake faults. All alternative energy
sources on offer, whether they be hydrogen, ethanol or wind, have their limitations but a
source of infinite energy shines on the planet every day and has the potential to fuel our homes and our transport.

The global oil crisis data suggests that all the conventional oil that has ever been consumed is equivalent to the energy of the sunlight intersecting our earth’s surface for just 12 hours. It is not as if the solar technology is not on the drawing board. The University of New South Wales School of Photovoltaic and Renewable Energy Engineering is an ARC centre of excellence and was the first organisation internationally to offer undergraduate training in solar energy. Professors Martin Green and Stuart Wenham are the developers of the world’s most efficient solar cells. The Uni of New South Wales school of renewable energy engineering is talking with Chinese production interests about the development of photovoltaic energy, the Chinese group being a major producer of silicon wafers.

At ANU, the Centre for Sustainable Energy Systems has developed Sliver solar cell technology, aimed and claimed to reduce dramatically the cost of developing photovoltaic cells. There is much happening in solar research, but one can be forgiven for not knowing anything about it, given the government’s commitment. Solar is an obvious source of renewable energy, and the lazy and dangerous rush to nuclear defies logic. We need to conserve energy. We need to promote alternative clean energy, and the Prime Minister is talking up nuclear and selling off our national hydro scheme—short-term economic reins. Energy policy is no longer about planning; it is about handing over crucial responsibilities from the state to the market, and that is shameful.

Let me read into the record a letter I received from Doug Nicholas, who was in Parliament House this morning delivering letters to every member of parliament. He is a man who has put his business on hold to take up the cause of the Snowy Hydro issue. He attracted quite a deal of attention in the front foyer of this parliament about an hour or so ago. He writes:

… Mr Andren,
I am an engineer with no axe to grind who has put aside his business for a while to do something that matters more. Although the Snowy was, and remains, something of an environmental mess, it’s our mess and we’re beginning to clean it up. The robber barons are circling as this silent sale proceeds but I think there is still just a chance that broad public outrage could bring the three parliaments to their senses and perhaps allow a conscience vote or two. I have little doubt as to what the outcome might be. Well, I have some doubts, but he continues:
To raise public awareness above the dismal 25% that I found out here—
this was a month ago—
amongst even the fairly well read, I am endeavouring to bring 100 widely respected Australians together to pen a collegiate letter to those parliaments and to all the people they serve.
That was three weeks ago, and that awareness is way up there above the 50 per cent mark now.

I had a meeting yesterday—along with some backbenchers from the government side and the member for New England—with the Prime Minister, Senator Minchin and others, including Mr Turnbull. It started out as, ‘There’ll be no inquiry,’ but I think the notes taken, the glances exchanged and the comments afterwards suggest that something is afoot. The only thing that the public will accept is a proper and open inquiry into this whole charade. We have legislation before the parliament now which was forced on the government by the public out-
cry. There was never going to be legislation. There was only a motion because it was built into the corporatisation act back in 1997. The states did not have to refer the privatisation to parliament. No, they looked after that facet of the whole thing. We now have legislation ostensibly to cap foreign ownership, but it also goes to the normalisation process that was supposed to be contained in this rushed-through motion that not even the backbenchers knew anything about. Not many people know much about the ramifications of this privatisation anyway.

Here we have an opportunity for legislation that, under normal circumstances, would go to a full parliamentary inquiry. Let us see if the government is prepared to send it to an inquiry. Let us see if it is prepared to call off any engagement with the states in this sale until such time as all of these outstanding issues and concerns are addressed and the people have had a chance to have their say. They will have that chance in Sydney next week and here in Canberra on 13 June. The Prime Minister must back off. He must agree to a public inquiry, not only to sort out the outstanding holes in the sale process, not only to review the corporatisation process, not only to address the fact that New South Wales has already breached the snowy corporatisation legislation by failing to set up a scientific committee and report as required—not only for all of those reasons—but to satisfy the demands of the electorate. They believe that this is a piece of national, iconic infrastructure that is absolutely crucial for the three things that we in this country are engaged in at the moment: the environment; clean energy, and the ability of a privatised operator to manipulate the peak demand in this country; and that crucial resource of water. They say we are not handing over the ownership, but we are certainly handing over the control of it.

Miss Jackie Kell y (Lindsay) (11.42 am)—Mr Deputy Speaker Lindsay, like you, I have been in this parliament for 10 years. We came in together—at the same time, on the same day. We were elected to this place. At that time, in 1996, we as a government had a $90 billion debt. We as a government were paying $8 billion each year in interest, which was the total of what we spent on schools and hospitals. Today, with these appropriation bills, that $8 billion in interest payments has been eliminated. We no longer pay interest. We are a net worth government. We have $18 billion in the Future Fund. We have the proceeds of Telstra yet to go in, and I am relying on Sol Trujillo to get that share price back up to $7 so that the Future Fund is even more substantial from the sale of Telstra.

We are looking forward to the surplus from this budget and the surpluses of future budgets from this government going into that Future Fund so that, by the year 2020, we can fund completely our superannuation liabilities. That means we are a net worth government. We are a government in control, with capital that we can push out into the economy when the economy turns. Although we have had a remarkable resources boom, I believe it is on the turn. As with all booms, there is a bust. I believe that, over the next two years, things in the economy will be a lot rougher. But we as a government are in a position to invest and make good any shakiness in the economy.

Whilst we have been getting all of these things in order in the 10 years that we have been here, we also have seen substantial tax cuts. Every year that we reduced the amount of interest that we paid, we could reduce the amount of tax we had to take from the taxpayer and give back to the taxpayers of Lindsay and Herbert. Today, with these bills, someone earning between $25,000 and $75,000 will be paying 30c in the dollar in tax. That is pretty much the
majority of people in my electorate. They know that, when you are earning between $25,000 and $75,000, it is 30c in the dollar in tax. It does not matter; they are not going to be going over. In 1996, they probably went through three different tax brackets—42, 45 et cetera. It was an incredibly confusing personal income tax system, and there were major disincentives to taking an extra job, because you really did not see it. Once your family tax benefits cut out or your government family payments cut out and your tax rate went up, there was very limited gain in taking on extra responsibility and moving into more productivity and being of more value to your employer.

Today, with these bills, the family tax benefit will end at $40,000 rather than $33,000. Large families now include families with three kids. Believe me, with two young children at school, we look at the mums with three kids and go: ‘Wow, that’s a big family! How do you organise it?’ Everything is set up around two kids: most of our vehicles, holidays—everything that is marketed to mum. It is about mum, dad and the two kids. So, when you have a third child, it is difficult. With this budget, we recognise that and give the large-family supplement to those Australian women who have more than two children, who take that extra step in their commitment to their family, their children, their husbands, their new partners.

Importantly for me, we did something on child care. We uncapped child-care places right across the board. Where we uncapped them, we have seen an explosion of child-care centres. Family day care and out of school hours care have been uncapped. Hopefully this will lead to further family day care places and an OOSH program in every school. I say ‘hopefully’ because it is difficult to recruit family day care mums, especially in my electorate. We are losing family day care mums at the rate we are recruiting them because of the complexity of being a family day care mum. You almost have to be a centre supervisor. It used to be that you were a great mum; you did a good job and everyone else recognised that by the product. The word was basically in your children—you had raised a couple of good kids and parents would come along and say: ‘You’re a good mum. I like your kids; I like your home. Can you look after my kids in a family environment?’ In that environment they are around your feet in the kitchen and they are exposed to dangers such as a stove or a boiling kettle. They are around your balcony where they are exposed to dangers such as heights. They use stairwells. The glass that you have is clearly glass; it is not shatterproof glass.

Today, for very valid reasons, family day care has been affected by legislation which has regulated where and how in relation to the safety of children in other people’s homes. In family day care today, kids are largely kept in a restricted area of the home, away from dangers such as stoves. You need shatterproof glass. Kids need to be kept away from stairs. Most mums now have an area of their home which meets the regulation, and the children are kept in that. It is not quite the same family day care as it was, which is a loss because I think a lot of mothers like that family option. It is a very successful option. The family day care mum becomes an integral part of a woman’s support network. The children adore their family day care mum. It works up to be a very special relationship between the families and often goes on long after the children have gone to school. It is an important mix. I think we really need to look at some of the reasons and how we can expand that option, because it also offers some critical options to shiftworkers. Family day care is one area that offers shiftworkers some scope which is not available in long day care.
The opposition just carry on and on about long day care: ‘Let’s put long day care in every school.’ A long day care centre in every school would eliminate all of our current private providers. It would cost governments an enormous amount of money to operate, whereas currently the private sector is running a very efficient, positive and qualitative industry that is meeting women’s needs. It is still only one of the solutions that women need.

I was very pleased to see Peter Debnam, our opposition leader in the parliament in New South Wales, come out with a very comprehensive preschool policy that has put enormous pressure on the Labor government to fund its preschools. The Iemma government has come out with an early announcement for next year’s budget about preschool funding. As usual from a Labor government, it is being funded from a deficit. That is my concern. I know that our party can deliver child care substantially to the women of Australia with a net worth for all of Australia, without taking ourselves into deficit, debt and interest payments. Eight billion dollars in interest payments—this is what Labor is offering. It is running around in the child-care debate promising, willy-nilly, unthought-out, uncosted policies in the hope that it can grasp government from mothers who are feeling the pressure in terms of cost, accessibility and general ease of use. Mothers do not use just one option. In 12 months we use many forms of child care; we have an extensive support network that allows us to deliver to employers, deliver to our parents who may need care and deliver jobs to each of our children.

There is a joke in my family where Dad comes home and he sits down and says, ‘Mum, I’ve got a problem,’ and he gets to cogitate on that while he solves this problem. Mum comes home and if she has a problem it is because the kids have all delivered a problem to her: it is drama tomorrow and they need an outfit; it is sports day and this has not been fixed or they need a button sewn back on; little Jakey is going to that child-care centre, and you would like to go with him because he has got school this way; we have got netball tomorrow; and this reader or the library books have to be in—it is incredibly complex. So by the time you have got your kids to bed and everything sorted, and you have done all the other things that need to be done in the family, when do you get time to resolve your workplace problems? We need to really integrate the workplace and the family areas.

I commend Working Mother to the House, a magazine in America that regularly lists the 100 best companies in America for a woman to work for. Some of these companies are in Australia, and I challenge the companies of Australia to have a look at that list and at what their American counterparts are doing and to look at delivering those types of services into the homes in Australia. My personal favourite is Avon. Seventy-five per cent of the staff are women, including 52 per cent of the executive staff, and 56 of the highest-paid jobs in Avon are held by women. That is an outstanding position. Of course it has on-site child care; I do not think you even get on this list without on-site child care. These companies deliver a number of other options into the home such as flexitime and working from home. There are even some companies that deliver online and pay for your broadband in your home to allow tele-commuting. They offer people the opportunity to go home and wait for the repair man to come. They offer in-home nanny services when your children are sick. There are some really innovative policies that we need to encourage businesses in Australia to get on board with. Therefore I am looking for our government’s second instalment in this area to release employers from fringe benefits tax when they deliver family benefits to their employees.
Mr JENKINS (Scullin) (11.53 am)—Despite the enthusiasm of government backbenchers, this year’s budget is really a fraud. This government had the potential to do things that will have a long-lasting, beneficial effect on the Australian economy and the Australian community. The Treasurer has fallen at the first hurdle. The Treasurer fails to understand that if he believes his own spin and that we are going through a period of economic sunshine then it would have been appropriate at this time to do things that will have an effect way into the future, rather than taking measures that are for immediate effect. This begs the question whether these are measures taken in the pursuit of good politics rather than good public policy.

There are many things that the government fails to mention when it discusses the challenges that confront Australia. When it talks about our appalling trade performance, it clutches at things that it believes will lead us to nirvana and get us out of the doldrums. But consistently coalition governments have a view of trade that is stuck in the resources and primary industry sectors. The favourable budget position that the government finds itself in is purely because of the way in which commodity prices are booming. There is no thought given in government discussions to what will occur when that boom deflates and when global conditions mean that the sale of our primary produce is not as favourable. When will the government discover that one of the problems is the decline in our manufacturing industry—the de-industrialisation of Australia, as some have called it? Will it wake up to the fact that the immediate challenge for Australia is to make investments not only in capital but also in our human resources and in the skilling of Australians? Skilling is needed not only for people on the production line and for people who work with their hands but for people who work with their minds. This is something that Labor, from its position in opposition, has been emphasising for some time, and slowly but surely if not the government then the people of Australia have come to understand that this is the challenge that confronts us.

When we look at the number of apprenticeships we see that nationally they continue to decline. That is not good enough. This year there are only 389,000 new apprentices in training—a continued drop in positions in training over the past few years. An electorate like mine can offer the human resources that are needed. Various people are willing to make a contribution and would welcome being given training opportunities which will improve their skills and ability to make a forthright and important contribution to the way in which we develop. These can be our young people, for example. The latest figures from the north-east region show that teenage unemployment is 18.7 per cent.

The member for Calwell spoke in the Main Committee today. In the north-western region of her electorate unemployment is at something like 30-plus per cent for that age cohort. These people have great potential. They should not be put in a basket where they are not given the opportunity to develop skills. It is no good for this government to continually point the blame at everybody else. If it is not the states, it is somebody else. The closest it ever gets to saying that it is partly its fault is to blame its own bureaucrats. That simply is not good enough. It is simply a challenge that this government needs to take on board and it is failing this challenge in spades.

The reason that I am very interested in the plight of the manufacturing industry is that it remains the major sector of employment in the region that I represent in this place. If we are to continue to see about 25 per cent of those in employment being employed in manufacturing, the type of support the Victorian government is giving manufacturing has to be replicated.
by the Commonwealth government. This will ensure that not only our young people are given the skills to participate but also innovative businesspeople are given the encouragement to investigate not only niche markets in the domestic markets but markets overseas.

I have every faith that through cooperation in the workplace employers and employees can achieve those outcomes. That is why we are greatly concerned about the changes being made to industrial relations under Work Choices. The benefits, not only to employees but to the nation as a whole, are illusory. In their heart of hearts, enlightened employers know that the type of industrial relations regime that this government sponsors is not going to lead to the conditions that are required to ensure that Australia goes forward. That requires cooperation between those who do the toil and those who make the decisions. If we do not have that cooperation, when that commodity price boom bursts we are going to be in a great deal of trouble.

We need government support for skills acquisition and innovation. If we take as an aspect of that the availability of and access to broadband, the government has tended to wash its hands of that. The only impetus for the government having any involvement in this area has been the selling of Telstra, with the government using broadband as a trade-off to certain sectional interests. That has been the only initiator of any proposals from this government about ensuring that our telecommunications infrastructure can take us well into the 21st century and will not keep us stuck a couple of decades behind in the 20th century.

In the city of Whittlesea, which is part of my electorate, progressively the access to home computers, and therefore the access to the internet, has increased. But it has now stalled. The level of ownership of home computers has levelled off at 60 per cent. There is a similar figure for those using the internet. About 60 per cent of households use the internet. Of those, about 54 per cent use it from their home computers and another six per cent have other sources. The worrying thing about those figures is that, after several years of progress, they have both levelled off. If you go to the source of connection to the internet for those households, you would be surprised that, in an outer urban area of a major metropolitan city like Melbourne, 53 per cent are on dial-up connections. If we are to go forward as a nation, we have to do better than that.

There is a need to look at the way in which the national government can ensure that the provision of high-speed broadband connection is possible. In the past, we have tended to talk about connection to broadband through ASDL or cable and talked about speeds which, if we compare them to overseas conditions, are deplorable. That is why I was very pleased that the Leader of the Opposition in his budget reply indicated that a Beazley Labor government would deliver a broadband plan that would ensure that the majority of people throughout Australia would have a high-speed broadband connection available.

As I said, when we are talking about broadband connection, we are really talking about broadband connection that gives us an ability to compete with overseas countries in not only the levels of connection—that is, penetration, the number of people and households that use it—but speeds that are comparable. That is one of the things that has been missing from this debate. We have not compared what we see as acceptable in the Australian context with what other nations that we are competing with see as acceptable.

Looking at the figures, Australia is ranked 17th of 30 countries surveyed by the OECD for the take-up of 256 kilobits per second broadband. The World Economic Forum ranks Australia’s available internet bandwidth at 25th in the world and Australia’s network readiness at
15th and falling. Another survey, by the World Bank, confirmed that Australia had access to some of the slowest broadband in the developed world. That is why the investment that was foreshadowed by the Leader of the Opposition is so important.

I have had cause to remind the House on a number of occasions of the deplorable fact that there are pockets in the electorate of Scullin, which is less than 20 kilometres from the GPO of Melbourne, where people cannot get, even at the slower, deplorable rates, access to broadband as we know it in the Australian context. These are in new estates being built in greenfield sites, and moving into those suburbs are people who will do part of their work from home and people who know the educational benefit for their families of having access. So why do I continue to get letters from people living in an electorate on the urban fringe that say that they cannot get beyond dial-up connections and that their cries are falling on deaf ears?

There was an estate just around the corner from where I live which, because it was 3½ kilometres from the exchange, was told that even on pair gains they could not have a reliable connection. This was an infill subdivision and it was being told that the infrastructure was not good enough. What were they told was the alternative, in a metropolitan context? They were told to buy a satellite dish. What happened was that the Country Connect guidelines were loosened up. That allowed Telstra to sit down as a provider with that small neighbourhood community and they got an outcome.

But this has not helped the businesspeople in semirural suburbs like Yarrambat and Plenty that cannot make the connection to businesses that they might be running in the electorate of the member for Calwell, in Campbellfield and Somerton. There they at least get Australian levels of broadband connection, which are deplorable by international standards. But they cannot get them at home and they cannot connect back and forth between their businesses.

I see this as an area that exemplifies the slothfulness of decision making. It does not envisage Australia going forward well and truly into the future and competing against our near neighbours, even in the area of IT technology. What I would like to emphasise about the budget is that it fails Australia; it fails areas like the electorate of Scullin because it does not recognise the regional disparities in the way in which the global economy is having an impact; it fails to mention manufacturing industry, which will be so important post the commodity boom; and it simply lacks vision and a sense of reality and indicates that the government is out of touch about the major challenges that confront us. I hope that at some stage we will start to see decisions being made by this government that are based not on immediate good politics but on long-term good policy.

Mr RANDALL (Canning) (12.10 pm)—In the limited time that I have, I would like to speak briefly on two subjects in this debate on the appropriation bills. The first one is following on a debate which I had in the House last week regarding the Tamil Tigers in Sri Lanka. As I said, I am the chair of the parliamentary friendship group with Sri Lanka. Since that debate, I have had an enormous amount of email from and contact with the Sri Lankan community. Even this Monday, there were some 400 members of the Tamil community demonstrating outside this place because they are concerned about the listing of the LTTE, the Liberation Tigers of Tamil Eelam, by the European Union. As a result, quite rightly, a number of people from the Tamil community in Australia demonstrated, as they did all over the world, about this potential listing by the European Union. Three members of that protest group came to my office to talk to me about my speech in this House. I was very happy to talk with them and I
have undertaken to talk with them further, because I need to be balanced in the position I hold.

However, what I am telling the House today is that I intend, as an addition to my speech last week, to write to both the foreign minister and the Attorney-General to ask that Australia consider proscribing the LTTE as a terrorist group. I find it quite unusual. In December 2001, the foreign minister listed the LTTE; however, the listing of the LTTE does not have the same definition and the same sanctions as does the listing of a proscribed terrorist organisation. So I will be writing to those two ministers, asking that we take that on board, as has been done by the United States, Britain and Canada. Can I say that I will be suggesting to the foreign minister and the Attorney-General that they list the LTTE using the same model as the Canadian model, which has variations from the US model and variations from the British model.

I am concerned about the fact that, while the British may have listed the LTTE, their sanctions do not seem to be as strong as they could be, because I understand that this weekend in Britain the Tamil terrorist leader Prabhakaran will be in London celebrating his daughter’s 20th birthday. I find this quite unusual. He is putting on a lavish function for her birthday in London, yet this listing is supposed to do something about stopping travel and the flow of money to terrorist organisations. As a result I find this quite unusual, quite bizarre, and I would be surprised that the British would be very supportive of this. Here he is living a lavish lifestyle, yet the child soldiers that he forcibly recruits to act on his behalf have to carry cyanide pills around their neck in case they are caught. So I find that quite disappointing as well.

Secondly, with all the emails that I have received in response to my speech last week, as I said, obviously the overwhelming amount support me in my statements regarding the LTTE. However, of course, there have been several emails which have not. I have received an interesting one from a Mr Wilson Mervin Reynold. I will read what he says to me regarding, ‘Australian MP blasts LTTE in federal parliament speech’. It says:

Don Randall, the Liberal Party MP for Canning, and Chairman of the Australia-Sri Lanka Friendship Group in parliament, blasted the LTTE’s spokesperson in the Australian Federal parliament, John Murphy (Labour - MP for Lowe) for making allegations against the democratically elected Sri Lankan government and aligning himself with a terrorist organisation.

Those are his words. This is a man that is having a go at me and who has listed Mr Murphy as the spokesman in this place for the LTTE! I put that on the record because, if that is the way the supporters of the LTTE seem, he has a problem. At the end of the day, can I make it very clear that in general the Tamils in this country, as I have said before, are harmonious, peace-loving people who integrate well, as they do in Sri Lanka. However, there is no way in the world that Australia can support a terrorist group and fund a terrorist group, and that is why I am calling for the proscription of this group by our government. I could say more, but I will move on.

The other issue I wish to speak briefly to is the development of Preston Beach in my electorate. Since I spoke about the environmental concerns for the development of Preston Beach I have found further information. I am looking at the proposal to the Waroona Shire Council, which says that when the Department of Environment was asked to comment it returned the letter with no comment on it. The Department of Health was also asked for comment but declined to do so. I find this very unusual. As I have said, the BioMAX system that is being proposed for these 135 units is basically being ignored by the two state government departments,
which should be very concerned about the treatment of sewage in a very pristine environmental site, a fragile Ramsar wetland site. I want to ask why these two state government departments have basically washed their hands of this issue. As I have said before, I have written to the Minister for the Environment and Heritage, Senator Ian Campbell, to see what issues can be raised as part of his federal responsibilities for the environment. I understand the department is still looking at that.

The other issue I want to raise is this. I do not mind people making money; I think enterprise is good, but under this proposal 135 shacks in a beachside hamlet of 400 will be under a timeshare arrangement. No-one will be allowed to live there for more than three months. In other words, the owners cannot stay there for more than three months. The timeshare units will place into a small beachside community a transient population for the rest of the year. This does nothing for the community and does nothing for amenity. I have some grave concerns about the fact that this development has gotten under the guard of the Preston Beach Townsite Strategy. As part of that strategy there is meant to be a contribution to infill sewerage, transport and all other infrastructure, such as gas and roads et cetera. Potentially there is $41 million to be made from this project. I understand that 30 of the units have already been presold at $309,000 each. I think it is a grave injustice that these people can be given a walk-up start before the Preston Beach Townsite Strategy is in place, and I will continue to raise this point.

The last thing I will say in the time left concerns the public open space requirement for this development. The council have given them the land. When I say they have given them land, they have not actually given it over to them but have signed over a piece of council land approximately 25 by 40 square metres in size. To start off with, I think public open space which is only half the size of an Olympic swimming pool for 135 dwellings is inadequate, but for the council to give this land as such to the developers means that they do not have to develop the public open space on the land that they own. It gives a huge commercial advantage. Why would a council give away this sort of land to a developer? I think there is something quite wrong about all of this. In fact, to me, it smells somewhat. I am going to continue to dig and expose where I can the issues that are involved there. I will be meeting the developers from Preston Beach next week and I will say that to them. I think the people of Preston Beach and that area deserve far better governance by their local authorities, and I will be raising that wherever I can.

Ms VAMVAKINOU (Calwell) (12.19 pm) — Can I start by thanking the member for Canning for his gracious and diligent observance of the clock so as to give me an opportunity to have some say today on the effects of the federal budget on my electorate. I have listened to a number of government speakers in particular talk about the budget and, as is to be expected, government members like the Treasurer and the Prime Minister hail the budget with great aplomb and excitement. I beg to differ on behalf of my constituency. The budget for 2006-07 has been treated in a pretty ordinary way by the people in the federal electorate of Calwell — and this despite the massive surplus and also the new comprehensive tax reform measures that see tax cuts given to a much broader base of income earners. Despite those two major features of the budget, many of the people in my electorate and no doubt the Australian public generally have not been as enthusiastic and excited about the goodies that have been on offer in this year’s federal budget. The reason for that is fairly simple — that is, people and in particular
families are struggling. They are struggling to make ends meet, despite record budget surpluses and the infamous tax cuts.

My community, like the rest of Australia, knows very well that the tax cuts given in this budget will disappear well before they can be of any benefit, because such is the pressure that our families are under that it will take a lot more than just tax cuts to relieve the burden of the rising cost of living. Tax cuts—and I need to make this point—are of no benefit to those people who are not earning an income. I in particular have a large number of unemployed people in my electorate. I have a large number of sole parents and pensioners who face even greater uncertainty as the government’s Welfare to Work and IR policies begin to kick in.

Household budgets in my electorate, like everywhere else across Australia, are straining under the recent increases in interest rates. In my electorate in particular, we are a significant growth corridor and we have a high mortgage belt, and therefore interest rate rises are felt very quickly and they are felt strongly. You need to add to this the skyrocketing cost of petrol and of course the imminent threat to wages from the government’s industrial relations changes, and you get a community which is becoming increasingly more concerned about its future security and less excited about the Treasurer’s budget surpluses and his tax cuts.

Many of the people in my electorate are asking me and others and themselves: if the economy is doing so well and the budget is in such spectacular surplus, why is it that we are paying more and more for the cost of living? I believe that this particular angst that my constituency is experiencing is not restricted to them alone. My constituents are bracing themselves for the mounting assault on their wages and working conditions. As story after story comes to light about people losing their jobs or their entitlements or copping wage cuts, people are beginning to wonder—quite fairly I guess—why at a time of record company profits and record economic growth the Prime Minister asserts that they should cop the pay cuts for the good of the economy.

I am afraid that average Australia is so highly geared and mortgaged that it is not prepared to make any more sacrifices. That is why this budget has failed to excite people in the way that the government would have hoped. The government is aware that the budget has not excited average Australia. The PM knows this, because I read an article in the *Sydney Morning Herald* yesterday which stated that, in the party room on Tuesday, the Prime Minister told his party room to hold their nerve, reassuring them that the big bounce will come after 1 July when the tax cuts kick in. The Prime Minister is a very astute politician but I think that on this occasion his antenna is being pointed in the wrong direction, because the average income earner understands clearly that tax cuts will not offset the mounting costs and pressures on family budgets. So I think the Prime Minister and his party room might be waiting around for a big bounce to nowhere.

There is concern in my electorate. I want to talk about some of these areas of concern where the budget in particular has failed to deliver. However, there are two areas where the federal budget has been of benefit to my constituency. I am always pleased to talk about the benefits of federal budgets to the electorate of Calwell. Firstly, I want to speak about and indeed thank the government for the recent provision of $51 million to Ford Australia as part of Ford’s $1.8 billion project investment in Australia over the next 10 years. This is a very welcome contribution by the federal government because the Ford plant in Broadmeadows that employs about 5,000 people, most of them locals in my electorate, is a very important em-
ployer in our community. Manufacturing, as in the electorate of the member for Scullin, is also a very important employer in the federal seat of Calwell.

There was some talk amongst Ford workers that Ford may begin to scale down its operations and even some fear that Ford may actually abandon its Broadmeadows plant. The reason for this, as bizarre as it may sound, is that in the last 12 months in my electorate we have seen nearly 700 manufacturing jobs lost overseas, in particular to Chinese markets. Five hundred of those jobs were at the Autoliv seatbelt-making factory, 40 at Kozma Industries and over 150 when Kraft Broadmeadows finally decided to close its shop and move overseas. Broadmeadows in particular is an area where the unemployment rate is very high—often at 14 per cent. So these job losses are devastating to our community and, needless to say, our community is feeling incredibly vulnerable and concerned at this point in time.

Of the $51 million which was the government’s contribution to Ford, $12.5 million will be used to build a new design and engineering centre at the Broadmeadows plant in my electorate, which will of course have immense benefits for Ford employees and the local community. This assistance package is expected to create 273 jobs and will extend the potential life of the Broadmeadows and Geelong plant, which is good news at a time when, as I have said, manufacturing jobs are being lost to overseas markets at a rate which could see the car manufacturing industry disappear from Australia altogether in the next 15 to 20 years. This is a major issue of concern not only for my constituents; it must also be a major issue of concern to government. It is important that the government keeps its eye on the ball and remains proactive in this matter of manufacturing, because it is a national concern. It needs to remain proactive and not become reactive.

The second issue that has been of benefit to my electorate in this year’s budget is the announcement by the Minister for Immigration and Multicultural Affairs, Senator Amanda Vanstone, that the government was shelving the proposed building of an immigration detention centre in Broadmeadows, at the Maygar Barracks. This particular measure was first announced in the 2004 budget, and it took our community by absolute surprise. Since then, we have waged a very strong community campaign to convince the government that the building of a 200-bed detention centre at the cost of $120 million is not only a waste of public money but totally unnecessary in our community.

We are happy that we have scored what we think is a victory. We are a little concerned, however, that in her letter to me the minister says that she has shelved plans to build the detention centre facility at this stage. It is those words—‘at this stage’—which take the gloss a bit out of what would have been an overwhelming community victory. At this point, I am hoping that the minister for immigration will consider getting rid of or expunging completely the idea of building a detention centre in Broadmeadows. We do want to take this opportunity to urge the federal government to reinvest the $120 million that it earmarked for this detention centre back into the community of Broadmeadows because we need as much money and as much government investment as we can get our hands on because there are a number of areas which need to be addressed—and I will be talking about those areas when I get the opportunity to continue my speech. At this point, I seek leave to continue my remarks when the debate is resumed.

Leave granted; debate adjourned.
ADJOURNMENT

Mr NEVILLE (Hinkler) (12.30 pm)—I move:
That the Main Committee do now adjourn.

Westralia Airports Corporation

Mr WILKIE (Swan) (12.30 pm)—Last Monday I tabled two petitions: one from 2½ thousand residents and ratepayers of the City of Belmont and one from the council itself, signed by the Mayor of the City of Belmont, Mrs Glenys Godfrey, and the Chief Executive Officer, Shane Sillcox. I spoke at the time on the petition signed by residents and their anger over the rate-dodging tactics of the Westralia Airports Corporation, who are the leaseholders of Perth Airport.

I revealed on Monday that the chair of the Westralia Airports Corporation is Mr David Crawford, Acting President of the National Competition Council, which is responsible for enforcing the government policy of competitive neutrality. Mr Crawford obviously believes in one set of rules for some companies and another set of rules for the business he is involved in. Let me explain this in the words of the petition I have received from Mayor Godfrey on behalf of the council:

- The Westralia Airports Corporation (“WAC”) leases the Perth Airport from the Commonwealth Government under a 50 year lease with an option to renew for a further 49 years.
- The WAC must make “rates equivalent payments” to the City under clause 24.2 of the lease. The reason for this is the Federal Government’s commitment to the principles of competitive neutrality, which in this instance ensures that the WAC does not have a competitive advantage over other commercial operators who must make annual rate payments to their relevant local government authority.
- In accordance with the lease, the City issued a notice to the WAC for a rates equivalent payment in the 2005/6 Financial Year of $2.1 million. The WAC has advised the City that it will not pay the full amount of the rates equivalent payment and will only make a $1.691 million rates equivalent payment.
- The underpayment of rates by $409,000 leaves the City with a substantial budget shortfall. The impact of this will be a significant decrease of works and services in the local community and may result in an increase in the amount of rates that other ratepayers in the Belmont community will have to pay.
- The City is not in a position to negotiate down rate equivalent payments as this is unfair to all the other ratepayers in Belmont who promptly pay their rates on time. Any such negotiation is in breach of competitive neutrality principles and the City does not want to engage in anti-competitive behaviour by providing the WAC with an advantage over other commercial operators.
- If the Perth Airport was privately owned land then the WAC would be required to make full payments of rates. The lease already contains a number of exemptions that would not be available if the Perth Airport was privately owned. The WAC’s ability to make further reductions exists only because the land is owned by the Commonwealth. The WAC is hiding behind the Crown to avoid paying rates.
- The Department of Transport and Regional Services (“DOTARS”) is responsible for administering the Perth Airport lease. DOTARS has not obtained legal advice on the correct interpretation of the lease clause yet continues to advise the WAC that it can negotiate a lesser amount of rates payments with the City. DOTARS is refusing to enforce the lease against the WAC to the detriment of the City and the Belmont community.
At the time of negotiating the lease, DOTARS’ role may have been to implement Government policy but its role changed when the lease was signed and since then its responsibility has been to manage the terms of the lease.

DOTARS has a conflict of interest between a responsibility to manage the lease and its apparent desire to advise the WAC how to reduce their rates or how other airports may have achieved a reduction …

Any reduction in rates payments by the WAC will result in an increase in profits. These profits will be subject to Company Tax payable to the Commonwealth Government. This is a form of tax shifting whereby a reduction in rates payments to the City results in an increase in tax income to the Commonwealth Government and imposes an additional burden upon local government to fund its operations.

The petitioner:
... requests the House to require the Minister for Transport and Regional Services, who is responsible for administering the lease, to enforce the lease and ensure that the WAC pays, and continues to pay, full rates equivalent payments to the City of Belmont.

It is not as though the airport cannot afford to pay this amount. In a recent article in the Southern Gazette on 30 May, the airport is reported to have had one of its busiest Aprils on record, with 452,000 passengers having travelled through the domestic terminal alone, which was an 11.9 per cent increase on the same month last year. Clearly the airport corporation can afford to pay; it is just a matter of it not wanting to, on advice from DOTARS. There are comments also in the community news by manager Neil Kidd, who said, ‘It is about time the federal member Kim Wilkie and the mayor spent more time negotiating and less time grandstanding.’ I say to Mr Kidd: it is about time that the airport corporation got off its backside and started honouring its commitment to the local people and started paying its rates like other ratepayers in the City of Belmont.

Mr Peretz Kalman

Mr ANTHONY SMITH (Casey) (12.35 pm)—I rise today to speak about the life of Peretz Kalman, a man I knew as the father of a great mate, someone whose life story encapsulates so much about a generation of Jewish Australians who have strengthened and enriched Australia in the decades following World War II. Following my contribution, the member for Melbourne Ports and the member for Sturt will also speak with the knowledge and blessing of the family.

Peretz’s life began in Lodz in Poland in 1936 and ended earlier this month in Melbourne after a short illness that robbed him of his sunset years. His life involved so much. It is a story of struggle, of sadness, of heartbreak and ultimately of success, happiness and much more. In her touching obituary in Melbourne’s Herald Sun, Fay Burstin added tragedy, triumph and human resilience when she wrote of Peretz, the youngest known survivor of the dreaded Bergen-Belsen Nazi death camp. When he was three, Peretz’s father was arrested and taken away and was presumed killed by the Nazis. His mother took him and his brother to live with his father’s parents in Petrokov. In 1941, his grandfather and uncles were arrested for selling kosher meat at their butcher shop. Grandfather, mother and both boys were interned in a ghetto. In 1942 they hid for three weeks after its liquidation to avoid transportation to an extermination camp. They were discovered, arrested and sent from camp to camp, where they suffered and witnessed all that was typical of that horrific period of Nazi atrocity.
Peretz and his mother and brother were finally sent to Bergen-Belsen in January 1945 and, amazingly for that time when the Nazi death machine was in full flight, survived until the British liberation in April. After recovering, like so many others they came to Australia and a new life began. Peretz became an engineer, married Rachel and had three children—Rosalie, Harvey and Lisa. He was a keen sportsman, great at football and squash, and very much a pillar of the community.

I first met him 20 years ago when I became friends with his son Harvey. Four years ago he would have been overjoyed with life. He had succeeded professionally, established a family and become a grandfather. He would have thought that, with the life he had had, he had seen all of life’s surprises—but he had not. In 2002, he discovered that his father, presumed dead, had in fact survived the Holocaust and World War II and his father, thinking that his wife and children were dead, had moved to the Soviet Union, where he had remarried, raised a family and lived out his days in Vladivostok, dying in 1981, never knowing his first wife and two children had survived.

His life was unique in some ways but typical in others. Surviving in a death camp, hiding from the SS, the heartbreak of growing up and living his life thinking his father had been killed only to discover later that he had not at all is a perfect script for a Spielberg movie. But it was a typical story in many ways, in that there were so many stories of such heartbreak in that time, so many Jewish people who suffered so much and who came to our country with nothing to make a new life. Peretz was a fine example of a generation we are slowly saying goodbye to, but their legacy will live on. It will live on in our community and our country and in their families—in Peretz’s case, in his wife, Rachel; in his children, Harvey, Rosalie and Lisa; and in his eight grandchildren, whom he was able to see live a childhood so starkly different from his.

Mr Peretz Kalman

Mr DANBY (Melbourne Ports) (12.39 pm)—I join the member for Casey and the member for Sturt in their condolences to the Kalman family—to Harvey, Rachel, Rosalie and Lisa. I know many of these survivors, as many of them live in my electorate, and to lose the youngest survivor of Bergen-Belsen reminds me of the truth of what the member for Casey has said. Their memory will live on through their spectacularly successful lives in Australia. I thought it was remarkable, on reading Fay Burstin’s obituary in the Herald Sun, that Peretz had had such a successful sporting life. Imagine being a survivor of a concentration camp from the age of three to eight and then playing football for university high, playing B-grade amateurs for the Brunswick Amateurs and being the best and fairest in his first season. What a remarkable thing that says about Australia. I thank the member for Newcastle for letting me too express my condolences.

Indonesia: Terrorist Attacks

Ms GRIERSON (Newcastle) (12.40 pm)—I wish to update the parliament on the progress being made by Newcastle families who were so tragically affected by the Bali bombings last October. We often assume that life returns to normal, but it is frequently the case that the human dimensions of the post-traumatic phase need to be acknowledged and understood. I also want to pay tribute to Adam Frost, who I know does a lot of that ongoing monitoring and certainly keeps me informed about the people affected.
Firstly, the young people—always our concern—who were there seem to be very close and continuing to support each other. Julia Lederwasch, who was injured at Jimbaran Bay, has since been promoted to deputy principal at her high school, where many of the young people are students. I am told she takes on an extra special duty in monitoring the group. Recently, I was delighted to watch her daughter, Aleta Lederwasch, who sustained a serious injury to her leg, walk across the stage at the University of Newcastle at the graduation ceremony for her first degree in a combined degree program. Similarly, Ben Zwolinski, who lost his much-loved parents, Colin and Fiona, is now the school captain at his high school, which is recognition of his maturity, popularity and leadership. I know that many of the young people celebrated Mitchell Pilar’s 18th birthday with him this week. Mitchell’s parents, Eric and Jenny, both sustained serious injuries.

But these young people still have the memories of the fears and pain they experienced and, whilst they face the usual challenges of adolescence—the HSC, training, careers and relationships—I would like to think that they all have the opportunity for ongoing counselling and are encouraged to access this support. In many cases, these young people have taken on much more responsibility in their family lives. Their Centrelink family liaison officer wants them to know that she remains available to assist them.

Bruce Williamson, who lost his life partner, Jenny, has returned to work, overcoming severe injuries. His recovery is remarkable, as his loss was so great. Paul Anicich, who was the last victim to return to Australia from Singapore hospital with his wife, Peny, has also returned to work as Chairman of Sparke Helmore. He did so officially at a charity fundraising dinner hosted by his firm a fortnight ago. His recovery has also been an inspiration—some say a miracle—although I am told that, like many of those injured, he has the continuing irritation of shrapnel moving around in his body. In fact, many of those injured continue to have operations and to battle with new disabilities and health disadvantages.

Hopefully, many of you saw yachtsman, pilot and adventurer Tony Purkiss on Andrew Denton’s Enough Rope last Monday evening. If you were that fortunate, you would have marvelled at the courage, good humour, determination and can-do attitude of a remarkable man. Tony sustained significant injuries in Bali but has also had his life changed completely through the loss of his vision. His partner, Mary-Anne, also lost one eye, so they jokingly talk about having one good eye between them. Since the bombing, Tony has taught himself to touch type in eight weeks and has worked hard with Vision Australia to ensure his previous professional skills and capabilities have not been lost. But perhaps the biggest blow for Tony was being made redundant at the Royal Motor Yacht Club Toronto, where he was the secretary-manager. I would like to read from the transcript of the Denton interview:

ANDREW DENTON: ... The plan was for you to go back to work, but it didn’t work out. What happened?

TONY PURKISS: No, we - when I say “we”, Vision Australia and I wrote to the club to let them know that we were at the stage where we had a back-to-work program mapped out and we were sticking to that schedule and we were on target and we wrote to them saying that, you know, we’d like to come back and do all this. The reply back was that the board had reviewed things at the club and had decided to make the position redundant ... and therefore my position was terminated. So I’m disappointed because I know I could do the job.

ANDREW DENTON: Could you still do the job as effectively?
TONY PURKISS: Absolutely, yep.

ANDREW DENTON: Do you feel that you may have been discriminated against?

TONY PURKISS: It’s probably not for me to say at this point in time ... We’re exchanging letters on that aspect of it.

ANDREW DENTON: Did this happen before or after the new industrial relations laws came into effect?

TONY PURKISS: The day after, actually. I think the timing was coincidental. I don’t know whether it had anything to do with that, but, yeah, it was the day after.

ANDREW DENTON: You’re determined and you’re optimistic by nature.

Tony’s reply, of course, was yes. He is diplomatic. I am his member of parliament, and it has to be said that there remains a niggling concern that Work Choices legislative changes to unfair dismissal laws may give comfort to some employers to exercise redundancy provisions of existing AWAs when previously they may have exercised a greater degree of caution or compassion. But I must note that ongoing discussions with the Royal Motor Yacht Club, ClubsNSW and the Club Managers Association that I and others are currently engaged in do have the possibility of attaining some best outcomes for Tony—and, indeed, for all the parties involved. That is my hope. I urge all parties to put in that extra effort. I would also like to say that in this short time I have not been able to share with parliament all the stories of the families affected, but Newcastle remains resolved in its community support for them. Similarly, I urge all of our colleagues here to resolve to do all in their power to avert any further terrorist acts. (Time expired)

Mr Peretz Kalman

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Health and Ageing) (12.45 pm)—I would like to join the member for Casey and the member for Melbourne Ports in paying tribute to the life of Peretz Kalman, the father of a friend of mine, Harvey Kalman, who is also a particular friend of the member for Casey. After 2½ years hiding in a ghetto for useful labourers, where he learned to play chess at a very early age and it became a lifelong passion, Peretz Kalman was eventually arrested, taken into detention by the Nazis and removed to Bergen-Belsen concentration camp. He walked out of there at the age of eight. He was obviously one of the very lucky ones. Sometime in the Second World War the Nazis decided it was too costly to shoot children and waste the bullets, so they threw children into the furnaces. They did that in order to save money, as part of their evil trade.

Peretz Kalman went on to have a very full and very valuable life, determined to make every day count because his God had saved him and he owed it to all those who did not survive to live for them, too. Six million Jews. 1½ million of them children, and others—homosexuals, the disabled, Catholic nuns and priests, socialists and dissenters—died in World War II in over 30 German concentration camps spread across Europe. Auschwitz was probably the most famous—or infamous—where 1.1 million people died. The cruelty, insensitivity and senselessness of this slaughter is something my generation cannot fathom or even begin to imagine. It is not something that can be understood—only reviled and rejected for its inhumanity.

Now many of those who have survived, people like Peretz Kalman, are reaching the end of their lives and we are seeing a common theme. The Age carried an obituary on 26 May of
David Pearl, another Jew who had survived the Second World War. The obituary said that his first wife, Anya, was captured and murdered in a concentration camp, leaving him to rear their three-month-old baby girl, Diana. By 1942, eight other members of his family—his father, mother, three brothers and three sisters—had died as well. Once, when captured and forced to strip and dig his own grave, anger overwhelmed him and he struck the Nazi guards with his shovel and escaped, running naked into the woods. Although impoverished and unable to speak English when he arrived in Australia, Pearl proved to be a true entrepreneur with a keen business sense and the stamina for hard work. Despite his material success his prime motivation was to protect his family, something he had been unable to do in Poland.

It is a common theme. The lives of Jews like Peretz Kalman and David Pearl are an inspiration to Jews around the world and a reminder to both Jews and gentiles everywhere of the resilience of human nature and the capacity to grow bigger than one’s worst experiences. The horror of the Shoah has been well documented and represented. Even Hollywood, which has a tremendous capacity for trivialisation, has represented the Shoah well. But to my mind the best moving picture documentation of the Shoah was in La Vita e Bella—Life is Beautiful—in 1998, directed by and starring Roberto Benigni. It was a story of love simply but evocatively told through the tribulations of a father and son in Auschwitz. Recently I read a book entitled The Boy in the Striped Pyjamas, by Irish writer John Boyne. It is the story of the childhood of an eight-year-old boy called Bruno, son of the commandant of Auschwitz, told through Bruno’s eyes simply and painfully and ending tragically with Bruno’s own accidental death in the gas chambers, holding hands with his best friend Shmuel, a Jewish boy of the same age. Again, the story of the Shoah is told brilliantly. It is described not graphically but soulfully and powerfully.

Last week His Holiness Pope Benedict XVI visited Auschwitz. He went as a son of the German people and met 32 of the 200,000 survivors. He said, poignantly: In a place like this, words fail. In the end, there can only be a dread silence, a silence which is a heartfelt cry to God: Why, Lord, did you remain silent? How could you tolerate all this? Pope Benedict said humans could not ‘peer into God’s mysterious plan’ to understand such evil, but could only ‘cry out humbly yet insistently to God: rouse yourself! Do not forget mankind, your creature.’ How true.

Skilled Migration

Ms BURKE (Chisholm) (12.50 pm)—I would like to commend the previous speaker, the member for Sturt, on the wonderful piece of work he has just presented to the House. Today I want to speak about skilled migrants who have been attracted to come to Australia and ply their trade. These are professional migrants who have migrated here under skilled migration regulations. Recently, I held a forum within my electorate and met with a representative of this group of people who have come to Australia through migration on the basis of their professions. They had been told that their professions were lacking here and that they would find work easily. Sadly, this has not turned out to be the case.

What I have discovered time and time again in my electorate is that individuals have been attracted to come and live and work in Australia, giving up very good jobs, very good positions in their home countries, because they have been told of the opportunities here. Most come because they are seeking greater opportunities for their children. But these skilled migrants have sadly discovered that it is not as they have been advised.
I met George, who is originally from Zambia. He is an accountant by trade. He had previously worked with a multinational company in Zambia. He was a highly qualified and recognised accountant in his country. In Zambia the first language is English. So he is fluent in English; he works in English. George is, however, black, and he feels that this has actually stopped him from getting every job he has gone for. George has gone for over 1,000 jobs, at last count, in the accounting area. We are being told we have a lack of accountants. But here we have someone who has migrated here under skilled migration programs being recognised for his professional qualifications and who is being currently looked after by his local church because he cannot get any work. And the money they brought out to survive on has been used up on rent and food. His wife and daughter are wondering why they made the supreme sacrifice to come here, to leave behind loved ones and to find no work.

But George’s case was echoed by all these people who came to my skilled migration forum. Time and time again they were scathing about the promises made in their home countries and the stark reality when they got here. The thing that upsets them more is that there are jobs available in these fields; they are just not being given to this cohort of people. I then received an email from one of the great institutions in my electorate of Chisholm, Dixon House, which generally looks after newly arrived refugees. They say:

Today we have met two people who have recently come to Australia as skilled migrant professionals, who are now in extreme financial hardship as a result of not being successful in their employment search to date. There seems to be a trend occurring.

One is a young Iranian woman in her late 20s with a Masters in Systems Engineering, and the other is a Chinese male with a bachelor of Science degree majoring in Geology. Both have depleted their financial reserves during their time in Australia looking for work, and are now seeking emergency accommodation, which has not been successful to date. They have been declined for positions because, they are told, they lack local knowledge of the work force / work practices. As they do not have access to Centrelink for 2 years the situation for them is pretty grave.

Is there any scheme that you know of that they can tap into? These people seem to have far less settlement support than those people we meet who are on humanitarian visas.

And so it is: they are actually given no support whatsoever. What we are finding time and time again is the skilled migrants are arriving here, they are applying for jobs and they are being knocked back on the basis that they do not have local experience. As one man said to me, ‘If that was going to be the criteria for getting a job, perhaps they should have told me that before I quit my job in the country of my birth, sold up everything I owned and came here.’ Mind you, all of them have to bring generally in excess of $250,000 into the country as part of their visa requirements. So they come here, they spend all that money—they feel like they are being completely exploited.

We have a serious skills crisis in Australia. We have individuals that we have accepted, and we are doing nothing to get them into the jobs that they are amply qualified and, in some cases, overqualified to perform. Most of them say that when they apply, generally through job agencies, they are automatically rejected. They say that time and time again job agencies have no concept of the skills or abilities that skilled migrants are bringing to Australia, and they believe that those agencies should be given training about the value of the skilled migrants coming into this country.
Lots of these individuals find it difficult because the skills they bring are related to public sector work and they cannot apply for it, because they are not Australian citizens. They go round and round in circles. They become so desperate they take any job they can, and that then excludes them from looking for jobs in their chosen profession or career. There are loads of people out there in that situation. They are given no support with settlement. They are given no support with how to deal with the basics in this country. They feel like they have been sold a pup. There are advertisements on the tellie in their countries, in places like Zambia, placed by DIMIA. George said, ‘I saw the ad. It said my life was going to be better and it hasn’t turned out that way.’ (Time expired)

Dunkley Electorate: Community Projects

Mr BILLSON (Dunkley—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (12.56 pm)—In the few minutes available to me I would like to talk about collaboration and how in our communities it is very hard to get things done individually. In communities you need to work with a whole range of people to get good results and outcomes for the people you represent.

I was delighted to read the latest unemployment figures in my electorate and to see the unemployment rate in Dunkley has fallen again. It was a key issue when I was elected in 1996. Our best export from our community was often young and talented people leaving to go somewhere else to find an opportunity to gain a job. Thankfully, we have turned that around. There is still work to be done, but the most recent figures, from the March 2006 quarter, show that the unemployment rate in Dunkley is down to 5.3 per cent, down from 5.7 per cent in the December 2005 quarter. There is still work to be done, but that is a remarkable improvement compared to where it was in 1996.

So that is a collaboration with the private sector through the work that the government is doing in nurturing a pro-investment, pro-employment environment. It is also a great credit to the training providers, to those providing the development services for our labour force and to the employees and employers coming together to make those opportunities a part of our community in increasing numbers.

On the topic of collaboration, I recently was able to point to the work we are doing to pursue a regional aquatic and wellness centre. It is not just a pool; it is more than a pool. The idea was born out of a collaboration between me, Monash University and Frankston City Council. It has seen the Commonwealth commit an initial $2½ million towards the project back in December, and a further $2.5 million given priority status in the next funding round, if we can get the other partners to come forward to develop this nation-leading, new-era aquatic health and wellness centre. I would like to congratulate Frankston City councillor Alistair Wardle his recent bid to urge the council to allocate some money towards the project. There seemed to be support for the project, although the council is not quite ready to make the funding commitment. But that is an indication that there is support building, and I would urge the council to get behind the project.

But where I think most encouragement is needed is with the state government. I welcome the response of the state Minister for Sport and Recreation, Justin Madden, to my urgings to him to get behind the proposal. He rightly recognised that it is an exciting project that will address an important gap in the provision of aquatic facilities in Melbourne. He urged the council to make a further funding application after earlier bids had been unsuccessful. I hope
the local state members of parliament can get behind this project, in the spirit of collaboration in outcomes for our community, to see the state government play its part. We are mindful of the fact that a recent $17 million aquatic centre in neighbouring Casey attracted a $5 million contribution from the state. On a gram for gram, apples for apples basis, I hope the state will see its way clear to contributing at least $7 million towards this Frankston based project of regional significance and benefit to get the project moving.

It is my great pleasure to announce another collaboration: the Commonwealth will again be providing support for a community project through the Regional Partnerships program—$440,000 to the Mornington District Basketball Association. It is a contribution to a more than $2.2 million project to establish a multipurpose three-court stadium in Mornington, in the south of the Dunkley electorate. It is a great credit to Mark Vines and all the team at the Mornington District Basketball Association and to Gary Ledson, the principal at the Mornington Secondary College, to get the resources together—more than $1¾ million of co-funding, including the $440,000 from the Commonwealth, which will see this much needed facility established and under way very shortly. So there is much excitement around that. People are not just bouncing balls; they are bouncing themselves! They are very keen to get that project moving with great urgency.

In the last minute available to me, I would like to touch on one other project that requires a collaboration. This is the Frankston Safe Boat Harbour. Those people who are not blessed to be part of the Greater Melbourne-Port Phillip community might not know that Frankston is the Riviera of Melbourne. It is a mode, a node, a focal centre for aquatic and marine activities, but there are very poor boating facilities there. When you get a north-westerly blowing, it can be very dangerous to get your boat to safety and your crew and passengers safely on land. This safe boat harbour project seeks to address that, but it needs people to step up. There are works that are core state government responsibilities and a contribution is needed. I am hopeful that the Commonwealth can play a positive role, but it does need a collaboration. This is an important regional infrastructure project, and we should all get behind it because it might be our last chance to do something meaningful of this kind for our community.

Question agreed to.

Main Committee adjourned at 1.01 pm
QUESTIONS IN WRITING

Governor-General: Residences
(Question No. 1203)

Mr Melham asked the Prime Minister, in writing, on 10 May 2005:

(1) On how many nights since he took office as Governor-General has His Excellency Major General Michael Jeffery AC CVO MC stayed at (a) Government House, Canberra, (b) Admiralty House, Sydney, (c) other locations in New South Wales, (d) Melbourne, (e) other locations in Victoria, (f) Brisbane, (g) other locations in Queensland, (h) Adelaide, (i) other locations in South Australia, (j) Hobart, (k) other locations in Tasmania, (l) Perth, (m) other locations in Western Australia, (n) Darwin, (o) other locations in the Northern Territory, (p) Norfolk Island, (q) other Australian Territories, and (r) locations overseas.

(2) On what dates has the Governor-General resided at Admiralty House.

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

The Governor-General undertakes travel in accordance with his official duties to all parts of Australia, and internationally. The cost of official travel and accommodation at the official residences and elsewhere is met from funds appropriated to the Office of the Official Secretary to the Governor-General by the Parliament.

Antiterrorism Legislation
(Question No. 2569)

Mr Murphy asked the Prime Minister, in writing, on 3 November 2005:

(1) Has he read the report of the inquiry commissioned by the United Kingdom House of Commons, titled ‘Inquiry into Legislation Against Terrorism’ published in October 1996 which observed that there is no legislative fix or panacea against terrorism and that anti-terrorist legislation should approximate as closely as possible to the ordinary criminal law and procedure.

(2) Can he confirm that the Law Council of Australia declared that the report provided a sound basis for assessing proposals for new security legislation in Australia; if not, why not.

(3) Is the Anti-Terrorism Bill 2005 consistent with principles reported in the ‘Inquiry into Legislation Against Terrorism’; if not, why not.

(4) Can he explain how current anti-terrorist laws fail to protect Australians from a terrorist attack.

(5) How will the Anti-Terrorism Bill 2005 protect Australians from a terrorist attack.

(6) Did he say on 2 October 2001 that the Government would fairly and reasonably and practically minimise the risk of terrorism consistent with not trampling on what are valuable rights of the Australian people.

(7) Will he ensure that the Anti-Terrorism Bill 2005 (a) protects the freedom of movement of Australian citizens, (b) protects the media’s freedom of speech, (c) upholds the rule of law, procedural fairness and natural justice, (d) includes a judicial review of any powers relating to preventive detention, (e) includes sunset clauses, and (f) complies with Australia’s obligations under international law; if not, why not.

(8) Can he ensure that no part of the Australian community will be unscrupulously or unfairly targeted by these laws either now or in the future; if so, how.

(9) What is Australia’s best weapon against terrorism and what is he doing to promote a more inclusive society in Australia.

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

(1) No.

(2) No.

(3) The Australian Government believes that while international experience is useful in considering appropriate responses to security challenges in Australia, our laws reflect our unique system and particular challenges and priorities. Australia’s laws are made by the Australian parliament and subject to a parliamentary review process second to none. In addition the measures in the Anti-Terrorism Act 2005 were agreed by state and territory leaders through the Council of Australian Governments. In any case, while not directly relevant to Australia’s laws, I am advised that the principles identified in the UK report are as follows:

(a) legislation against terrorism should approximate as closely as possible to the ordinary criminal law and procedure;
(b) additional statutory offences and powers may be justified, but only if they are necessary to meet the anticipated threat. They must then strike the right balance between the needs of security and the rights and liberties of the individual;
(c) the need for additional safeguards should be considered alongside any additional powers; and
(d) the law should comply with the UK’s obligations in international law.

The Australian Anti-Terrorism Act 2005 clearly satisfies all principles. It does so in a way that reflects the legal traditions, security arrangements and security challenges facing Australia.

(4) There has not been a failure in Australia’s current anti-terrorism laws. Based on advice from security and law enforcement agencies, all Australian governments agreed that there was justification for further strengthening current laws. Governments cannot afford to be complacent. Terrorists have demonstrated that they are innovative and determined and we have to make sure our laws stay one step ahead of them.

(5) By strengthening Australia’s counter-terrorism framework, these new anti-terrorism laws place law enforcement and security agencies in a better position to provide greater protection to the Australian community.

(6) Yes.

(7) The Government is conscious that in formulating our response to terrorism balance is struck between the liberty of the individual and the right of the community to be protected. We are confident Australia’s counter-terrorism laws strike that balance.

(8) The new anti-terrorism laws apply to all Australians, irrespective of their race, religion, sex, or other group membership. The legislation and the powers it confers operate according to strict and objective criteria that are clearly linked to the threat of terrorism. The safeguards in the legislation are designed to ensure that the new powers are not used arbitrarily.

(9) There is no single measure to combat terrorism. However, the provisions of the Anti-Terrorism Act 2005 and the Anti-Terrorism Act (No.2) 2005 provide a robust range of measures to enable us to better deter, prevent, detect and prosecute acts of terrorism.

The Australian Government is committed to ensuring that all Australians have the opportunity to be equal participants in Australian society, free to live their lives and maintain their cultural traditions. The government’s multicultural policies operate to ensure an environment where freedom of religion is observed and community harmony is maintained. These policies encourage respect for each person so that, subject to the law, all Australians are able to express their own culture and beliefs and have a reciprocal obligation to respect the rights of others to do the same. In particular, the government is continuing its efforts to promote respect and understanding through working with
state and territory governments to develop a National Action Plan building on the Principles agreed at my meeting with Islamic Community Leaders in August 2005.

Consultancy Services  
(Question No. 2653)

Mr Bowen asked the Minister representing the Minister for Justice and Customs, in writing, on 28 November 2005:

(1) How many people are employed in the Australian Transaction Reports and Analysis Centre.

(2) Did the centre engage Right Management Consultants at a cost of $77,000 to provide change management advice; if so, why was it considered necessary to engage outside consultants for this work.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) There are 141 people currently employed in the Australian Transaction Reports and Analysis Centre.

(2) AUSTRAC engaged Right Management Consultants at a cost of $77,550 (incl. GST) to provide change management advice. An external consultancy was engaged as the required specialist skills were not available internally.

Legal Services  
(Question No. 2906)

Ms Roxon asked the Treasurer, in writing, on 8 December 2005:

(1) For 2004-2005, what sum did the Minister’s department and portfolio agencies pay to (a) Clayton Utz, (b) Blakes Dawson Waldron, (c) Philips Fox, (d) Sparke Helmore, (e) Freehills, (f) Minter Ellison, (g) Corrs Chambers Westgarth, (h) Mallesons Stephens Jacques, (i) Deacons, and (j) Craddock Murray Neumann Solicitors for legal services.

(2) Which partners or principals of (a) Clayton Utz, (b) Blakes Dawson Waldron, (c) Philips Fox, (d) Sparke Helmore, (e) Freehills, (f) Minter Ellison, (g) Corrs Chambers Westgarth, (h) Mallesons Stephens Jacques, (i) Deacons, and (j) Craddock Murray Neumann Solicitors were responsible for undertaking or supervising legal services supplied by the firm to the department or agency in 2004-2005.

(3) For each partner or principal listed in response to part (2), what was the total amount billed to the department or agency for services undertaken or supervised by that partner or principal in 2004-2005.

(4) What are the details of the legal services provided to the department or portfolio agencies by (a) Clayton Utz, (b) Blakes Dawson Waldron, (c) Philips Fox, (d) Sparke Helmore, (e) Freehills, (f) Minter Ellison, (g) Corrs Chambers Westgarth, (h) Mallesons Stephens Jacques, (i) Deacons, and (j) Craddock Murray Neumann Solicitors in 2004-2005.

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

Australian Bureau of Statistics

(1) (a) Clayton Utz, $12,480.

(b) Blakes Dawson Waldron, Nil.

(c) Philips Fox, Nil.

(d) Sparke Helmore, Nil.

(e) Freehills, Nil.

(f) Minter Ellison, Canberra, $82,329.
Minter Ellison, WA, $2,193.
(g) Corrs Chambers Westgarth, $76,056.
(h) Mallesons Stephens Jacques, Nil.
(i) Deacons, Nil.
(j) Craddock Murray Neumann, Nil.

(2) to (4) —

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<thead>
<tr>
<th>Company</th>
<th>Partner or Principals</th>
<th>Amount Paid</th>
<th>Service provided</th>
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<tr>
<td>Clayton Utz</td>
<td>Peter Crowley</td>
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<td>Minter Ellison, WA</td>
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<td>Elizabeth Whitelaw</td>
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<td>Michael Brennan</td>
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<td>Paul McGinness</td>
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<td>Total</td>
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| Corrs Chambers Westgarth     | Susan McCarthy        | $5,347      | ACT car park access and use                              |
|                              | Susan McCarthy        | $19,901     | ACT office lease negotiations                            |
|                              | Susan McCarthy        | $24,280     | Bluebell Childcare Centre variations to sublease         |
|                              | Susan McCarthy        | $807        | Rights associated with removal of personal belongings from ABS House shower facilities |
|                              |                       | $25,721     | VIC office new lease negotiations                        |
| Total                        |                       | $76,056     |                                                          |

Note: The ABS figures provided in this reply are inclusive of GST.
Australian Prudential & Regulation Authority

(1) to (4) (b), (c), (e), (f), (g), (h), (i) and (j) the answer is nil.

(a) and (d) the answers are below. All figures are GST inclusive.

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<tr>
<th>FIRM NAME</th>
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<th>DETAILS OF SERVICES</th>
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<th>AMOUNT BILLED IN 2004/05 ($)</th>
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<td>Phillip Salem</td>
<td>Advice on assessment of individuals identified through the HIH Royal Commission in terms of the Insurance Act 1973</td>
<td>1,206,000</td>
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* The discrepancy between these two amounts is because an invoice dated in the 2003-04 financial year was paid in the 2004-05 financial year.

Australian Office of Financial Management

(1) The Australian Office of Financial Management (AOFM) paid the sum of $29,993.70 to Mallesons Stephens Jacques for legal services provided by them during the 2004-2005 financial year. Please note that this amount is an accrual amount. Of this, $4,411.55 was not paid until 27 July 2005. In addition, included in the amount of $29,993.70, was GST of $318.75 due to Mallesons which was not paid until 18 August 2005, nor accrued for as at 30 June 2005. No amount was paid to any of the other firms listed.

(2) E. Kerr (Partner) of Mallesons Stephens Jacques, was responsible for undertaking or supervising legal services supplied by the firm to the AOFM in 2004-2005.

(3) For each of the partner or principals specified in (2) above, the total amounts billed to the AOFM for services undertaken or supervised by that partner or principal in 2004-2005 are as follows:

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<th>Partner or Principal</th>
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<tr>
<td>E. Kerr (Partner)</td>
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<tr>
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<td>$10,316.90</td>
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(4) The details of the legal services provided to the AOFM by Mallesons Stephens Jacques in 2004-2005 for the sum of $29,993.70 are as follows:

- Legal advice on the Credit Support Annex provided during the period 11 July to 14 July 2004 for the amount of $6,214.45 (GST inclusive);
- Legal advice on the Credit Support Annex provided during the period 8 August to 19 August 2004 for the amount of $2,456.85 (GST inclusive);
- Legal advice on the Credit Support Annex provided during the period 9 September to 22 September 2004 for the amount of $922.35 (GST inclusive);
- Provision of advice (including tax advice) on various amendments to AOFM’s standard form credit support annex during the period 1 November to 29 November 2004 for the amount of $5,411.45 (GST inclusive);
- Preparation and discussion of the ISDA Master Agreement and Schedule during the period 2 March to 7 April 2005 for the amount of $7,070.80 (GST inclusive);
- Work on the ISDA Master Agreement during the period 3 May to 30 May 2005 for the amount of $3,506.25 (GST inclusive); and
- Advising on the ISDA Master Agreement during the period 19 May to 30 June 2005 for the amount of $4,411.55 (GST inclusive).

**Australian Competition and Consumer Commission**

(1) Legal Services.

<table>
<thead>
<tr>
<th>Firm</th>
<th>Amount GST Inclusive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clayton Utz</td>
<td>0</td>
</tr>
<tr>
<td>Blakes Dawson Waldron</td>
<td>0</td>
</tr>
<tr>
<td>Phillips Fox</td>
<td>$1,389,614</td>
</tr>
<tr>
<td>Sparke Helmore</td>
<td>0</td>
</tr>
<tr>
<td>Freehills</td>
<td>0</td>
</tr>
<tr>
<td>Minter Ellison</td>
<td>0</td>
</tr>
<tr>
<td>Corrs Chambers Westgarth</td>
<td>$2,089,252</td>
</tr>
<tr>
<td>Mallesons Stephen Jacques</td>
<td>0</td>
</tr>
<tr>
<td>Deacons</td>
<td>$837,098</td>
</tr>
<tr>
<td>Craddock Murray Neumann Solicitors</td>
<td>0</td>
</tr>
</tbody>
</table>

(2) and (3) Partner/principal responsible for undertaking or supervising legal services.

**Phillips Fox – Partner/Principal**

<table>
<thead>
<tr>
<th>Partner/Principal</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Robertson</td>
<td>$112,003</td>
</tr>
<tr>
<td>P Holm</td>
<td>$889</td>
</tr>
<tr>
<td>S Uthmeyer</td>
<td>$54,348</td>
</tr>
<tr>
<td>R Lynch</td>
<td>$1,084,890</td>
</tr>
<tr>
<td>M Kramer</td>
<td>$137,484</td>
</tr>
</tbody>
</table>

**Corrs Chambers Westgarth – Partner/Principal**

<table>
<thead>
<tr>
<th>Partner/Principal</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>D Marquet</td>
<td>$1,052,932</td>
</tr>
<tr>
<td>R Dann</td>
<td>$502,230</td>
</tr>
<tr>
<td>C Brown</td>
<td>$106,968</td>
</tr>
<tr>
<td>K Dharmananda</td>
<td>$26,837</td>
</tr>
<tr>
<td>T Brennan</td>
<td>$22,080</td>
</tr>
<tr>
<td>R Flitcroft</td>
<td>$378,205</td>
</tr>
</tbody>
</table>

**Deacons – Partner/Principal**

<table>
<thead>
<tr>
<th>Partner/Principal</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>S Klotz</td>
<td>$69,642</td>
</tr>
<tr>
<td>S Temby</td>
<td>$74</td>
</tr>
<tr>
<td>A Bruce</td>
<td>$835</td>
</tr>
<tr>
<td>T Jarvis</td>
<td>$347,451</td>
</tr>
<tr>
<td>N Mclugh</td>
<td>$419,096</td>
</tr>
</tbody>
</table>

(4) The legal firms provide various advices relating to existing or potential breaches of the Trade Practices Act.

**Australian Securities and Investments Commission**

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>Principal/Partner</th>
<th>Amount Excl GST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blake Dawson Waldron</td>
<td>Robert Todd - Partner</td>
<td>31922.20</td>
</tr>
<tr>
<td></td>
<td>Don Magarey - Sit Fees Co Auditors</td>
<td>124217.57</td>
</tr>
<tr>
<td></td>
<td>and Liquidators</td>
<td></td>
</tr>
<tr>
<td>Clayton Utz</td>
<td>Presentation at LTO Conference</td>
<td>1363.64</td>
</tr>
<tr>
<td>Supplier Name</td>
<td>Principal/Partner</td>
<td>Amount Excl GST</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Peter Keel - Partner</td>
<td>Review of EFT Code of Conduct for ASIC</td>
<td>6811.50</td>
</tr>
<tr>
<td>Shariff Yaseen</td>
<td>Alisaon Lansley - Partner</td>
<td>17805.50</td>
</tr>
<tr>
<td>Mallesons Stephen Jaques (SK56)</td>
<td>Andrea Beatty - Partner</td>
<td>4858.43</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL PAID FOR 04/05</td>
</tr>
</tbody>
</table>

**Australian Tax Office**

(1) The amount (including GST) paid by the ATO for 2004-2005 for legal services to the named legal firms is as follows:

(a) Clayton Utz - $36,869  
(b) Blake Dawson Waldron - $546,820  
(c) Phillips Fox - $15,000  
(d) Sparke Helmore - NIL  
(e) Freehills - NIL  
(f) Minter Ellison - NIL  
(g) Corrs Chambers Westgarth - $18,009  
(h) Mallesons Stephen Jaques - $6,144  
(i) Deacons - NIL  
(j) Craddock Murray Neumann Solicitors - NIL

(2) Invoices submitted to the ATO indicate details of partners or principals responsible for undertaking or supervising legal services provided to the ATO during 2004-2005 are as follows. All figures quoted are (GST inclusive).

(a) Clayton Utz  
   David Cowling $1,392  
   Karen O’Flynn $2,281  

(b) Blake Dawson Waldron  
   Rehana Box $939  
   John Clark $997  
   Paul Dawson $23,933  
   Angela Summersby $882  
   Paul Vane-Tempest $233  
   Alexandra Wedutenko $5,571  
   Philip Wiseman $934  
   Ray Lindwall (BDW has been unable to provide us with a $ amount for this person as they invoiced the ATO as one whole payment to the firm)

(c) Phillips Fox - $15,000  
   Amount not specified in respect of partners
(d) Sparke Helmore
   Not applicable
(e) Freehills
   Not applicable
(f) Minter Ellison
   Not applicable
(g) Corrs Chambers Westgarth
   A Caine $3,159
   Alexandra Wedutenko $13,026
(h) Mallesons Stephen Jaques
   Stephen Skehill $6,144
(i) Deacons
   Not applicable
(j) Craddock Murray Neumann Solicitors
   Not applicable

(3) See answer to question (2).

(4) Details of legal services provided to the ATO for 2004-2005 by the named legal firms is as follows:
(a) Clayton Utz
   legal services provided to a trustee in bankruptcy indemnified by the ATO as petitioning creditor
(b) Blake Dawson Waldron
   debt recovery litigation
   legal services provided under a panel contract for the ATO Change Program
(c) Phillips Fox
   debt recovery litigation
(d) Sparke Helmore
   Not applicable
(e) Freehills
   Not applicable
(f) Minter Ellison
   Not applicable
(g) Corrs Chambers Westgarth
   Legal services provided under a panel contract for the ATO Change Program
(h) Mallesons Stephen Jaques
   advice in respect of compensation claims
(i) Deacons
   Not applicable
(j) Craddock Murray Neumann Solicitors
   Not applicable
Corporations and Markets Advisory Committee
(1) Nil for legal services.
(2) Not applicable.
(3) Not applicable.
(4) Not applicable.

Inspector-General of Taxation
(1) Nil for (a) to (j).
(2) None for (a) to (j).
(3) Not applicable.
(4) Not applicable.

National Competition Council
(1) For the year 2004-2005 the National Competition Council made the following payments for legal services provided by:
   (a) Clayton Utz, $141,164 (GST inclusive).
   (b) Phillips Fox, $471,842 (GST inclusive).
   No other payments were made to any of the other legal service providers referred to in this question.
(2) Ms Linda Evans from (a) Clayton Utz and Mr Simon Uthmeyer from (c) Phillips Fox were the partners responsible for undertaking and supervising legal services provided to the Council for 2004-2005.
(3) The total amount billed to Ms Linda Evans of Clayton Utz was $141,164 (GST inclusive) and the total amount billed to Mr Simon Uthmeyer of Phillips Fox was $471,842 (GST inclusive).
(4) Details of legal services provided to the Council by:
   (a) Clayton Utz was in relation to the Moomba to Sydney Pipeline Australian Competition Tribunal Proceedings and the Application by Fortescue Metals Group Ltd (FMG) for declaration of a service provided by the Mt Newman and Goldsworthy railway lines.
   (c) Phillips Fox was in relation to the Virgin Blue application for declaration of Certain Sydney Airport Services and subsequent proceedings in the Australian Competition Tribunal and the application for declaration of the Goldfields Gas Transmission pipeline in Western Australia.

Productivity Commission
(1) Nil for (a) to (j).
(2) None for (a) to (j).
(3) Not applicable.
(4) Not applicable.
<table>
<thead>
<tr>
<th>Solicitor</th>
<th>(1) Sum paid (GST inclusive)</th>
<th>(2) Partner or Principals</th>
<th>(3) Total amount billed to the Department (GST inclusive)</th>
<th>(4) Details of legal services provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Clayton Utz</td>
<td>$66,084.00</td>
<td>Richard Shankland</td>
<td>$17,872.39</td>
<td>Advice on eligibility issues and the structure of aspects of the HIH Claims Support Scheme. Consultancy Services on review of Insurance Contracts Act. Legislation Lawrence Kim – Secondment. Secondees provide legal support and analysis in relation to applications before the Takeovers Panel, Takeovers Panel guidance and other legal issues arising before the Takeovers Panel. Those services are almost exclusively in the takeovers and mergers and acquisitions area.</td>
</tr>
<tr>
<td>(b) Blakes Dawson Waldron</td>
<td>$58,546.73</td>
<td>Nancy Milne</td>
<td>$48,211.61</td>
<td>Not Applicable \n Lawrence Kim – Secondment. Secondees provide legal support and analysis in relation to applications before the Takeovers Panel, Takeovers Panel guidance and other legal issues arising before the Takeovers Panel. Those services are almost exclusively in the takeovers and mergers and acquisitions area.</td>
</tr>
<tr>
<td>(c) Phillips Fox</td>
<td>$116,427.67</td>
<td>Stuart Imrie</td>
<td>$85,473.67</td>
<td>Advice on various procurement activities. Development of Contracting Templates. Presentation of procurement seminars. Assistance with procurement activity. Provision of Probit Services for Procurement Conference Organiser for G-20 meeting.</td>
</tr>
<tr>
<td>(d) Sparke Helmore</td>
<td>Nil</td>
<td>Jane Hider</td>
<td>$5,343.80</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td></td>
<td>George Marques and Anthony Willis</td>
<td>$25,610.20</td>
<td>Nil</td>
</tr>
<tr>
<td>Solicitor</td>
<td>(1) Sum paid (GST inclusive)</td>
<td>(2) Partner or Principals</td>
<td>(3) Total amount billed to the Department (GST inclusive)</td>
<td>(4) Details of legal services provided</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>------------------------------</td>
<td>----------------------------</td>
<td>----------------------------------------------------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>(e) Freehills</td>
<td>$135,582.66</td>
<td></td>
<td>Not Applicable</td>
<td>Simon Reed – Secondment. Nicola Yeomans – Secondment. Secondees provide legal support and analysis in relation to applications before the Takeovers Panel, Takeovers Panel guidance and other legal issues arising before the Takeovers Panel. Those services are almost exclusively in the takeovers and mergers and acquisitions area.</td>
</tr>
<tr>
<td>(f) Minter Ellison</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>(g) Corrs Chambers Westgarth</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>(h) Mallesons Stephens Jacques</td>
<td>$72,765.28</td>
<td></td>
<td>Not Applicable</td>
<td>Jason Lang – Secondment. Secondees provide legal support and analysis in relation to applications before the Takeovers Panel, Takeovers Panel guidance and other legal issues arising before the Takeovers Panel. Those services are almost exclusively in the takeovers and mergers and acquisitions area.</td>
</tr>
<tr>
<td>(i) Deacons</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>(j) Craddock Murray Neumann</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
</tbody>
</table>
MEMORIAL SERVICE: MR KERRY PACKER

(Question No. 3125)

Mr Murphy asked the Prime Minister, in writing, on 27 February 2006:

What were the total cost and itemised costs borne by the taxpayer for the State Memorial Service for the late Mr Kerry Packer held at the Sydney Opera House on 17 February 2006.

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

I am advised that:

Total expenditure by the Department of the Prime Minister and Cabinet on the State Memorial Service for the late Mr Kerry Packer AC was $73,223.63. This amount is itemised as follows:

- Sydney Opera House $28,643.43
- Advertising $18,479.97
- Media Liaison Services $6,256.37
- Airfares $9,254.08
- Comcar $1,791.84
- Administrative Costs $8,797.94

DEFENCE: MEDALS

(Question No. 3189)

Mr Georganas asked the Minister Assisting the Minister for Defence, in writing, on 27 March 2006:

Does the Australian Government require that all applications made by Australian servicemen or ex-servicemen for medals or replacement medals awarded by the Australian Government consist of in part, or be accompanied by, a statutory declaration; if not, why not.

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

No. The Government only requires a statutory declaration in cases of claims for lost or stolen medals for living recipients; claims by a beneficiary for the posthumous issue of unclaimed medals; and where a former serving member is required to provide additional information to expedite the medals assessment process such as in the case of the Anniversary of National Service 1951-72 Medal and the Australian Defence Medal.

MASSAGE SERVICE

(Question No. 3317)

Mr Bowen asked the Prime Minister, in writing, on 29 March 2006:

(1) Did the department or any agency in the 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 Howard—The answer to the honourable member’s question is as follows:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Did Agency pay for massages for its staff in 2005?</th>
<th>Total cost</th>
<th>Cost per massage</th>
<th>Number of staff using service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of the Prime Minister and Cabinet (PM&amp;C)</td>
<td>Yes</td>
<td>$858</td>
<td>$16.50</td>
<td>52 (^{(1)})</td>
</tr>
<tr>
<td>Office of National Assessments (ONA)</td>
<td>Yes</td>
<td>$5,627</td>
<td>$17</td>
<td>30 (^{(2)})</td>
</tr>
<tr>
<td>Office of the Commonwealth Ombudsman</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Australian National Audit Office</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>National Water Commission</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Office of the Inspector-General of Intelligence and Security</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Australian Public Service Commission</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Office of the Official Secretary to the Governor-General</td>
<td>No</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Notes:

(1) The massages offered to staff in PM&C were part of an organised Health Week initiative in the week of 14-18 November 2005.

(2) The massages offered to staff in ONA were provided on a regular monthly basis. Approximately 30 staff members accessed this service each month (over an eleven month period), totalling 331 massages.

Higher Education Contribution Scheme
(Question No. 3409)

Mr Melham asked the Minister for Education, Science and Training, in writing, on 30 March 2006:

(1) How many people with an outstanding or accumulated HECS debt reside in the postcode area (a) 2196, (b) 2209, (c) 2210, (d) 2211, (e) 2212, (f) 2213, (g) 2214, (h) 2222, and (i) 2223.

(2) How many people with an outstanding or accumulated HECS debt not enrolled in tertiary studies reside in the postcode area (a) 2196, (b) 2209, (c) 2210, (d) 2211, (e) 2212, (f) 2213, (g) 2214, (h) 2222, and (i) 2223.

(3) What is the total outstanding or accumulated HECS debt of people who reside in the postcode area (a) 2196, (b) 2209, (c) 2210, (d) 2211, (e) 2212, (f) 2213, (g) 2214, (h) 2222, and (i) 2223.

Ms Julie Bishop—The answer to the honourable member’s question is as follows:

The following data have been provided by the Australian Taxation Office and are subject to the following limitations:

- Only cases with a valid postcode are included. Some clients may reside overseas or do not have a valid address stored.
- The postcode recorded may not reflect a debtor’s current residence. The address may be old, or reflect a contact address other than the place of residence.
- The address data are based on the latest information provided to the Australian Tax Office by the taxpayer or their agent. This address may not reflect the debtor’s residence as at 30 June 2005.
- The data provided are as at 30 June 2005.
(1) Number of persons with an outstanding or accumulated HECS debt by specified postcodes

<table>
<thead>
<tr>
<th>Postcode</th>
<th>2196</th>
<th>2209</th>
<th>2210</th>
<th>2211</th>
<th>2212</th>
<th>2213</th>
<th>2214</th>
<th>2222</th>
<th>2223</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of persons</td>
<td>1257</td>
<td>804</td>
<td>1182</td>
<td>682</td>
<td>482</td>
<td>668</td>
<td>138</td>
<td>652</td>
<td>1031</td>
</tr>
</tbody>
</table>

(2) Number of persons with an outstanding or accumulated HECS debt who are not enrolled in tertiary studies by specified postcodes

<table>
<thead>
<tr>
<th>Postcode</th>
<th>2196</th>
<th>2209</th>
<th>2210</th>
<th>2211</th>
<th>2212</th>
<th>2213</th>
<th>2214</th>
<th>2222</th>
<th>2223</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of persons</td>
<td>855</td>
<td>554</td>
<td>798</td>
<td>458</td>
<td>317</td>
<td>451</td>
<td>101</td>
<td>443</td>
<td>715</td>
</tr>
</tbody>
</table>

*If clients did not incur a debt in the last debt load reported to the Australian Taxation Office, they are considered to be not currently enrolled. If clients paid their HECS contribution up-front, or are studying at an institution that has not reported HELP or HECS debts to the Australian Taxation Office as at 30 June 2005, they may also be considered to be not currently enrolled.

(3) Total outstanding or accumulated HECS debt by specified postcodes

<table>
<thead>
<tr>
<th>Postcode</th>
<th>2196</th>
<th>2209</th>
<th>2210</th>
<th>2211</th>
<th>2212</th>
<th>2213</th>
<th>2214</th>
<th>2222</th>
<th>2223</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total HECS debt</td>
<td>$13,941,861</td>
<td>$9,103,634</td>
<td>$12,617,229</td>
<td>$6,582,763</td>
<td>$4,765,580</td>
<td>$6,400,937</td>
<td>$1,316,888</td>
<td>$6,696,843</td>
<td>$10,497,067</td>
</tr>
</tbody>
</table>

Pensions and Benefits

(Question No. 3430)

Mr McMullan asked the Minister representing the Minister for Finance and Administration, in writing, on 9 May 2006:

(1) Does a spouse of a deceased (a) CSS and (b) PSS pensioner continue to receive the full superannuation pension for 6 fortnights after the death of their partner before the pension reverts to a lower rate; if not, for what period is the full pension paid to a surviving spouse.

(2) What is the proportion of the (a) CSS and (b) PSS pension paid to a surviving spouse and does this rate apply to all spouses of deceased pensioners.

(3) Does a surviving spouse of a pensioner who retired before 1 July 1976 immediately revert to a lower rate of pension after the death of their partner; if so, does the Government intend to alter this scheme to continue the payment of the full pension for 6 fortnights to spouses of partners who retired before 1 July 1976.

(4) Has the Government estimated the cost of continuing the payment of the full pension for 6 fortnights to spouses of partners who retired before 1 July 1976; if so, what was that estimate.

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

(1) The CSS and the PSS both provide that a spouse’s pension is paid at the full pensioner’s rate for the 7 paydays (6 fortnights) following the death of a pensioner.

(2) Following the period of 6 fortnights mentioned in the answer to question (1) above, the rate of a spouse’s pension in the CSS and the PSS is calculated, in the majority of cases, as follows: 67 per cent of the full pensioner’s rate of pension where the deceased pensioner has no eligible children; 78 per cent where there is 1 eligible child; 89 per cent where there are 2 eligible children;
and 100 per cent where there are 3 or more eligible children. Also, a pro-rated spouse’s pension is available where a pensioner’s marital relationship commences after retirement and after age 60, and existed for less than 3 years prior to the date of death. There are other limited circumstances that can also affect the rate of pension paid to a surviving spouse, including where a deceased pensioner has had more than one spouse, where there are partially dependent children, and trustee discretion where there are multiple beneficiaries.

(3) A pensioner who retired before 1 July 1976 receives a pension under the Superannuation Act 1922 (1922 Act). The surviving spouse of a 1922 Act pensioner is not entitled to be paid at the full pensioner’s rate for 6 fortnights as is the case for the CSS and the PSS. The spouse’s pension is immediately payable at the reversionary benefit rates, which in most cases are the rates mentioned in the answer to question (2) above. The Government has no plans to alter the 1922 Act scheme to provide an entitlement to 6 fortnights at the full pensioner’s rate. This entitlement was introduced into the CSS and the PSS on the basis of offsetting savings, from restricted access to invalidity benefits, that are not possible under 1922 Act scheme.

(4) A current estimate of this cost is not available.

Baha’i Faith in Iran

(Question No. 3457)

Mr Murphy asked the Minister for Foreign Affairs, in writing, on 9 May 2006:

(1) Has he seen the press release by Ms Asma Jahangir, the Special Rapporteur to the United Nations, dated 20 March 2006 titled “Special Rapporteur on Freedom of Religion or Belief concerned about Treatment of Followers of Baha’i Faith in Iran”.

(2) What representations has the Government made to the Iranian Government about the persecution of followers of the Baha’i faith in Iran and what was the outcome.

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

(1) Yes.

(2) Our Embassy in Tehran has made representations to the Iranian Government about the report and Australian officials have raised the issue with the Iranian Ambassador to Australia. Iranian officials have acknowledged our concern over the treatment of the Baha’i community in Iran. Iran, however, maintains that the Special Rapporteur’s press release was based on a forged letter purported to have been circulated amongst Iranian officials.

Osama bin Laden

(Question No. 3459)

Mr Murphy asked the Minister for Foreign Affairs, in writing, on 9 May 2006:

(1) What is the Government’s response to the view expressed by Adjunct Professor Clive Williams, Macquarie University Centre for Policing, Intelligence and Counter Terrorism, that there is evidence to support claims that Osama bin Laden died in April 2005 as a result of massive organ failure.

(2) Can the Government confirm claims that Osama bin Laden is dead; if not, what evidence does it have to indicate that he is alive.

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

(1) Two audio tapes purportedly by Osama bin Laden have been released publicly since April 2005 – in January 2006 and April 2006. US authorities have publicly noted that they believe the tapes to be authentic and that they assess the tapes were made during or after November 2005 and March 2006 respectively.
(2) No. Beyond the circumstances noted in (1) above, it would not be appropriate to comment on matters relating to intelligence assessments.