INTERNET
The Votes and Proceedings for the House of Representatives are available at
Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at
For searching purposes use
http://parlinfoweb.aph.gov.au

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>
</tr>
<tr>
<td>May</td>
<td>9, 10, 11, 22, 23, 24, 25, 29, 30, 31</td>
</tr>
<tr>
<td>June</td>
<td>1, 13, 14, 15, 19, 20, 21, 22</td>
</tr>
<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>
</tr>
<tr>
<td>November</td>
<td>1, 2, 27, 28, 29, 30</td>
</tr>
<tr>
<td>December</td>
<td>4, 5, 6, 7</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Location</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANBERRA</td>
<td>103.9 FM</td>
</tr>
<tr>
<td>SYDNEY</td>
<td>630 AM</td>
</tr>
<tr>
<td>NEWCASTLE</td>
<td>1458 AM</td>
</tr>
<tr>
<td>GOSFORD</td>
<td>98.1 FM</td>
</tr>
<tr>
<td>BRISBANE</td>
<td>936 AM</td>
</tr>
<tr>
<td>GOLD COAST</td>
<td>95.7 FM</td>
</tr>
<tr>
<td>MELBOURNE</td>
<td>1026 AM</td>
</tr>
<tr>
<td>ADELAIDE</td>
<td>972 AM</td>
</tr>
<tr>
<td>PERTH</td>
<td>585 AM</td>
</tr>
<tr>
<td>HOBART</td>
<td>747 AM</td>
</tr>
<tr>
<td>NORTHERN TASMANIA</td>
<td>92.5 FM</td>
</tr>
<tr>
<td>DARWIN</td>
<td>102.5 FM</td>
</tr>
</tbody>
</table>
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 Barry Wayne Haase, Mr Michael John Hatton, the Hon. Duncan James Colquhoun Kerr SC, 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>
<td>LP</td>
</tr>
<tr>
<td>Adams, Hon. Dick Godfrey Harry</td>
<td>Lyons, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>Albanese, Anthony Norman</td>
<td>Grayndler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Anderson, Hon. John Duncan</td>
<td>Gwydir, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Andrews, Peter James</td>
<td>Calare, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>Andrews, Hon. Kevin James</td>
<td>Menzies, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Bailey, Hon. Frances Esther</td>
<td>McEwen, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Baird, Hon. Bruce George</td>
<td>Cook, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Baker, Mark Horden</td>
<td>Braddon, Tas</td>
<td>LP</td>
</tr>
<tr>
<td>Baldwin, Hon. Robert Charles</td>
<td>Paterson, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Barresi, Phillip Anthony</td>
<td>Deakin, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Bartlett, Kerry Joseph</td>
<td>Macquarie, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Beazley, Hon. Kim Christian</td>
<td>Brand, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Bevis, Hon. Archibald Ronald</td>
<td>Brisbane, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Billson, Hon. Bruce Fredrick</td>
<td>Dunkley, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Bird, Sharon</td>
<td>Cunningham, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bishop, Hon. Bronwyn Kathleen</td>
<td>Mackellar, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, Hon. Julie Isabel</td>
<td>Curtin, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Bowen, Christopher Eyles</td>
<td>Prospect, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Broadbent, Russell Evan</td>
<td>McMillan, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Brough, Hon. Malcolm Thomas</td>
<td>Longman, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Burke, Anna Elizabeth</td>
<td>Chisholm, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Burke, Anthony Stephen</td>
<td>Watson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Byrne, Anthony Michael</td>
<td>Holt, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Cadman, Hon. Alan Glyndwr</td>
<td>Mitchell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Causley, Hon. Ian Raymond</td>
<td>Page, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Ciobo, Steven Michele</td>
<td>Moncrieff, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Cobb, Hon. John Kenneth</td>
<td>Parkes, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Corcoran, Ann Kathleen</td>
<td>Isaacs, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Costello, Hon. Peter Howard</td>
<td>Higgins, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Crean, Hon. Simon Findlay</td>
<td>Hotham, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Danby, Michael</td>
<td>Melbourne Ports, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Downer, Hon. Alexander John Gosse</td>
<td>Mayo, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Draper, Patricia</td>
<td>Makin, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Dutton, Hon. Peter Craig</td>
<td>Dickson, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Edwards, Hon. Graham John</td>
<td>Cowan, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Elliot, Maria Justine</td>
<td>Richmond, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, Annette Louise</td>
<td>Canberra, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, Katherine Margaret</td>
<td>Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Elsom, Kay Selma</td>
<td>Forde, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Emerson, Craig Anthony</td>
<td>Rankin, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Entsch, Hon. Warren George</td>
<td>Leichhardt, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Farmer, Hon. Patrick Francis</td>
<td>Macarthur, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Fawcett, David Julian</td>
<td>Wakefield, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Ferguson, Laurence Donald Thomas</td>
<td>Reid, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Martin John, AM</td>
<td>Batman, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Michael Durrell</td>
<td>Bass, Tas</td>
<td>LP</td>
</tr>
</tbody>
</table>
### Members of the House of Representatives

<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitzgibbon, Joel Andrew</td>
<td>Hunter, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Forrest, John Alexander</td>
<td>Mallee, Vic</td>
<td>Nats</td>
</tr>
<tr>
<td>Gambaro, Hon. Teresa</td>
<td>Petrie, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Garrett, Peter Robert, AM</td>
<td>Kingsford Smith, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Gash, Joanna</td>
<td>Gilmore, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Geoghegan, Steven</td>
<td>Hindmarsh, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>George, Jennie</td>
<td>Throsby, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Georgiou, Petro</td>
<td>Kooyong, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Gibbons, Stephen William</td>
<td>Bendigo, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Gillard, Julia Eileen</td>
<td>Lalor, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Grierson, Sharon Joy</td>
<td>Newcastle, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Griffin, Alan Peter</td>
<td>Bruce, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Haase, Barry Wayne</td>
<td>Kalgoorlie, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Hall, Jill Griffiths</td>
<td>Shortland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hardgrave, Hon. Gary Douglas</td>
<td>Moreton, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Hartsuyker, Luke</td>
<td>Cowper, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Hatton, Michael John</td>
<td>Blaxland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hawker, Hon. David Peter Maxwell</td>
<td>Wannon, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Hayes, Christopher Patrick</td>
<td>Werrriwa, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Henry, Stuart</td>
<td>Hasluck, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Hoare, Kelly Joy</td>
<td>Charlton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hockey, Hon. Joseph Benedict</td>
<td>North Sydney, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Howard, Hon. John Winston</td>
<td>Bennelong, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hull, Kay Elizabeth</td>
<td>Riverina, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Hunt, Hon. Gregory Andrew</td>
<td>Flinders, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Irwin, Julia Claire</td>
<td>Fowler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Jenkins, Henry Alfred</td>
<td>Scullin, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Jensen, Dennis Geoffrey</td>
<td>Tangney, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Johnson, Michael Andrew</td>
<td>Ryan, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Jull, Hon. David Francis</td>
<td>Fadden, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Katter, Hon. Robert Carl</td>
<td>Kennedy, Qld</td>
<td>Ind</td>
</tr>
<tr>
<td>Keenan, Michael Fayat</td>
<td>Stirling, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Kelly, Hon. De-Anne Margaret</td>
<td>Dawson, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>Kelly, Hon. Jacqueline Marie</td>
<td>Lindsay, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Kerr, Hon. Duncan James Colquhoun, SC</td>
<td>Denison, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>King, Catherine Fiona</td>
<td>Ballarat, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Laming, Andrew Charles</td>
<td>Bowman, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Lawrence, Hon. Carmen Mary</td>
<td>Fremantle, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Ley, Hon. Susan Penelope</td>
<td>Farring, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Lindsay, Peter John</td>
<td>Herbert, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Livermore, Kirsten Fiona</td>
<td>Capricornia, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Lloyd, Hon. James Eric</td>
<td>Robertson, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Macfarlane, Hon. Ian Elgin</td>
<td>Groom, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Macklin, Jennifer Louise</td>
<td>Jagajaga, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Markus, Louise Elizabeth</td>
<td>Greenway, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>May, Margaret Ann</td>
<td>McPherson, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>McArthur, Fergus Stewart</td>
<td>Corangamite, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>McClelland, Robert Bruce</td>
<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>
</thead>
<tbody>
<tr>
<td>McGauran, Hon. Peter John</td>
<td>Gippsland, Vic</td>
<td>Nats</td>
</tr>
<tr>
<td>McMullan, Robert Francis</td>
<td>Fraser, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Melham, Daryl</td>
<td>Banks, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Moylan, Hon. Judith Eleanor</td>
<td>Pearce, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Murphy, John Paul</td>
<td>Lowe, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Nairn, Hon. Gary Roy</td>
<td>Eden-Monaro, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Nelson, Hon. Brendan John</td>
<td>Bradfield, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Neville, Paul Christopher</td>
<td>Hinkler, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>O’Connor, Brendan Patrick John</td>
<td>Gorton, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>O’Connor, Gavan Michael</td>
<td>Corio, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Owens, Julie Ann</td>
<td>Parramatta, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Panopoulos, Sophie</td>
<td>Indi, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Pearce, Hon. Christopher John</td>
<td>Aston, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Pilbersek, Tanya Joan</td>
<td>Sydney, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Price, Hon. Leo Roger Spurway</td>
<td>Chifley, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Prosser, Hon. Geoffrey Daniel</td>
<td>Forrest, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Pyne, Hon. Christopher Maurice</td>
<td>Sturt, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Quick, Harry Vernon</td>
<td>Franklin, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>Randall, Don James</td>
<td>Canning, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Richardson, Kym</td>
<td>Kingston, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Ripoll, Bernard Fernando</td>
<td>Oxley, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Robb, Hon. Andrew John, AO</td>
<td>Goldstein, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Roxon, Nicola Louise</td>
<td>Gellibrand, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Rudd, Kevin Michael</td>
<td>Griffith, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Ruddock, Hon. Philip Maxwell</td>
<td>Berowra, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Sawford, Rodney Weston</td>
<td>Port Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Schultz, Albert John</td>
<td>Hume, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Scott, Hon. Bruce Craig</td>
<td>Maranoa, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>Secker, Patrick Damien</td>
<td>Barker, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Sercombe, Robert Charles Grant</td>
<td>Maribyrnong, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Slipper, Hon. Peter Neil</td>
<td>Fisher, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Anthony David Hawthorn</td>
<td>Casey, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Stephen Francis</td>
<td>Perth, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Snowdon, Hon. Warren Edward</td>
<td>Lingiari, NT</td>
<td>ALP</td>
</tr>
<tr>
<td>Somilay, Hon. Alexander Michael</td>
<td>Fairfax, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Southcott, Andrew John</td>
<td>Boothby, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Stone, Hon. Sharman Nancy</td>
<td>Murray, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Swan, Wayne Maxwell</td>
<td>Lilley, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Tanner, Lindsay James</td>
<td>Melbourne, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Thompson, Cameron Paul</td>
<td>Blair, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Thomson, Kelvin John</td>
<td>Wills, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Ticehurst, Kenneth Vincent</td>
<td>Dobell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Tollner, David William</td>
<td>Solomon, NT</td>
<td>CLP</td>
</tr>
<tr>
<td>Truss, Hon. Warren Errol</td>
<td>Wide Bay, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>Tuckey, Hon. Charles Wilson</td>
<td>O’Connor, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Turnbull, Hon. Malcolm Bligh</td>
<td>Wentworth, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Vaile, Hon. Mark Anthony James</td>
<td>Lyne, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Vale, Hon. Danna Sue</td>
<td>Hughes, NSW</td>
<td>LP</td>
</tr>
</tbody>
</table>
### Members of the House of Representatives

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

**PARTY ABBREVIATIONS**

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

### Heads of Parliamentary Departments

Clerk of the Senate—H Evans
Clerk of the House of Representatives—I C Harris
Secretary, Department of Parliamentary Services—H R Penfold QC
<table>
<thead>
<tr>
<th>Role</th>
<th>Minister Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Minister</td>
<td>The Hon. John Winston Howard MP</td>
</tr>
<tr>
<td>Minister for Trade and Deputy Prime Minister</td>
<td>The Hon. Mark Anthony James Vaile MP</td>
</tr>
<tr>
<td>Treasurer</td>
<td>The Hon. Peter Howard Costello MP</td>
</tr>
<tr>
<td>Minister for Transport and Regional Services</td>
<td>The Hon. Warren Errol Truss MP</td>
</tr>
<tr>
<td>Minister for Defence</td>
<td>The Hon. Dr Brendan John Nelson MP</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon. Alexander John Gosse Downer MP</td>
</tr>
<tr>
<td>Minister for Health and Ageing and Leader of the House</td>
<td>The Hon. Anthony John Abbott MP</td>
</tr>
<tr>
<td>Attorney-General</td>
<td>The Hon. Philip Maxwell Ruddock MP</td>
</tr>
<tr>
<td>Minister for Finance and Administration,</td>
<td>Senator the Hon. Nicholas Hugh Minchin</td>
</tr>
<tr>
<td>Leader of the Government in the Senate and</td>
<td></td>
</tr>
<tr>
<td>Vice-President of the Executive Council</td>
<td></td>
</tr>
<tr>
<td>Minister for Agriculture, Fisheries and Forestry and Deputy Leader of</td>
<td>The Hon. Peter John McGauran MP</td>
</tr>
<tr>
<td>the House</td>
<td></td>
</tr>
<tr>
<td>Minister for Immigration and Multicultural Affairs</td>
<td>Senator the Hon. Amanda Eloise Vanstone</td>
</tr>
<tr>
<td>Minister for Education, Science and Training and</td>
<td>The Hon. Julie Isabel Bishop MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women’s Issues</td>
<td></td>
</tr>
<tr>
<td>Minister for Families, Community Services and Minister Assisting the</td>
<td>The Hon. Malcolm Thomas Brough MP</td>
</tr>
<tr>
<td>Prime Minister for Indigenous Affairs</td>
<td></td>
</tr>
<tr>
<td>Minister for Industry, Tourism and Resources</td>
<td>The Hon. Ian Elgin Macfarlane MP</td>
</tr>
<tr>
<td>Minister for Employment and Workplace Relations and</td>
<td>The Hon. Kevin James Andrews MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td></td>
</tr>
<tr>
<td>Minister for Communications, Information Technology and the Arts and</td>
<td>Senator the Hon. Helen Lloyd Coonan</td>
</tr>
<tr>
<td>Deputy Leader of the Government in the Senate</td>
<td></td>
</tr>
<tr>
<td>Minister for the Environment and Heritage</td>
<td>Senator the Hon. Ian Gordon Campbell</td>
</tr>
</tbody>
</table>

(The above ministers constitute the cabinet)
<table>
<thead>
<tr>
<th>Position</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Justice and Customs and Manager of Government Business in the Senate</td>
<td>Senator the Hon. Christopher Martin Ellison</td>
</tr>
<tr>
<td>Minister for Fisheries, Forestry and Conservation</td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Minister for the Arts and Sport</td>
<td>Senator the Hon. Charles Roderick Kemp</td>
</tr>
<tr>
<td>Minister for Human Services</td>
<td>The Hon. Joseph Benedict Hockey MP</td>
</tr>
<tr>
<td>Minister for Community Affairs</td>
<td>The Hon. John Kenneth Cobb MP</td>
</tr>
<tr>
<td>Minister for Revenue and Assistant Treasurer</td>
<td>The Hon. Peter Craig Dutton MP</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>The Hon. Gary Roy Nairn MP</td>
</tr>
<tr>
<td>Minister for Vocational and Technical Education and Minister Assisting the Prime Minister</td>
<td>The Hon. Gary Douglas Hardgrave MP</td>
</tr>
<tr>
<td>Minister for Ageing</td>
<td>Senator the Hon. Santo Santoro</td>
</tr>
<tr>
<td>Minister for Small Business and Tourism</td>
<td>The Hon. Frances Esther Bailey MP</td>
</tr>
<tr>
<td>Minister for Local Government, Territories and Roads</td>
<td>The Hon. James Eric Lloyd MP</td>
</tr>
<tr>
<td>Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence</td>
<td>The Hon. Bruce Frederick Billson MP</td>
</tr>
<tr>
<td>Minister for Workforce Participation</td>
<td>The Hon. Dr Sharman Nancy Stone MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Finance and Administration</td>
<td>Senator the Hon. Richard Mansell Colbeck</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Industry, Tourism and Resources</td>
<td>The Hon. Robert Charles Baldwin MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
<td>The Hon. Christopher Maurice Pyne MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>Senator the Hon. John Alexander Lindsay (Sandy) Macdonald</td>
</tr>
<tr>
<td>Parliamentary Secretary (Trade)</td>
<td>The Hon. De-Anne Margaret Kelly MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs</td>
<td>The Hon. Andrew John Robb MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Malcolm Bligh Turnbull MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon. Christopher John Pearce MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for the Environment and Heritage</td>
<td>The Hon. Gregory Andrew Hunt MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon. Sussan Penelope Ley MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Education, Science and Training</td>
<td>The Hon. Patrick Francis Farmer MP</td>
</tr>
<tr>
<td>Parliamentary Secretary (Foreign Affairs)</td>
<td>The Hon. Teresa Gambaro MP</td>
</tr>
</tbody>
</table>
### SHADOW MINISTRY

<table>
<thead>
<tr>
<th>Position</th>
<th>Shadow Minister</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</td>
<td>Jennifer Louise Macklin MP</td>
</tr>
<tr>
<td>Minister for Education, Training, Science and Research</td>
<td></td>
</tr>
<tr>
<td>Leader of the Opposition in the Senate, Shadow</td>
<td>Senator Christopher Vaughan Evans</td>
</tr>
<tr>
<td>Minister for Indigenous Affairs and Shadow</td>
<td></td>
</tr>
<tr>
<td>Minister for Family and Community Services</td>
<td></td>
</tr>
<tr>
<td>Deputy Leader of the Opposition in the Senate and Shadow</td>
<td>Senator Stephen Michael Conroy</td>
</tr>
<tr>
<td>Shadow Minister for Communications and Information Technology</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Health and Manager of Opposition Business in the House</td>
<td>Julia Eileen Gillard MP</td>
</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>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs and Trade</td>
<td>Kevin Michael Rudd MP</td>
</tr>
<tr>
<td>and Shadow Minister for International Security</td>
<td></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,</td>
<td>Anthony Norman Albanese MP</td>
</tr>
<tr>
<td>Shadow Minister for Water and Deputy Manager of Opposition Business in the House</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow</td>
<td>Senator Kim John Carr</td>
</tr>
<tr>
<td>for Local Government and Territories</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Public Accountability and</td>
<td>Kelvin John Thomson MP</td>
</tr>
<tr>
<td>Shadow Minister for Human Services</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Finance</td>
<td>Lindsay James Tanner MP</td>
</tr>
<tr>
<td>Shadow Minister for Superannuation and</td>
<td>Senator the Hon. Nicholas John Sherry</td>
</tr>
<tr>
<td>Intergenerational Finance and Shadow Minister for Banking and Financial Services</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Child Care, Shadow Minister for Youth and Shadow</td>
<td>Tanya Joan Plibersek MP</td>
</tr>
<tr>
<td>Minister for Women</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workforce Participation and Shadow</td>
<td>Senator Penelope Ying Yen Wong</td>
</tr>
<tr>
<td>Minister for Corporate Governance and Responsibility</td>
<td></td>
</tr>
</tbody>
</table>

(The above are shadow cabinet ministers)
### SHADOW MINISTRY—continued

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<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</td>
<td>Joel Andrew Fitzgibbon MP</td>
</tr>
<tr>
<td>Minister for Small Business and Competition</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Transport</td>
<td>Senator Kerry Williams Kelso O’Brien</td>
</tr>
<tr>
<td>Shadow Minister for Sport and Recreation</td>
<td>Senator Kate Alexandra Lundy</td>
</tr>
<tr>
<td>Shadow Minister for Homeland Security and Shadow Minister for Aviation</td>
<td>The Hon. Archibald Ronald Bevis MP</td>
</tr>
<tr>
<td>and Transport Security</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Veterans’ Affairs and Shadow Special Minister of</td>
<td>Alan Peter Griffin MP</td>
</tr>
<tr>
<td>State</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Defence Industry, Procurement and Personnel</td>
<td>Senator Thomas Mark Bishop</td>
</tr>
<tr>
<td>Shadow Minister for Immigration</td>
<td>Anthony Stephen Burke MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing, Disabilities and Carers</td>
<td>Senator Jan Elizabeth McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Justice and Customs and Manager of Opposition</td>
<td>Sensor Joseph William Ludwig</td>
</tr>
<tr>
<td>Business in the Senate</td>
<td></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>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Reconciliation and the Arts</td>
<td>Peter Robert Garrett MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
<td>John Paul Murphy MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence and Veterans’ Affairs</td>
<td>The Hon. Graham John Edwards MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Education</td>
<td>Kirsten Fiona Livermore MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Environment and Heritage</td>
<td>Jennie George MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Industry, Infrastructure and</td>
<td>Bernard Fernando Ripoll MP</td>
</tr>
<tr>
<td>Industrial Relations</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Ann Kathleen Corcoran MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Treasury</td>
<td>Catherine Fiona King MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Science and Water</td>
<td>Senator Ursula Mary Stephens</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern Australia and Indigenous</td>
<td>The Hon. Warren Edward Snowdon MP</td>
</tr>
<tr>
<td>Affairs</td>
<td></td>
</tr>
</tbody>
</table>

ix
CONTENTS

TUESDAY, 13 JUNE

CHAMBER
Workplace Relations .......................................................................................................................................................... 1
Fuel Tax Bill 2006 ................................................................................................................................................................. 4
Fuel Tax (Consequential and Transitional Provisions) Bill 2006—
Second Reading ....................................................................................................................................................................... 4
Questions Without Notice—
Workplace Relations ............................................................................................................................................................... 20
Employment ............................................................................................................................................................................... 20
Workplace Relations ............................................................................................................................................................... 21
Distinguished Visitors ............................................................................................................................................................... 22
Questions Without Notice—
Economy ................................................................................................................................................................................... 22
Workplace Relations ............................................................................................................................................................... 23
Workplace Relations ............................................................................................................................................................... 24
Workplace Relations ............................................................................................................................................................... 25
Economy ................................................................................................................................................................................... 26
Distinguished Visitors ............................................................................................................................................................... 28
Questions Without Notice—
Workplace Relations ............................................................................................................................................................... 28
Workplace Relations............................................................................................................................................................... 29
Workplace Relations ............................................................................................................................................................... 31
Group of Eight Summit ......................................................................................................................................................... 31
Workplace Relations ............................................................................................................................................................... 32
East Timor ................................................................................................................................................................................ 33
Workplace Relations ............................................................................................................................................................... 34
Rural Health Services ............................................................................................................................................................ 35
Workplace Relations ............................................................................................................................................................... 35
Australian Capital Territory: Schools Funding ................................................................................................................... 36
Questions to the Speaker—
Question Time ............................................................................................................................................................................ 37
Question Time ............................................................................................................................................................................ 37
Personal Explanations ............................................................................................................................................................. 37
Questions to the Speaker—
Points of Order ...................................................................................................................................................................... 38
Auditor-General’s Reports—
Report No. 45 of 2005-06 .................................................................................................................................................. 38
Documents ................................................................................................................................................................................ 38
Business .................................................................................................................................................................................. 38
Matters of Public Importance—
Workplace Relations ............................................................................................................................................................... 39
Australian Broadcasting Corporation Amendment Bill 2006—
Assent ................................................................................................................................................................................... 52
Fuel Tax Bill 2006,
Fuel Tax (Consequential and Transitional Provisions) Bill 2006—
Second Reading ................................................................................................................................................................. 52
Adjournment—
Health: Body Image .............................................................................................................................................................. 110
Queensland Health: Nurses .................................................................................................................................................. 112
Roads: Calder Highway .......................................................................................................................................................... 113
CONTENTS—continued

Gorton Electorate: Delfin Lend Lease................................................................. 113
Solomon Electorate: Marrara Christian School.................................................. 114
Workplace Relations......................................................................................... 116
Grey Electorate................................................................................................. 117
Notices .............................................................................................................. 118

MAIN COMMITTEE
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............................................................................................... 121

Statements by Members—
Human Cloning ................................................................................................. 133
Hinkler Electorate: Legal Services................................................................. 134
Mrs Amanda Stapleton .................................................................................... 134
Pacific Highway ............................................................................................... 135
Badgerys Creek Airport................................................................................... 136
Veterans ........................................................................................................... 137
Veterans ........................................................................................................... 138
Sri Lanka: Tamil Tigers ..................................................................................... 139
Broadband Services ........................................................................................ 139
National Schools Chaplaincy Program.......................................................... 140

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............................................................................................... 141

Business—
Rearrangement............................................................................................... 194
East timor......................................................................................................... 194

QUESTIONS IN WRITING
Commonwealth Funded Programs—(Question No. 2266) ......................... 206
Commonwealth Funded Programs—(Question No. 2505) ......................... 209
Legal Services—(Question No. 2693) ............................................................ 210
Legal Services—(Question No. 2699) ............................................................ 210
Legal Services—(Question No. 2702) ............................................................ 210
Communications, Information Technology and the Arts: Staffing—
(Question No. 2738) ..................................................................................... 211
Productivity Commission—(Question No. 3113) ............................................. 217
Fuels Sales Grants Scheme—(Question No. 3241) ........................................... 218
Australian HomeGrown Campaign—(Question No. 3243) ....................... 218
Foreign Aid—(Question No. 3458) ................................................................. 218
China—(Question No. 3467) ......................................................................... 219
China—(Question No. 3468) ......................................................................... 219
Forest Products—(Question No. 3470) ............................................................ 220
Foreign Aid—(Question No. 3475) ................................................................. 220
Syria—(Question No. 3481) ........................................................................... 221
Iraq—(Question No. 3482) ........................................................................... 221
CONTENTS—continued

Live Animal Exports—(Question No. 3484)................................................................. 222
Syria—(Question No. 3486).......................................................................................... 222
China—(Question No. 3487).......................................................................................... 223
Bangladesh—(Question No. 3492)................................................................................ 224
Iraq—(Question No. 3497)............................................................................................. 224
The SPEAKER (Hon. David Hawker) took the chair at 12.30 pm and read prayers.

WORKPLACE RELATIONS

Mr BEAZLEY (Brand—Leader of the Opposition) (12.31 pm)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Leader of the Opposition from moving the following motion, forthwith:

That the House:

(1) recalls and records the solemn commitment given by the Prime Minister to Alan Jones on Radio 2GB on 4 August 2005 that:

“...I mean some people are going to have to work public holidays...

... it would be absurd and unfair and unreasonable if somebody has to work on a public holiday that that person isn’t compensated by being paid whatever it is, the double time or the time and a half... those arrangements are going to continue...”

(2) notes that appropriate compensation includes things like penalty rates and public holiday leave loadings;

(3) notes that since the Government’s extreme industrial relations changes commenced on 27 March 2006, a single sentence in an Agreement can remove all entitlements to public holiday pay, penalty rates and overtime pay, and that the Government’s own statistics show:

(a) 64 per cent of assessed AWAs have removed penalty rates;
(b) 63 per cent have removed leave loadings;
(c) 52 per cent have removed shiftwork loadings; and
(d) 41 per cent did not contain gazetted public holidays;

(4) affirms its support for the Prime Minister’s August 2005 commitment that employees should receive adequate compensation for working on public holidays; and

(5) calls on the Government to immediately restore adequate compensation for Australian employees who work on public holidays, thereby holding the Prime Minister to his solemn promise to Alan Jones and the Australian people.

You do not support family values if you do not support decent holidays. That is all there is to it. This government has walked away—

Mr NAIRN (Eden-Monaro—Special Minister of State) (12.33 pm)—I move:

That the member be no longer heard.

Question put.

The House divided. [12.37 pm]

(The Speaker—Hon. David Hawker)

AYES

The Speaker—Is the motion seconded?

The SPEAKER—Is the motion seconded?

Mr STEPHEN SMITH (Perth) (12.43 pm)—Yes—2c an hour for Christmas day or any day—

Mr NAIRN (Eden-Monaro—Special Minister of State) (12.43 pm)—I move:

That the member be no longer heard.

Question put.

The House divided. [12.45 pm]

(The Speaker—Hon. David Hawker)

Ayes…………

75

Noes…………

56

Majority……

19

AYES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baker, M. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Bishop, B.K. Bishop, J.I.
Broadbent, R. Brough, M.T.
Cadman, A.G. Causer, I.R.
Ciobo, S.M. Costello, P.H.
Draper, P. Dutton, P.C.
Entsch, W.G. Farmer, P.F.
Fawcett, D. Ferguson, M.D.
Forrest, J.A. * Gash, J.
Georgiou, P. Haase, B.W.
Hardgrave, G.D. Hartsuyker, L.
Henry, S. Hull, K.E.
Hunt, G.A. Jensen, D.
Johnson, M.A. Jull, D.F.
Jull, D.F. Kelly, D.M.
Keenan, M. Lindsay, P.J.
Laming, A. Macfarlane, I.E.
Lloyd, I.E. May, M.A.
Markus, L. McGauran, P.J.
McArthur, S. * Nairn, G.R.
Moylan, J.E. Neville, P.C.
Nelson, B.J. Prosser, G.D.
Pearce, C.J. Randall, D.J.
Pyne, C. Robb, A.
Richardson, K. Schultz, A.
Ruddock, P.M. Secker, P.D.
Scott, B.C. Smith, A.D.H.
Slipper, P.N. Southcott, A.J.
Somlyay, A.M. Thompson, C.P.
Stone, S.N. Ticehurst, K.V.

* denotes teller

Question agreed to.
Tuesday, 13 June 2006

Question agreed to.

Original question put:

That the motion (Mr Beazley's) be agreed to.

The House divided. [12.47 pm]

(The Speaker—Hon. David Hawker)

Ayes............... 56
Noes............... 75
Majority......... 19

AYES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bevis, A.R. Bowen, C.
Bowen, C. Burke, A.S.
Burke, A.S. Edwards, G.J.
Corcoran, A.K. Ellis, A.L.
Elliot, J. Ellis, K.
Ellis, K. Ferguson, L.D.T.
Ferguson, J.A. Fitzgibbon, J.A.
Georganas, S. Georganas, S.
Gibbons, S.W. Grierson, S.J.
Griffin, A.P. Hall, J.G. *
Hatton, M.J. Hoare, K.J.
Irwin, J. Jenkins, H.A.
Jenkins, H.A. King, C.F.
King, C.F. Macklin, J.L.
Macklin, J.L. Melham, D.
McMullan, R.F. O'Conner, B.P.
Murphy, J.P. Owens, J.
O'Connor, G.M. Plibersek, T.
Plibersek, T. Price, L.R.S. *
Ripoll, B.F. Rudd, K.M.
Rudd, K.M. Sercombe, R.C.G.
Sercombe, R.C.G. Smith, S.F.
Snowdon, W.E. Swan, W.M.
Tanner, L. Thomson, K.J.
Vamvakinou, M. Wilkie, K.

* denotes teller

NOES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baker, M. Baldwin, R.C.
Barresi, P.A. Bartlett, K.J.
Bishop, B.K. Bishop, J.I.
Broadbent, R. Brough, M.T.
Cadman, A.G. Causley, I.R.
Ciobo, S.M. Costello, P.H.
Draper, P. Dutton, P.C.
Entsch, W.G. Farmer, P.F.
Fawcett, D. Ferguson, M.D.
Forrest, J.A. * Gash, J.
Georgiou, P. Haase, B.W.
Hardgrave, G.D. Hartsuyker, L.
Henry, S. Hull, K.E.
Hunt, G.A. Jensen, D.
Johnson, M.A. Jul, D.F.
Keenan, M. Kelly, D.M.
Laming, A. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
Markus, L. May, M.A.
McArthur, S. * McGuigan, P.J.
Moylan, J.E. Nairn, G.R.
Nelson, B.J. Neville, P.C.

CHAMBER
Mr FITZGIBBON (Hunter) (12.51 pm)—The Fuel Tax Bill 2006 and cognate bill are important bills and bills we should have been debating the last time we were here. But I will come back to that topic at some point during my speech. The Fuel Tax Bill 2006 is complex, but it is broadly about three things. The first is moving business from the Energy Grants (Credits) Scheme onto the new Fuel Tax Credits Scheme. The second is promoting changes to the way businesses that are exempt from excise claim back tax paid on fuel. The third is putting in place the legislative structures required to give effect to the phasing in of tax or excise on LPG, CNG—that is, compressed natural gas—and biofuels, including ethanol.

The opposition has expressed support for the broad structure of the new fuel tax regime, which provides for: (1) a single system of fuel tax and associated credits; (2) reductions in the incidence of fuel tax levied on taxable fuels; (3) a staged introduction of a framework for the taxation of liquefied petroleum gas, liquefied natural gas and compressed natural gas from 1 July 2011—that was going to be 2009 originally, but, as a result of industry lobbying, particularly ethanol and biodiesel industry lobbying, it was pushed out to 2011; (4) a staged introduction of excise and phasing out of domestic assistance for biodiesel and domestic ethanol; and (5) the linking of fuel credits to environmental standards.

Under the fuel tax credits system, all taxable fuel acquired or manufactured in or imported into Australia for use in off-road applications for business purposes will become tax free over time. There will be effective tax-free status introduced over time for business off-road use. Petrol for off-road business use will also be eligible for a fuel tax credit from 1 July 2008. This is a part of the phase-in introduction. For off-road usage, the current Energy Grants (Credits) Scheme will be phased out from 1 July 2008, when a 50 per cent fuel tax credit will apply, and 100 per cent for petrol for uses that the current grants scheme recognises. However, the new tax regime will gradually impose a fuel tax for biodiesel, domestically produced ethanol, LPG, CNG and liquefied natural gas. This will be phased in from 1 July 2011 to 1 July 2015. This delay has been essential, as the industry argued, for the development of new capital projects as they work through their infancy.

In layman’s language, all of that means a couple of things. For many years in this country, we have had what used to be called a diesel fuel rebate—a proposition that applied to both off-road and on-road users of diesel. If it was used in business for business...
purposes, it was effectively tax exempt, and
the tax was claimed back through the tax
office. It is interesting to note that originally
the principle lying behind the off-road proc-
cess was that, because fuel taxes were hy-
pothecated—that is, spent specifically on
road funding—then people off-road should
not be making a contribution to that funding
model. Of course, over time, the rebate be-
came extended to certain heavy on-road us-
ers. That has been a proposition that has en-
joyed bipartisan support in this place for
many years.

Not all that long ago, the diesel fuel rebate
was replaced by what was called the Energy
Grants (Credits) Scheme, and that changed
the way business claimed back the tax, as
well as making various changes to the re-
geone, which I do not think we need to go
into the detail of today. Now we are going to
a new scheme called the Fuel Tax Credits
Scheme, which effectively has the same net
result. It is a different name, a different
model, and there are some changes around
the edges, including extending the rebate—if
you want to call it a rebate—on petrol. I have
made the point in this place that not too
many vehicles driving around in this country
are 4.5 tonnes or heavier and use petrol, so I
do not know what benefit that is going to
have for business.

Probably the most controversial aspect of
this bill is the way it changes the way busi-
ness claims back its tax. This is the reason
why we are debating this bill this week
rather than the last time we were in this
place. At the moment, businesses pay for
their fuel and, along with that payment, they
pay the excise on that fuel. They are then
immediately able to claim that back from the
tax office. Rightly or wrongly, for some
businesses this is actually cash flow positive.
You might have a 14-day or even a 30-day
credit arrangement with the supplier, and, if
that is the case, it is more than likely that you
are claiming the tax back before you have
actually made the payment. Cash flow is a
very important matter for businesses gener-
ally, but in particular for small to medium
businesses. I certainly do not have a problem
if some businesses have been getting a cash
flow positive result out of the existing sys-
tem. Whether they are or they are not doing
that under the current system, if it is not
positive cash flow, it is certainly a neutral
cash flow if they have been able to claim
back the tax at the same time, if not before,
they have to pay the tax.

The proposal in this bill is to force busi-
nesses, including small to medium busi-
nesses, to wait until they lodge their BAS to
claim back the tax paid on those fuels. You
will appreciate that many small to medium
businesses lodge a BAS on a quarterly basis,
onece every three months, while some only
lodge one once a year. Once a year is less
frequent, but quarterly is very typical. Under
this proposal, you will have businesses carry-
ing literally thousands if not tens of thou-
sands of dollars for up to three months until
they have the opportunity to claim that
money back on their BAS. I had someone,
whom I shall not name, suggest, ‘That’s not
a problem, they can just lodge their BAS
monthly.’ The people who say these things
obviously know very little about the pres-
sures faced by small to medium enterprises
in this country.

The BAS is a nightmare, and I do not say
that in a political sense. I am sure those on
both sides of this place would acknowledge,
whether or not they are supporters of the
GST, that the BAS is now a fact of life—it is
a part of doing business—and that the less
often you have to do it the better. It is a sig-
nificant burden on business and you would
not want to do it once a month, so to suggest
that businesses can fix the problem by lodg-
ing monthly is ridiculous and does not fall too kindly on the ears of those who operate those businesses.

This is a significant issue not just for the people you would typically think about in respect of this bill—those who are engaged in the petroleum industry and those who drive trucks or transport as part of their business—but for all of the associated people who are caught up in this regime. People in the plastics industry, for example, use petroleum based ingredients to make their products, and they will be caught up in these changes. So it is very significant. The impact that this will have on businesses around the country will go well beyond those whom we would think about in the first instance.

The member for Swan, when he speaks to this legislation, will highlight another issue that has just come to my attention: the prospect of some businesses being faced with tax for the first time. A representation has been made to the member for Swan by a business in his electorate. I will let him go into the detail and to name the business if he so wishes. This business simply buys and packages goods to on-sell to the supermarkets—for example, mineral turpentine, white spirits, kerosene, methylated spirits and thinners. The business says that it was not subject to this tax regime under the previous arrangements but it will be under the intended regime, which the bill we are considering today gives effect to.

I apologise to the minister for not seeking his imprimatur before I spoke, but I now seek leave to table the letter from that business so that he can look at the claims it contains. It is not a political letter in any sense. When the minister summarises the debate, he will be able to clarify whether the business that has written to the opposition is right in assuming the impact the bill will have on it.

Leave granted.
place—that will extend that transitional period ad infinitum. In other words, if this change is going to cause significant pain for small and medium enterprises—and for larger enterprise, for that matter—they will be able to stay in the current system. Let us think about what that means. I suspect there will be some who will say that having some businesses in one system and some in the other will be a bit of a nightmare for the tax office. I say to the members opposite: do we care if there is a small increase in burden on the tax office, with all of its resources, if it means alleviating a significant burden on small to medium businesses in particular?

They might ask whether there is a financial implication. I think not. This is only a timing difference. The government should be able to clarify that point, and I invite the Assistant Treasurer to do so during his summary on the bill. Would extending the transition period have financial implications for the revenue base? Does the transitional period have financial implications for the revenue base? I suspect it does not, and that it is no more than a timing difference. I invite the minister to confirm that or to do otherwise when he speaks at the conclusion of the second reading debate. I do this with good intentions. I am inviting the Assistant Treasurer to come back and tell me why this is not a good idea. Come back and tell me why business, particularly small to medium enterprises, should not be able to stay in the current system ad infinitum if the new regime is going to cause significant problems for them on the cash flow front.

I notice that the most recent Sensis survey of small business has cash flow amongst the top three issues facing small business, and of course the issue of cash flow is always amongst the top concerns. The government quite rightly argues that, in many senses, the new system is better than the old. Instead of having to do the extra paperwork of claiming back the tax in isolation, simply mould it into the business activity statement. That is a good concept and I do not have any problem with it. But I do have a problem with it if it is going to cause significant cash flow problems for small to medium firms.

If the change is only about helping business—and I have not heard the government say it is all about helping the tax office—why not let business choose which is the better system for them? If they want to do the extra paperwork on a more regular basis to secure the rebate earlier, then let them do it. So we say—though it might seem like a conflict in terms—extend the transition period ad infinitum. Give business a choice.

Again, I foreshadow that we are considering moving an amendment in the in detail stage of the bill. I invite the Minister for Revenue to come back, debate the point and tell us why that should not be done. If he comes up with some good reasons that I have not considered, we will be happy to drop the idea. If it is unworkable we will accept that, but there would have to be some pretty strong points.

I want to move on to the introduction of tax on biofuels, LPG, CNG et cetera. This has been a long-running debate. I hope that the politics of this is now settled. People on both sides of this chamber want to support the biofuels industry. They want to support alternative fuels. They want to wean us off our very heavy and increasing dependence on more traditional fuels, as we approach 60 per cent import dependence on oil and are now importing some 22 per cent of our refined petroleum products. Often, when we have this debate, we get bogged down in talking about ethanol, so I want to address that issue. The Labor Party started the ethanol industry in this country. I think it was in 1992 that we first began providing capital
grants assistance for the construction of ethanol plants. When we left office, ethanol still enjoyed tax-free status and enjoys tax-free status today.

A couple of years ago the government decided—and the opposition agreed with this proposition—that the time would come when ethanol and biodiesel would be allowed to stand on their own feet. In other words, it is great to give these industries support during their infancy and development, particularly given their high up-front capital costs and the time it takes to get a return on investment—and we all agreed that they should have that support—but, at some point, they should face the tax regime.

On that basis, the Prime Minister finally announced that the phasing-in of those tax arrangements would come into effect. I think it was originally to be in 2008, beginning at a very small rate of taxation—2.5 cents, I think—and phasing up to a tax rate equivalent to the fuel’s energy content. These provisions also applied in varying ways to other non-traditional fuels like LPG, CNG et cetera. There was a backlash from the industry and, in response to that backlash, and to political pressure, the Prime Minister pushed back the introduction of that regime to 2011. I think there is to be a five-year transition, taking it out to around 2015 or 2016.

But the Prime Minister did one other thing. He also announced that, instead of applying the tax at a rate equivalent to energy content, he would apply a rate of tax equivalent to the energy content discounted by 50 per cent. There was no logical reason for discounting it to 50 per cent rather than 40 per cent or 60 per cent or not at all. The Prime Minister was looking for a response to the political pressure and effectively backed down and significantly reduced the tax. At around the same time, the Prime Minister decided that he would give the industry total protection from import competition by applying a full rate of taxation but offsetting it with a production subsidy of the same amount—effectively applying a zero tax regime to all of those fuels.

So where are we? We have an industry that has been enjoying government assistance through capital grants since 1992 and which continues to receive capital grants. We have an industry that will be exempt from fuel tax until 2011 and then will receive a phased-in tax regime which will be less than half of the tax applied to LPG, for example, when it is fully phased-in. And we have an industry which, for the next half dozen or so years, will be fully protected from import competition.

It is true that we should be supporting these industries in their infancy. Ethanol creates regional jobs and is slightly better for the environment than are some of the more traditional fuels. It is also a very significant ingredient in giving independent fuel retailers a competitive edge over the major players, because whenever you displace a taxed fuel with an untaxed fuel it is obviously cheaper and, if you choose to blend that in your fuel, it gives you a competitive edge.

But the concept of mandating I reject. We should not be legislating in this country to force people to buy things. What is next: lemonade in your beer or skim milk in your coffee? And I am still concerned about the state of the market in this industry. It is still dominated in a very large way by one player—to the tune of more than 90 per cent market share, I think. You would be mandating close to a monopoly. So I reject that proposition. But I believe that we should continue to do all we can to grow the market share for these very important alternative fuel supplies, and I extend those sentiments to both LPG and CNG.
Very importantly, I also extend those sentiments to the concept of the gas to liquids industry, because, if we are really going to get serious about establishing energy independence in this country in transport fuels, we have to start making use of our abundant reserves of natural gas. There are 140 trillion cubic feet out there which, by using today’s technology, could be transformed into liquid diesel fuels which would go straight into existing diesel engines without any modification whatsoever. These liquid diesel fuels will be available to us in abundance if the government just does something about making sure that the oil companies take up those opportunities.

It is about broadening the base. We cannot allow oil companies to concentrate only on LNG—that is, liquefying gas and exporting it to the global market. That is a good thing, and the opposition supports that proposition, but at the same time Australia has to be developing itself domestically as a country which is smart enough to use those significant supplies of natural gas for its own domestic purposes. We cannot afford to sit back and wait for the oil companies to tell us, when we really need this gas, that it is a bit too late, that all the easy-to-win stuff has been sold off in global LNG markets and that if we want this gas now we are going to have to pay the higher prices involved in securing the gas, which is typically further offshore and deeper in the sea and therefore much more expensive to win. We need an energy plan on that front, and that energy plan has to include a plan for our land transport needs and take into account the need to address the environment. I am not saying that gas to liquids is squeaky clean on the environmental front when you look at it on the whole-of-life-cycle analysis, but it does have significant environmental advantages.

So the opposition is supporting this bill. It is a new regime that the opposition does not have any great difficulties with. Indeed, there are some improvements in that regime as compared to the one currently being used by those who rely on the scheme. We accept the taxation arrangements on biofuels, LPG and CNG. Again, as I said, we had that debate some years ago, so we are not looking to criticise that or to make changes there.

I am conscious that some in the industry are now on the lobby, hoping to phase in the introduction further out—in other words, instead of introducing the scheme from 2011, maybe going out to 2013. They say that the process has been tardy—I will not say that the government has been tardy; the process has been tardy—and that they need a full five years from the inception of the project to reach a maturity where the project becomes profitable. Because the government has been slow to put this into effect, while the date of 2011 gave those in the industry five years when the agreement was made, it does not now give them those five years. If the government wants to bring that debate to the table, we will be happy to hear those arguments as well, but at the moment I am assuming that there is no intention to do so and the government is sticking to the proposals as they are contained in the bill.

On that point, the industry is also complaining about the phasing out of import competition. This bill is not specific to that, because the government does not need legislation now to begin to reduce that customs levy on imported ethanol and biodiesel. It will not need to do so until 2011. The Minister for Revenue and Assistant Treasurer has kindly written to me in response to some questions I asked on an earlier bill about the parity between domestically produced biodiesels and imported fuel, and he has confirmed that, by the end of this phase-in pe-
period, imported ethanol and biodiesel will face the same taxation regime as domestically produced ethanol and biodiesel.

I am not sure that the industry was aware of or fully conscious of that when we reached this agreement on the phasing in of this taxation regime. I am not criticising it per se; I think a bit of import competition can be a good thing, and to those who want to mandate ethanol I say that we need imports if we are ever to reach 10 per cent market share. The domestic industry, in my view, would never reach that level of supply. But, having confirmed that the tax regimes will be equivalent after the phasing in of this regime, I want the minister now to confirm that that means he is going to reduce the customs levy rather than provide offshore producers with the production subsidy. I would assume that it means a reduction in the customs levy, but I would like him to confirm that for the House—as obvious as the question might be—because I think the industry needs to have absolute clarity on that point. I remind the Minister for Revenue and Assistant Treasurer that I pose those questions to him and that the opposition is considering amending the bill in the consideration in detail stage to make the new arrangements for business permanent so that business, particularly small to medium businesses, will have a choice. 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 for failing to properly consult with commercial fuel users on the appropriate model for payment of fuel tax;

(2) condemns the Government for circulating major amendments less than two hours before debate on the Bill is to be resumed;

(3) calls upon the Government to reduce our dependency on foreign oil and to promote:

(a) existing alternatives like liquid petroleum gas, ethanol and biodiesel;

(b) emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity; and

(c) future fuels, such as hydrogen as Labor has committed to in its Fuels Blueprint;

(4) condemns the Government for ignoring the impact of rising petrol prices on Australian families;

(5) condemns the Government for increasing petrol prices in regional Australia through the abolition of the Fuel Sales Grants Scheme at a time of very high petrol prices;

(6) condemns the Government for failing to strengthen the Trade Practices Act to protect competition in the petroleum industry; and

(7) condemns the Government for failing to guarantee that the money saved as a result of the abolition of the Fuel Sales Grants Scheme will be specifically directed to roads in regional, rural and remote Australia”.

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

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

Mrs GASH (Gilmore) (1.21 pm)—I rise to speak on the Fuel Tax Bill 2006, the Fuel Tax (Consequential and Transitional Provisions) Bill 2006 and the additional amendment. Before I start, and while the member for Hunter is still in this place, I say to the member for Hunter: what hypocrisy to say that you started the ethanol projects when you were in government. If not the member for Fraser, who was it who killed the ethanol industry? The member for Fraser told a sob story in this House about a garage mechanic saying that ethanol caused problems in a car system. The owner of the car had to go through all the hassles of having his motor
reformed. The truth is that the problems were not caused by ethanol but by kerosene. Did the member for Fraser have the guts to apologise to this House? No, not the member for Fraser. He hid behind his constituents and said absolutely nothing; it suited him not to say anything. Just remember that, member for Hunter.

I point out that some unintended consequences could occur with this legislation. I refer to statements made by Renewable Fuels Australia, the RFA. In particular, I want to address the issue of impacts, imports and market access with regard to biofuel operators if this legislation goes ahead in its present form. I have long been an advocate of the Australian biofuels industry and boast a significant Manildra ethanol plant in my electorate of Gilmore. Contrary to the member for Hunter, I am clearly on the record as being in favour of mandating ethanol in Australian fuel and have strongly supported the expansion of the biofuels industry. It is fair to say that we have taken some dramatic steps in the right direction, and for that I am very grateful. The agreement reached between the government and the oil companies is a substantial step in the right direction, but the proof will be in the pudding and we will all have to wait and see what the oil companies will do to meet their part of the agreement.

I also want to refer to the original proposal, the object of this legislation, which is that the proposed amendments to the Fuel Tax (Consequential and Transitional Provisions) Bill 2006 are intended to assist taxpayers to make the transition to the new fuel tax credit system by enabling eligible taxpayers to make claims for the early payment of fuel tax credits. In the context of the changes, the amendments will allow taxpayers a two-year transitional period to align their business practices to the new claiming arrangements and will ameliorate negative cash flow effects that may be associated with claiming fuel tax credits via the BAS. This is wonderful news for our fishermen in the Gilmore electorate, but it is also fair to say that in this Fuel Tax Bill the consumer is becoming more and more aware of the need to explore alternative fuel options and, with that, all support should be given to the Australian biofuels and ethanol industry.

I believe that support of the Australian biofuels industry can be strengthened within the Fuel Tax Bill 2006. In saying that, I would like to see the legislation (1) recognise the market barriers to ethanol and biodiesel fuels entering the mainstream transport fuel market prior to 2006 and ensure that applicable excise rates commence on 1 July 2016 and reach their final stage by 30 June 2020; (2) acknowledge the unique benefits of domestically produced ethanol and biodiesel by providing that any tax or duty imposed be incurred at half the rate imposed on imported ethanol and biodiesel; and (3) ensure that end user levels of diesel and diesel-like fuels meet the national diesel and biodiesel fuel quality standard and be treated the same in terms of tax credits and rebates.

The bill provides that alternative fuels that were previously untaxed would start their transition to their future tax rates from 1 July 2011 at specified annual rates of increase until their final fuel tax rate of 12.5c per litre for ethanol and 19.1c per litre for biodiesel by 30 June 2015. This policy was introduced in 2003 together with a range of measures designed to assist alternative fuels in establishing their place in the transport fuel market before the fuel excise tax regime was introduced between 2001 and 2015.

While alternative fuels such as LPG and natural gas have already established their place in the market and are able to enjoy this benefit, biofuels such as ethanol and bio-
diesel were not, due to fuel market entry barriers to ethanol and biodiesel that were not effectively addressed until 2006. Consideration must be given to measures that enable the biofuels industry to access these intended benefits and assist in stimulating new ethanol and biodiesel industry growth in Australia. This is consistent with government policy that a viable and sustainable biofuels industry is in the national interest of Australia.

In addition to the transition of previously untaxed alternative fuels to their final fuel tax excise rates between 2011 and 2015, it is proposed that restrictions on the import of alternative fuel would also be progressively removed between 2011 and 2015, at the same time as the transition to the rate of new fuel tax excise regime on alternative fuels. Whilst the formal tax rates are set at 25c per litre for ethanol and 38c per litre for biodiesel, alternative fuels were granted a 50 per cent discount in recognition of the benefits of domestically produced biofuels such as energy security, greenhouse reductions, carbon credits, rural and regional economics, jobs growth et cetera.

Imported ethanol and biodiesel make no contribution to domestic benefits. On this basis, the final excise rates for ethanol were set at 12.5c per litre for ethanol and 19.1c per litre for biodiesel but totally ignore the restricted policies of other countries that Australia will have to compete with. I believe that the measures I have stated for consideration would better acknowledge the nationally recognised benefits associated with domestically produced alternative fuels.

Today the Australian biodiesel industry has access to 100 per cent of the petroleum diesel fuel market and is supplying 100 per cent biodiesel fuel, a 50 per cent biodiesel blend with diesel fuel and a 20 per cent biodiesel blend fuel to on-road and off-road diesel fuel users in Australia which meet the national biodiesel standard and/or the national diesel fuel standard. Consideration must be given to my earlier stated points to avoid any circumstance that will deny biodiesel access to 70 to 75 per cent of the Australian diesel fuel market under the proposed road user charges regime. This embraces the off-road market, including agriculture and mining activities and the heavy transport market associated with vehicles over 4½ tonnes. Under this regime only a fuel containing a five per cent biodiesel blend with petrol will be deemed to meet the diesel fuel standards and thus be eligible for tax credits or grants. This would place Australia out of step with world practice and create a discriminatory, artificial industry and market barrier that will force biodiesel sales to the major oil companies and distributors via a B5 blended diesel fuel. Consideration should be given to guarantee equal treatment between petroleum diesel and alternative fuels such as biodiesel and, in the future, ethanol in the Australian diesel fuel market.

The issue of fairness in the biofuels industry is of utmost importance to those Australians who have invested heavily in local and regional areas, such as my electorate of Gilmore. I do not want to see $500 million and 285 direct jobs jeopardised. It has been a long hard road to rebuild consumer confidence with ethanol after, as I mentioned earlier in my speech, the deliberate scare campaign by members of the Labor Party to discredit not only ethanol—a large percentage of which comes from my electorate—but also the owner of our Manildra plant. In doing so, they succeeded in seeing 30 jobs go from Manildra in Bomaderry and many others in rural areas of Australia.

I note that Minister Macfarlane stated, from a recent meeting with the ethanol sector, that there are further plans to increase sales over the next two years by BP, United
Petroleum, Woolworths, Caltex and Farmers Fuel. While all this is fantastic news, together with the reaffirmation of the target of 350 million litres by 2010, I would like to add my support to Minister Vaile’s comment that this date needs to be brought forward and that supply needs to be increased. With our ever-increasing fuel costs and growing demand, I feel that 350 million litres by 2010 is merely a drop in the bucket. Australia can and should do more to ease the crisis and, if that means imposing further voluntary demands on the oil companies, then so be it. One only has to look at our ever-increasing fuel deficit to realise that this trend cannot be allowed to continue. To increase tax on Australian produced ethanol and lower the cost of imported product is not the way to go. It concerns me to see how the large fuel companies can influence our policies.

On a closing note, I note that the ethanol industry in Brazil is quite advanced. If matters continue to unfold as they are, Brazil is set to become a major exporter of ethanol. By imposing extra taxes on our fledgling industry, we are in fact discouraging self-sufficiency and pushing towards a reliance on overseas imports. We have the capability here to be self-sufficient in ethanol and biodiesel, with the accompanying potential to export to other countries. Unless we encourage the growth of our home industry, we may well be consigning ourselves from the frying pan into the fire. We are a net importer of oil and, as our own supplies dwindle, this will inevitably increase. We need to look beyond immediate needs and adopt a longer term strategy that will not ransom us to overseas interests. To suggest that we ought to start taxing ethanol production from 2011 is to me a retrograde step and should be discounted.

It was in September 2005 that the Prime Minister and the Deputy Prime Minister announced that a viable biofuels industry was in the national interest and certain timetables and take-up use was committed to by Caltex, BP and Shell. It was these take-up targets together with the finally revealed tax implications of the Fuel Tax Bill 2006 that lead me to ask this government to rethink its policy by making further amendments and/or changes, as I stated earlier in my speech, in considering to extend by five years from 2016 to 2020 the transitional phase in percentage of excise of imports for biofuels.

Finally, I would like to mention the phase-in timetables for the biofuels industry entering the market in relation to the new excise/import regime. The take-up rate has been very slow. Already some six years have been lost. Therefore, there is a definite need to reconsider the phase-in period; if not, it could pose great difficulties for new entrants into the biofuels industry, as it will be some two to three years before new projects are completed. In speaking to this bill, I ask the government to consider some of the unintended consequences of this bill. I also remind once again the Australian people who it was that killed ethanol in this House.

Mr MARTIN FERGUSON (Batman) (1.33 pm)—I rise today to speak on the Fuel Tax Bill 2006 and the Fuel Tax (Consequential and Transitional Provisions) Bill 2006. In response to the member for Gilmore with respect to the ethanol industry, I want to say this: this House is generally supportive of the ethanol industry. It is about time that some ethanol producers understood and accepted that, whilst we are supportive of the development of the ethanol industry, we are not supportive of their endeavours to intimidate refining companies in Australia into purchasing not ethanol but their product, representing imported oil including ethanol, so as to maximise their own profit and their own dividends. If those producers want support for ethanol, let us sell ethanol and not let it
be about them trying to intimidate industry into purchasing their refined product inclusive of ethanol, which is what they are currently seeking to do with respect to some of the oil refining companies in Australia and outlets around Australia.

Having said that, I think—and I am surprised the member for Gilmore did not comment on this—it is unfortunate that this debate is occurring at this time. The government has proposed significant amendments to the bill but, in a flagrant abuse of courtesy to the parliament, the amendments were only available two hours before the debate commenced today. Not only has the government provided insufficient time for proper review and consideration of the proposed amendments but we are debating these bills before the Senate Economics Legislation Committee has completed its inquiry into them—an inquiry going to some of the concerns raised by the member for Gilmore.

Again, I believe the government is making a mockery of parliamentary process. The Senate inquiry had the support of members in this House but, for the purposes of this debate, the government is requiring members of the House to ignore that inquiry and anything it might find that might go to the application of the bills once they become law. The committee’s report on the inquiry will not become available until this afternoon, we are told. What message does that send to the 32 organisations and individuals who made written submissions to the inquiry and to the many who appeared in public hearings before the Senate Economics Legislation Committee? It simply sends a message that this government, in an arrogant way, will only pay lip-service to parliamentary processes. They could ask, ‘Why bother? Why waste our time in the future?’ I simply believe that the least the Australian electorate and the peak bodies that represent varied constituencies should be able to expect is that the government follows due process. What confidence can those organisations have in a parliament that flagrantly disregards due process?

It has taken two years to get from the last policy pronouncement to the introduction of these bills into this parliament. It is laughable to now suggest that there is such urgency that debate cannot wait until tomorrow or the day after to enable us to properly review the outcome of the Senate reference. I remind the House that it has taken a long time to get this legislation. The initial policy announcements date back as far as the 2003-04 budget, culminating in the June 2004 energy white paper. These bills are just another example of the tardiness with which legislation is being handled by the government. Just look at the backlog of the legislation before the House. The standards of the House and the Senate are something that I would expect both sides of politics would want to uphold. I ask members on both sides to take a firm stand and to put an end to the sloppiness and stop the slide with respect to the performance of the House and the Senate. I believe we owe it to our constituents.

Let us go to the bills. One of the key features of the proposed reforms is to implement a four-band fuel excise system loosely—and I emphasise loosely—based on energy content. The bands define fuels as having high-, medium- and low-energy content and there is a fourth band for other fuels such as compressed natural gas. Federal Labor supported the proposal to extend the effective excise-free period for biofuels and the LPG industry by three years until 2011 and has supported legislation to introduce mandatory cleaner fuel standards that should benefit environmentally friendly fuels and benefit the Australian community generally with respect to the debate about a clean envi-
ronment. However, whilst Labor supported this approach, I remind the House that the overwhelming reason was to provide some certainty for the alternative fuels industry and refining industry. That is the crux to investment in Australia—certainty in the legislative environment that industry confronts in making investment decisions.

It is also important, contrary to the views suggested by the member for Gilmore, that we put on the record that federal Labor has always supported the alternative fuels industry. It is interesting that the member for Gilmore, who was elected in 1996, did not raise the issues that I now seek to remind the House about. It was the Keating Labor government which introduced an 18c a litre production bounty for ethanol in the 1993 budget in addition to the zero excise rating for the product. The Howard government abolished the bounty scheme one year early in the 1996-97 budget, the first budget the member for Gilmore had to respond to, and it has consistently undermined the industry since by changing the playing field on a regular basis. In the last parliament alone the Howard government changed its mind three times on the excise regime for not only ethanol but also LPG. And they talk about certainty for the purposes of encouraging industry investment in Australia’s long-term future! The record of the Howard government on this very important industry has been the lack of certainty it has put in place.

Despite his May 2002 view that applying excise to ethanol and LPG was a bad idea, the Treasurer announced that he would do just that in the 2003 budget. He announced that biofuels and LPG would be subject to excise from July 2008. In December 2003 he changed his mind yet again, announcing a new excise regime to apply from July 2011. Between May and December 2003 the LPG industry was in absolute turmoil—and one can understand why. Many of the small business operators involved in LPG conversion and maintenance suffered serious business downturns due to the uncertainty about the excise regime. Of course, the biofuels industry also suffered during this period, with no certainty for new investors in the industry. And the member for Gilmore wants to talk about certainty in the industry! With the problems in the industry because of the lack of strong direction and certainty from the Howard government over the last 10 years, it has taken some time for the industry to recover. It has recovered mainly because record-high petrol prices have meant that consumers have been more willing to set aside their concerns about fuel tax uncertainty than they would otherwise have been and that biofuels are now more price attractive to refiners and marketers. The history of the Howard government’s double backflips on alternative fuels—and they amounted to double backflips—is in stark contrast to the stability of Labor’s position throughout its 13 years in office, when it maintained the LPG excise exemption introduced in 1979 for fuel security reasons.

The other stark contrast is the Prime Minister’s interest in fuel security back in 1979 compared to his complete lack of interest today as Prime Minister, when fuel security has never been so important and petrol prices have never been so high. As I have said before, this government treats tax cuts as ‘go away’ money for motorists worried about petrol prices. It has no long-term vision for where we are going with the very serious challenge of fuel security for Australia. It is the debate and the new Cold War internationally. It is where we really are in the global community at the moment in terms of energy. Energy is the cause of tension in the global community. Yet we found nothing in the recent budget to bolster Australia’s fuel security.
supply security or to look to the long term. The fact is that, without developing large-scale alternative fuel industries in Australia, we will increasingly be hostage to supplies from the Middle East, West Africa and Russia—and, frankly, who would want to put our future in the hands of the instability that currently exists in the Middle East, West Africa and Russia? We need long-term government action now aimed at securing Australia’s future and the future of our children and grandchildren. We should not leave Australia to be held hostage to the Middle East, West Africa and Russia. It is about time the Prime Minister understood those concerns, which are widely held by Australian industry and ordinary householders. I do not need to spell out the implications of that for energy security.

Australians around the kitchen table tonight want to know that their governments and the companies with stewardship of their resources have a plan to secure their energy supplies for the future at affordable prices. That is what ordinary Australian households are concerned about at the moment—security at reasonable prices. But there is no plan by the Howard government and, therefore, those people sitting around the kitchen table this evening are not relaxed and comfortable with the lack of the Howard government’s action on fuel security and Australia’s medium- to long-term interests. Creating the right fiscal and regulatory regime to make gas to liquids a new industry option and a new fuel supply source for Australia is just not on under the Howard government, and it ought to be.

The Prime Minister was thinking about energy security in 1979, but it is not on his radar in 2006. Despite its enormous potential for Australia—and it is enormous—the Prime Minister has decided to tax gas to liquids diesel as a high-energy fuel with no discount as an alternative fuel. Unlike other alternative fuels, he has done nothing to provide any industry framework to encourage the establishment of the gas to liquids fuel industry in Australia. The Labor Party, alternatively, has always been a strong supporter of both gas to liquids and coal to liquids. This is, of course, interestingly about the commercialisation of clean coal technology for power generation in Australia, which is about the greenhouse debate and the environment debate whilst also giving us a sense of security with respect to access to fuel for the future.

I can recall the former Prime Minister, Paul Keating, as the resource minister over 20 years ago, being a great advocate of gas and coal to liquids technologies. He was ahead of his time on this issue. Similarly, we pursued this issue in the last parliament with the position of Joel Fitzgibbon, the former shadow minister for resources, and we will continue to pursue it because we believe establishing new nation-building industries is not easy. It requires more than anything sustained leadership, a focus at the national level, to actually make it happen. It requires leadership and determination, something that the Howard government lacks with respect to this major challenge.

I also remind the House that there is a more recent history. It is now almost five years since Senator Minchin, who was then the Minister for Industry, Science and Resources, appointed a gas to liquids task force to investigate the feasibility and benefits of establishing a gas to liquids industry in Australia. So the Prime Minister might not have much interest, but there is a little bit of form on the other side in the actions of the former minister for resources, Senator Minchin, to actually consider the gas to liquids industry. But, despite that report, five years on no action has been taken. Our reliance on imported oil and fuel is increasing and, while the LNG market is booming, it remains a

CHAMBER
tough job to get new gas projects off the ground in Australia.

Senator Minchin’s task force noted that, while Australia could simply wait for the market to provide an incentive for a gas to liquids industry, once gas supply infrastructure is in place and investment is sunk in other countries where taxation infrastructure incentives are on offer today, those countries will serve as investment hubs for expansion for many years to come. It is about focusing on potential lost opportunities that would be lost for many years to come. Unfortunately, that is what is happening. Just go to Qatar to see whether the findings of the task force are actually happening at the moment. The implication of the task force was that Australia’s remote gas fields could be left stranded from markets for even longer because, by and large, it will be cheaper to expand existing projects than to build new ones here. I am sure this is a concept Australia’s LNG industry already fully understands.

The task force highlighted the potential significance of a gas to liquids industry to Australia’s economy, 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—a pretty important challenge and objective for Australia. The task force said:

These benefits would be of national strategic significance to Australia.

It further went on:

The cost of any government intervention must be considered against the potential benefits.

The potential benefits, as we all appreciate, go beyond unlocking new resource wealth and creating new industry, more jobs, more apprenticeships and more exports. They include the opportunity for Australia to address this most pressing problem of all: our future transport fuel security. When do you ever hear the Prime Minister addressing our future transport fuel security? It was not addressed in the recent budget and it is not being addressed by the Prime Minister today.

It is also interesting that three years ago a CSIRO report, *Energy and transport sector: outlook to 2020*, laid out its proposed strategy for Australia’s transport future. It defined that strategy as one that identified gas to liquids and coal to liquids as the keys to our future transport fuel security. It was not just the opposition, it was not just Senator Minchin, as the then minister for resources; it also included CSIRO. The report said:

The global future for evolution of transport fuels and vehicles is driven by greenhouse gas and oil supply issues and is very uncertain. Australia’s strategy must be flexible and segmented. The proposed strategy, offering a 60% reduction in GHG decreased dependence on oil and a platform for future H2 use, involves:

• Migration to diesel, using best practice technology and fuel standards;
• Production of “clean” diesel from natural gas or coal with CO2 sequestration;
• Development of hybrid cars and light vehicles, fuelled by diesel;
• Niche segments may be developed for compressed natural gas, with the added advantage of commencing infrastructure options for future hydrogen-based systems.

These are all current issues in the debate not only about nuclear, clean coal technology and solar energy but also about where we as a community will achieve security with respect to transport fuels.

The tragedy is that we can all see the potential but that the reality remains just beyond our grasp. Without sustained and committed national leadership to deliver the right policy settings and the right fiscal environment—that is about government policy, if the
House does not understand it—it will remain beyond our grasp. It will leave us open to pressure from the Middle East with respect to future access to transport fuels. I am not prepared to risk Australia’s future in the face of the instability that currently exists in the Middle East. Just look at the price of oil in Australia at the moment.

Therefore, I suggest it is time for the Prime Minister to seriously review the petroleum resource rent tax regime and, in doing so, consider special treatment of capital investment in gas to liquids projects and associated gas production infrastructure. The Prime Minister should be facing up to some responsibility for resource related infrastructure instead of passing the buck to the states. In that context, he should think about the dividend to the Commonwealth from the potential Gorgon project—a huge dividend to the Commonwealth that could be ploughed back into the development of this industry. Above all, the Howard government should be sending a clear signal to Australians that it is interested in their future fuel supply security and will not deliver it to the perils of the Middle East. The Prime Minister should be sending a clear signal to industry that we want a gas to liquids and coal to liquids industry as part of Australia’s national energy strategy.

I return briefly to the objectives of these bills. The opposition welcomes the measures in these bills and proposes amendments that provide for a more appropriate framework and administrative regime for providing credits for business fuel use. However, the government is to be condemned for failing to properly consult with commercial fuel users on the appropriate model for payment of fuel tax and for its failure to understand the implications of the workings of the BAS on cash flow in small and seasonal businesses. I commend the second reading amendment to the House. (Time expired)

Mr PROSSER (Forrest) (1.54 pm)—The Fuel Tax (Consequential and Transitional Provisions) Bill 2006 is a companion bill to the Fuel Tax Bill 2006 and provides the transitional arrangements to phase in the fuel tax credit scheme while phasing out the Energy Grants (Credit) Scheme, Fuel Tax Grant Scheme and the state administered Petroleum Products Freight Subsidy Scheme. The Commonwealth government announced a major program of reform to modernise and simplify the fuel tax scheme in its energy white paper, Securing Australia’s energy future.

The reform program is scheduled to commence on 1 July 2006 with the introduction of a single fuel tax credit scheme to replace the current complex system of fuel tax credit concessions, with final changes taking effect from 1 July 2012. The changes will lower compliance costs, reduce tax on business and remove the burden of fuel tax for thousands of individual businesses and households. When fully implemented, the fuel tax credit scheme will ensure that general fuel tax is only levied on business use of fuel in travelling on a public road in motor vehicles with a gross vehicle mass of 4.5 tonnes or less; on-road business use in motor vehicles with a gross vehicle mass of more than 4.5 tonnes but only to the extent of the road user charge; on-road private use in motor vehicles and in certain off-road applications; and aviation fuels.

The break point of 4.5 tonnes or less gross vehicle mass aligns eligibility for fuel tax credits with the additional licensing conditions that must be met in all Australian jurisdictions to drive a vehicle of this mass or greater and the Australian design rules for heavy vehicles. In addition, the heavy vehicle charges determination that establishes the
road user charges for heavy vehicles applies to vehicles over 4.5 tonnes.

Under the fuel tax credit system, all taxable fuel acquired or manufactured in, or imported into, Australia for use in off-road applications for business purposes will become tax free over time. This will for the first time provide fuel tax relief to businesses involved in a range of activities. For example, businesses involved in manufacturing, quarrying and construction will become entitled to fuel tax relief. Other major beneficiaries will include primary production, mining and commercial power generation. Further, the excise currently levied on burner fuels such as heating oil and kerosene and on fuels used in commercial and household electricity generation will be effectively removed from 1 July 2006.

As part of this process, all currently untaxed fuels used in internal combustion engines will be brought into the fuel tax system over time with the intention of imposing fuel tax on fuels where they are used in transport applications. Fuel tax will be applied to the currently untaxed fuels of liquefied petroleum gas, liquefied natural gas and compressed natural gas from 1 July 2011. Effective fuel tax on these fuels will phase in over five equal annual steps commencing on 1 July 2011 and ending on 1 July 2015. The final fuel tax rate applying to these fuels will incorporate a 50 per cent discount on the energy content fuel tax rates that would otherwise apply.

The purpose of the transitional provisions is to ensure that the claimants receiving a grant continue to benefit from the fuel tax concessions and to phase in the extension of eligibility for off-road business use and fuel over time. Currently ineligible off-road activities will become eligible for a 50 per cent fuel tax credit from 1 July 2008 and a full tax credit from 1 July 2012. The bill also makes consequential amendments to 10 other acts which will operate under the general compliance and administrative umbrella of the Australian Taxation Administration Act 1953. The Fuel Tax Bill 2006 administers certain other indirect taxes, such as the GST, luxury car tax and the wine equalisation tax, and will operate under a new part of the schedule to the Taxation Administration Act 1953. This part will be modelled on the current indirect tax provisions in part VI of the Taxation Administration Act 1953. This means that entities will generally have the same rights and obligations in relation to the Fuel Tax Bill 2006 as they now have to other indirect tax laws.

The bill also repeals the Fuel Sales Grants Act 2000, from 1 January 2007, and the States Grants (Petroleum Products) Act 1965 from 1 July 2007 in accordance with the government’s decision to abolish the Fuel Tax Grant Scheme and the Petroleum Products Freight Subsidy Scheme from 1 July 2006. As a supplement to measures already in place for addressing the environmental impact of fuel use, the government will introduce two new measures to ensure that those businesses receiving fuel tax credits meet appropriate environmental standards. These environmental measures are the requirement of large fuel users who claim over $3 million each year in fuel tax credits to become members of the Greenhouse Challenge Plus program.

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. The member will have leave to continue speaking when the debate is resumed.
QUESTIONS WITHOUT NOTICE
Workplace Relations

Mr BEAZLEY (2.00 pm)—My question is to the Prime Minister. I refer the Prime Minister to his statement to Alan Jones on Radio 2GB on 4 August:

I mean some people have to work on public holidays ... it would be absurd and unfair and unreasonable if somebody has to work on a public holiday that that person isn’t compensated by being paid whatever it is, the double time or the time and a half ... I just want to make the general comment that those arrangements are going to continue.

Prime Minister, given that under the Spotlight AWA Mrs Harris gets an extra 2c an hour for working on a public holiday but loses $21.40 an hour in penalty rates, isn’t this absurd, unfair and unreasonable?

Mr HOWARD—Let me inform the Leader of the Opposition that Mrs Harris is not on that AWA.

Employment

Mr WOOD (2.01 pm)—My question is also addressed to the Prime Minister. Would the Prime Minister update the House on the latest labour market survey from the Australian Bureau of Statistics? How does this survey compare to previous surveys? What factors have influenced these results?

Mr HOWARD—I thank the member for La Trobe. As he and many will know, last Thursday was a great day for the workers of Australia. Last Thursday saw the unemployment rate in this country fall below five per cent for the first time since 1976. We recorded a magnificently low unemployment rate of 4.9 per cent—and this despite the fact that the workforce participation rate had increased. This was a fall in unemployment in the face of a greater number of people looking for work and being more confident about getting work than virtually at any time over the last 40 or 50 years. This is a reminder that good economic policy reforms over a period of time ultimately produce great economic dividends. The low unemployment of today is a product of yesterday’s reforms. The still lower unemployment of tomorrow will be a product of today’s reforms. There is not much doubt that in Australian politics at the present time only one party stands for reform, and that is the coalition parties. Only the Liberal and National parties have the courage to make the reforms that are necessary to guarantee that, as the years go by, unemployment not only will remain where it is now but hopefully will go even lower.

When I heard the ABS figures, my mind went back almost 10 years to a speech made by the then opposition spokesman on industrial relations, the then member for Canberra, now the member for Fraser. When the message conveying to the House that the industrial relations legislation of 1996, in its amended form, had come back from the Senate, the then member for Canberra, speaking on behalf of the opposition, criticised the legislation. He called it ‘flawed and unfair’ and said that it left many bad features intact. He said it left a bill that undermined the three pillars of the Australian industrial relations system. But, interestingly, he asked a series of questions. No doubt he intended those questions, 10 years ago, to be rhetorical, but nonetheless he asked them. The first question he asked, in November 1996, was:

Will there be fewer industrial disputes over this three-year term under this regime than there were in the last three years under the old regime?

The second question he asked was:

Perhaps more importantly, will there be more jobs created in this parliamentary term under this regime than there were in the last term of the parliament? Particularly, will there be more jobs created in small business?
Everybody remembers the doomsday talk by the then Leader of the Opposition—he is still the Leader of the Opposition—and the then industrial relations spokesman. They said that the world was going to come to an end and the sky would fall in. We all know that the only thing that has fallen in the last 10 years is the level of unemployment; it has more than halved under this government. I can also inform the member that not only has the unemployment rate more than halved under this government but the ABS figures released last week for the March quarter show that 81 per cent fewer working days were lost in the March quarter of 2006 than in the March quarter of 1996.

So that is the answer to the question posed by the then member for Canberra almost 10 years ago, when he was trying to whip the House into a frenzy. He was saying that if we passed the legislation Armageddon would come, the world would suffer great pestilence and desolation, there would be riots in the streets and murders in the homes and you would have to maintain the barricades—and so he went on. Isn’t that all very familiar?

Mr Albanese—Mr Speaker, I rise on a point of order under standing order 104. This has been going on for more than eight minutes now. It is just a rant. If he wants to make a prime ministerial statement, he should do so.

The SPEAKER—Order! The member for Grayndler will resume his seat. I point out to the member for Grayndler that, while the Prime Minister has been going on for longer than normal, it has not been eight minutes. I call the Prime Minister. I am sure he is concluding his answer.

Mr Howard—Mr Speaker, these unemployment figures are so terrific, I ought to be given double time! Can I simply conclude my response by saying this: you warned in the past—

Opposition members interjecting—

The SPEAKER—Order! I remind members on my left that the waving of those pieces of paper is disorderly. I will take action if it continues. I call the Prime Minister.

Mr Howard—They said the world was going to come to an end 10 years ago. Ten years on there is record low unemployment, record low industrial disputation, strong prosperity and the Treasurer being invited on behalf of Australia to go to St Petersburg not to talk about the alternative industrial relations policy of the Labor Party but to talk about the economic strength of Australia due to the policies of this government.

Workplace Relations

Mr Beazley (2.09 pm)—Allow me to get the Prime Minister back to a state of brevity.

Government members interjecting—

The SPEAKER—Order! Members on my right! The Leader of the Opposition will start his question again.

Mr Beazley—Prime Minister, why is it fair that Mrs Harris gets only 2c an hour to compensate her for losing $21.40 for every hour that she works on a public holiday? Why did you mislead the public on Alan Jones?

Mr Howard—I have not misled the public. Let me say to the Leader of the Opposition that the question he has to answer is: why does he want to destroy the living standards of those hundreds of thousands of aspirational Australians on Australian workplace agreements?
Mr Beazley interjecting—

The SPEAKER—Order! The Leader of the Opposition does not have the call.

DISTINGUISHED VISITORS

The SPEAKER (2.10 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the Republic of Vanuatu. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Mr Albanese—Mr Speaker, I rise on a point of order. You will recall that, during the last fortnight’s sitting, my colleague the member for Lalor rhetorically asked a question. You made a ruling that that was indeed a question to the government and took a question from the opposition on that basis. The Prime Minister in question time today concluded his answer, then he asked a question of the Leader of the Opposition—

The SPEAKER—Order! The member for Grayndler has asked me to rule on his point of order. I will rule on his point of order. The member for Grayndler would be well aware that the rules relating to questions to members other than ministers are quite specific. Accordingly, I am not accepting that question, because it is not a question directed to a minister.

Economy

Dr SOUTHCOTT (2.11 pm)—My question is addressed to the Prime Minister. Would the Prime Minister outline to the House how ongoing economic reform maintains a strong economy, meaning more jobs and higher pay for all Australians? Is the Prime Minister aware of any alternative views?

Mr Albanese—Mr Speaker, I rise on a point of order. I ask that, just as you ruled the Prime Minister’s last question out of order, you rule this out of order because it is quite clearly ironical, which is against the standing orders.

The SPEAKER—The member for Grayndler will resume his seat. The question is in order. I call the Prime Minister.

Mr HOWARD—There is nothing ironic about the fact that real wages have gone up under this government by 16.8 per cent. There is nothing ironic about the fact that unemployment—

Opposition members interjecting—

Ms Plibersek interjecting—

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

Mr HOWARD—has fallen to a 30-year low. One of the things that has underpinned this remarkable performance by the Australian economy has been the industrial relations reforms of this government. Those reforms of 10 years ago, which the Labor Party said would destroy the living standards of Australia, have enhanced the living standards of Australia. One of the features is of course the introduction of Australian workplace agreements—those same workplace agreements that the Leader of the Opposition said in October last year that you could not get rid of. Yet eight months later the Leader of the Opposition, in his speech to the ALP conference in Sydney at the weekend, said that, if he became Prime Minister, he would get rid of Australian workplace agreements. In the process he is committing himself to reducing the living standards of hundreds of thousands of Australian workers. He is attacking the aspirational, the workers of the outer suburbs of Sydney and Melbourne. He is taking on the hopes and the aspirations of hundreds of thousands of people in this country who want to negotiate free of union interference, who do not believe they need a union supervisor.
beside them to look after their own best interests. The Labor Party’s policy announced at the weekend is all about handing back total control of Australia’s industrial relations system to the trade union movement of this country. The Leader of the Opposition’s logic is that a movement that has only 20 per cent of the participants in the private sector of the Australian workforce should control 100 per cent of the deals that are made between Australian workers and their employers.

The real explanation for the decision that was announced by the Leader of the Opposition is not job security for Australians but job security for the Leader of the Opposition. He should have taken the advice of his highly successful British counterpart, Tony Blair, the leader of the British Labour Party, in a famous speech to the British Trades Union Congress on 9 September 1997. I have quoted that speech before, but I think it is worth quoting again. He famously said:

You should remember in everything you do that fairness at work starts with the chance of a job in the first place ...

That is not an attitude that the Leader of the Opposition has ever been particularly interested in, because he has never displayed a great deal of interest in the unemployed. One of the most revealing interviews of his life was given on The 7.30 Report on 6 May 1993, when unemployment had reached almost 11 per cent and he was the minister for employment. The interviewer had this to say:

So this group—

the unemployed—

are being told, in their twenties, by society, effectively: You’re the losers; go to the scrap heap.

The Leader of the Opposition said in reply:

Well, those who haven’t made it into work and who are among the long-term unemployed, that’s a reasonable statement.

In other words, with 11 per cent unemployed, with his government having been in power for 10 years, he cared not a jot about the unemployed. He does not care about the unemployed now. He did not care about them then. Not caring about the unemployed was bad enough, but at the weekend he added another group he does not care about: the strivers and the aspirational people of Australia—the people who want to do better, the people who want to work harder. They want rewards for that hard work and they want to make their own decisions about their future. I have another piece of advice for the Leader of the Opposition, and it is to be found in the same speech made by Mr Tony Blair to the Trades Union Congress on 9 September 1997. As I read this part of the speech, I thought of the New South Wales ALP conference. This is what Mr Blair had to say:

The old ways of the Labour Party were the revolutionists, the committee rooms, the fixing and the small groups trying to run the show.

That is what happened at the weekend. There was a meeting between Mr Beazley and Mr Robertson of Unions NSW, and out of that came the big flip-flop of the Leader of the Opposition that has resulted in his absurd attack on the aspirations of hundreds of thousands of Australians.

Workplace Relations

Mr STEPHEN SMITH (2.18 pm)—My question is to the Prime Minister. Doesn’t the government’s own Employment Advocate confirm that 100 per cent of Australian Workplace Agreements, AWAs—that is, all of them—exclude at least one protected award condition, 64 per cent exclude leave loading, 63 per cent exclude penalty rates, 52 per cent exclude shiftwork loadings and 16 per cent expressly exclude all protected award conditions? Prime Minister, how can
this lead to anything other than a 2c an hour wages race to the bottom?

Mr HOWARD—As the member for Perth knows, those same figures confirm that there have been very significant wage increases over and above the awards under all of those things. The member for Perth, like the Leader of the Opposition, is very good in his selective quotation.

Ms Plibersek interjecting—

The SPEAKER—Order! The member for Sydney has been warned.

Mr HOWARD—But nothing can alter the fact that 10 years ago you said the same thing; 10 years ago you said that living standards were going to fall and 10 years later Australians are better off than they have ever been. The problem that the opposition have is that they hate the prosperity of today’s Australians. They resent the fact that it is this government that has delivered unparalleled prosperity to working Australians. They resent the fact that the very hardworking aspirational Australians are the very people who rejected you in 2001, who rejected you in 2004 and, the way you are carrying on, who will reject you in even greater measure the next time they have an opportunity.

Workplace Relations

Mr FORREST (2.20 pm)—My question is addressed to the Deputy Prime Minister and Minister for Trade. Would the Deputy Prime Minister outline to the House how Australia’s exporters have benefited from the government’s workplace relations reforms over the past decade? How are the new workplace relations reforms further assisting exporters to keep our economy strong and provide jobs in regional Australia? I ask: are there any alternative views?

Mr VAILE—I thank the member for Mallee for his question. It is a well-known statistic that during the course of the last 10 or so years Australia’s exports have increased from $99 billion to $177 billion. There have been record exports of beef, lamb, iron ore and coal—all exports and horticultural products coming from the member for Mallee’s electorate and coming out of regional Australia. That is the powerhouse of Australian exporting.

The coalition government have undertaken some significant industrial relations reforms in the 10 years since we have been in office, and none more important than the reforms of 10 years ago, particularly the waterfront reform that took place around that time. We were languishing in international competitiveness scales at an average of 17 lifts of 20-foot equivalent containers per hour on our waterfront. We were being told we could not do any better, that it was impossible to improve. This government had the backbone to take on the challenge of reforming the waterfront, and today that 17 lifts an hour has moved to 28 lifts an hour. It has been one of the most important reforms. It has improved the efficiency and competitiveness of Australia’s export industries.

Our other workplace reforms during our term of office have helped to generate new jobs. Our exporting industries generate one in four jobs in regional Australia and one in five jobs across Australia. Our workplace relations reforms have helped create 1.8 million new jobs in Australia. Last week unemployment fell to 4.9 per cent in Australia, which is something that the Labor Party, when they were in office, could only dream about, let alone ever achieve. Over the weekend, we saw a new-found policy dimension of the Leader of the Opposition. He is going to completely abolish Australian workplace agreements where, on average, people on workplace AWAs are earning more today than people on certified agreements do.
At the end of last year, I heard an interesting case in point. The Leader of the Opposition should listen to this, because this is the effect his policies are going to have on one of Australia’s major export industries. Earlier this year or late last year, I visited Hamersley Iron, run by Rio Tinto in the Pilbara. The entire workforce is on individual workplace agreements. Twenty years ago, the productivity in that industry was 10,000 tonnes of iron ore per full-time employee. Today it is 41,000 tonnes. That entire workforce is very happy with the arrangements they have today, which have been negotiated between the company and the individual employees—and the Leader of the Opposition wants to rip this up.

He has picked up a policy from the playbook of the former member for Werriwa. The former member for Werriwa went to Western Australia in 2004 and told the mining industry about it, and they were aghast. Now the Leader of the Opposition has picked up this policy, because his prospects of staying on as Leader of the Opposition are shortening—to put it mildly. He has picked up this policy of Mark Latham’s and he is showing a distinct lack of judgment, as he did in the lead-up to the 2004 election when he said that Mark Latham was ready to be Prime Minister.

Workplace Relations

Mr BEAZLEY (2.25 pm)—My question is to the Prime Minister. I refer the Prime Minister to Karen Palmer, who is in the public gallery today, who worked as a machine operator for 14 years, during which time she received no adverse comments from management about her performance. Is the Prime Minister aware that Karen was sacked on 29 May? Will the Prime Minister explain to Karen Palmer and all the other nans of Australia why she has lost her unfair dismissal rights and her job security as a result of the Prime Minister’s legislation?

Opposition members interjecting—

The SPEAKER—Order! The Prime Minister has the call.

Mr HOWARD—In relation to the lady referred to by the Leader of the Opposition, I am not aware, and nor could I be expected to be, of the individual employment circumstances of the thousands of Australians—

Opposition members interjecting—

Mr HOWARD—no matter what the employment position may be of the circumstances of individuals, because there are thousands of people who go in and out of jobs every week. If those who sit opposite and yell their slogans stopped for a moment, they would understand that. I cannot and will not even attempt, because I am not in possession of the facts, to pass a judgment on the circumstances of that lady’s position.

What I am in a position to do, and to do with some authority, is to tell the parliament—and through the parliament, the Australian people—the aggregate jobs position under this government compared with the aggregate jobs position under the alternative government. I can tell the Australian people that unemployment has reached a 30-year low.

Ms Gillard—Mr Speaker, I rise on a point of order. Under standing order 104, this was a specific question about an individual worker and her loss of unfair dismissal rights. If the Prime Minister wants to be asked a question about unemployment, he can be, but his answer is not relevant.

Mr Abbott—Mr Speaker, I rise on a point of order. What we are seeing from members opposite is deliberate disorderly conduct.

Opposition members interjecting—

The SPEAKER—Order!
Mr Abbott—Mr Speaker, I put it to you that any fair-minded person watching this parliament would say—

The SPEAKER—The Leader of the House will resume his seat.

Ms Vamvakou interjecting—

The SPEAKER—I remind the member for Calwell it is highly disorderly to interject when she is not in her own seat. She is warned.

Mr Howard—I can tell the Australian people that 1.8 million new jobs have been created by the coalition. I can tell the Australian people that real wages of Australian workers—

Opposition members interjecting—

The SPEAKER—Order! I am sure the Prime Minister will relate his answer back to the question too.

Mr Howard—I was asked a question about employment conditions in Australia, and I am telling the parliament about them. I remind the Leader of the Opposition and those who sit opposite that real wages of Australian workers—

Ms Gillard—Mr Speaker, I rise on a point of order. The Prime Minister was not asked a question about unemployment. He was asked a question about an individual worker’s dismissal. If he does not know anything about it, he should conclude his answer and you should call the next question.

The SPEAKER—I will rule on the Manager of Opposition Business’s point of order. The Prime Minister was also asked what he would say to such a person.

Mr Howard—I was also asked about unfair dismissal laws. I would say that, if the unfair dismissal regime we now have in Australia had obtained over the last 10 years, we would now have an even lower rate of unemployment.

Economy

Mr Johnson (2.29 pm)—My question is to the Treasurer. Would the Treasurer outline for the Ryan electorate recent data on the Australian economy? What does this indicate about the Australian economic outlook? Are there any threats to this economic outlook?

Mr Costello—I am very happy to outline for the Ryan electorate what is happening with the national economy. The national accounts were released for the March quarter last week, and they showed that growth in Australia has kicked up, growing 0.9 per cent for the March quarter and 3.1 per cent through the year, which is a significant tick-up. Household consumption was moderate, and national growth was led by business investment. New machinery and equipment investment grew by 1.5 per cent and is 27.1 per cent higher through the year. Although private engineering construction fell in March, it remains 13.8 per cent higher through the year. Exports grew by 0.5 per cent, whilst imports grew by only 0.4 per cent. As a consequence of that, net exports did not detract from growth.

We are now seeing the Australian economy adjusting out of what was unsustainable housing investment and into business investment and we are beginning to see increasing export volumes. The good news about the growth in the national economy is that new jobs continue to be created, with 56,000 new persons given jobs in the month of May. All members of the House will welcome the fact that new jobs were created in the month of May. Over the last year, 172,000 new jobs have been created. I am asked about threats to the economy.

Mr Albanese—Mr Speaker, I rise on a point of order. Under standing order 104, answers must be relevant to the question. The question was very specific. It was about
the electorate of Ryan, which the Treasurer has not mentioned once.

The SPEAKER—The member for Grayndler would be aware that there were more parts to that question than just one. I call the Treasurer.

Mr COSTELLO—I am asked what threats there are to the economy. Obviously there are threats from international factors such as oil prices, which are not good for the economy, but the greatest threat to the Australian economy domestically—in Ryan!—would be the election of the Leader of the Opposition. I can think of nothing that could be worse for the Australian economy than Kim Beazley being in a position of influence. Unemployment went below five per cent last week, and the Leader of the Opposition was nowhere to be seen. As a journalist in the Australian recorded:

Australia records its lowest unemployment rate in 30 years and poor old Kim Beazley is worrying about temporary immigrants undermining union rorts.

The journalist said:

Beazley is the leaf blower of Australian politics ...

Mr Albanese—Mr Speaker, I rise on a point of order, under standing order 104. It is true that the Treasurer did mention Ryan once, but now he is straying again and I ask you to bring him back to the question.

The SPEAKER—I will make two points for the benefit of the member for Grayndler. Firstly, as I heard the question, the Treasurer was asked to tell the electors of Ryan about the economy. Secondly, the Treasurer should refer to members by their seat or by their title.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. The standing orders require that members remain in their seats. I would point out to you that the Chief Opposition Whip seems to be putting himself in line for the cameras and he should be asked to take his seat.

The SPEAKER—I would remind all members that under standing order 62 they are expected to assume their seats when they come into the chamber. I would ask the member for Shortland to observe standing order 62.

Mr Price—Mr Speaker, I rise on a point of order. I think it is fair enough for me to inquire as to whether one of the members of the opposition has been warned. I know a couple have, and that was the purpose of my question. I think it is a legitimate question for me to ask.

The SPEAKER—I thank the Chief Opposition Whip, but I was not aware he was asking me a question.

Mr COSTELLO—I am in the process of explaining threats to the Australian economy. There could be no greater threat to the Australian economy than the Leader of the Opposition being in a position of influence. As the journalist recorded in the Australian on Friday:

Beazley is the leaf blower of Australian politics—lots of noise but all that comes out is hot air.

He is not just a normal leaf blower. He is not an economic four-cylinder leaf blower; he is a V8 turbocharged double-exhaust leaf blower. There is no end to the leaf blowing and the hot air that comes out as a consequence.

All around the world countries are now trying to move to improved industrial relations systems and Australia, amongst them, is making its labour market more flexible.

Mr Tanner—Try another joke!

The SPEAKER—Order! The member for Melbourne.

Mr Tanner—Give them another joke!
The SPEAKER—The member for Melbourne is warned!

Mr COSTELLO—In opposition to all of the international experience, one political party stands against a more deregulated, flexible industrial relations system—the Australian Labor Party, because of its commitment to the socialist objective.

Mr Albanese—Mr Speaker, I rise on a point of order. I refer you to standing order 75.

The SPEAKER—I call the Treasurer. I am sure the Treasurer will be bringing his answer to a conclusion.

Mr COSTELLO—Absolutely: about the dangers of not proceeding with industrial relations reform. The dangers of not proceeding with industrial relations reform will involve fewer jobs, at lower wages—

Mr Albanese—Mr Speaker, I rise on a point of order. The question was about Ryan. We have now had this rant go on for 10 minutes. Standing order 75—

The SPEAKER—The member for Grayndler will resume his seat. I will rule on the standing order. The member for Grayndler is well aware that successive occupiers of the chair have ruled that that standing order does not apply to question time.

Mr COSTELLO—Nothing could be more important for Australia, as we go into the 21st century, than that we have a flexible economy that is able to adjust to international shocks; one where, in relation to industrial relations, we have the ability to contract between employers and employees; where there is flexibility in the workplace; and where the influence of trade unions being able to dictate, out of political objectives, is not enforced—as the Leader of the Opposition, paying tribute to his political masters, wants to do. This country needs a flexible industrial relations system; it does not need a return to the 20th and sometimes the 19th century, going backwards under the anti-reform party, the Australian Labor Party.

DISTINGUISHED VISITORS

The SPEAKER (2.39 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Commission 1 of the House of Representatives of the Republic of Indonesia, led by Dr Muhammad Hikam. The delegation is accompanied by His Excellency Mr Hamzah Thayeb, the Indonesian ambassador. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Workplace Relations

Mr STEPHEN SMITH (2.39 pm)—My question is to the Prime Minister. I refer the Prime Minister to Freehills, the government’s law firm of choice, which helped draft the government’s industrial relations changes. Is the Prime Minister aware that, in a presentation in February this year, Freehills concludes that the average annual wage increase between June 2004 and June 2005 for employees on AWAs was 2.5 per cent—the same as the inflation rate? Is the Prime Minister also aware that Freehills concludes that average annual wage increases over the same period were in non-union collective agreements, 3.5 per cent; in agreements generally, four per cent; and, in union collective agreements, 4.3 per cent? Prime Minister, isn’t it the case that the government’s own hired legal gun says that AWAs will deliver lower wages than collective agreements?

Mr HOWARD—I have not seen or been briefed on that particular presentation, but I have seen and been briefed on the Bureau of Statistics, which publishes a survey every two years of employee earnings and hours.
The results from the most recent survey, conducted in mid-2004, became available earlier this year. This survey allows a comparison to be made between the earnings of individuals on AWAs and those on registered collective agreements.

The published data showed that the average weekly total earnings of employees working under AWAs are on average 13 per cent higher than for those employees covered by certified agreements. Both managerial and non-managerial employees on AWAs have higher average total earnings than equivalent employees on certified agreements. Managerial employees on AWAs have earnings that are on average 19 per cent higher than those on collective agreements. The earnings of non-managerial employees on AWAs are on average five per cent higher than those on collective agreements. These comparisons are made on the basis of average weekly total earnings as opposed to ordinary time earnings. It is entirely appropriate to make the comparison as traditional rigid employment categories, such as full time, part time and casual, are less common in AWAs, where a premium is placed on flexibility. A focus on weekly take-home pay recognises that many employees on AWAs enjoy greater flexibility in the hours they work.

I have a message for the people of Australia who are enjoying the enhanced benefits of AWAs: the Leader of the Opposition is after your aspirational prosperity. The Leader of the Opposition wants to dent your aspirational spirit. The Leader of the Opposition wants to rip away the incentives now available to you under the system. The Leader of the Opposition wants to take you back to the backwoods of industrial relations in this country, to a system that presided over more than a million Australians being without a job.

Workplace Relations

Mr SLIPPER (2.43 pm)—My question is addressed to the Minister for Employment and Workplace Relations and follows on from the answer given by the Prime Minister to the previous question. Would the minister advise the House of additional and particular benefits enjoyed by employees currently privileged to be on Australian workplace agreements? Further, is the minister aware of any threats to these particular benefits?

Mr ANDREWS—I thank the member for Fisher for his question. As the Prime Minister indicated earlier, according to the official Australian Bureau of Statistics data, employees on Australian workplace agreements earn, on average, 13 per cent more than employees covered by certified agreements. If you compare those individuals on AWAs with those on the instrument of choice of the Labor Party, the award, those on AWAs earn, on average, 100 per cent more than those who are on awards.

The member for Fisher asked me whether there are any threats to these benefits which are enjoyed by Australians on individual agreements. There are indeed threats, and those threats come from the trade unions in Australia, who want to abolish Australian workplace agreements, who want to rip away, from these Australians who are better off, those benefits that they have obtained under Australian workplace agreements.

Of course, in return for $50 million worth of funding from the unions over the last 10 years to the Australian Labor Party, we had this craven caving in by the Leader of the Opposition over the weekend, a caving in to the unions in Australia which has been almost universally condemned in the media today. For example, in the Australian, Matthew Stevens says, and the headline is, ‘Beazley bombs as economic manager’. In
another article in the *Australian*, Peter Switzer—

**Opposition members interjecting—**

**Mr ANDREWS**—They don’t like it, do they, Mr Speaker? The headline is ‘Beazley backs wrong horse in industrial stakes’. What about the *Daily Telegraph*, with ‘Sop to the unions’? Or there is the *Australian*’s editorial, which says, ‘Beazley’s backflip: The Labor leader’s populist move on AWAs is poor policy’. The *Financial Review*, also on the same theme, says, ‘Beazley goes back to the ’50s’. The *Courier Mail*—

**Opposition members interjecting—**

**Mr ANDREWS**—You don’t like to hear it, do you?

**Mr Albanese**—Mr Speaker, I raise a point of order. I draw your attention to page 554 of *House of Representatives Practice*, and I note that we have only had five questions so far today. It says:

Ministers have often been advised that, should a question require a lengthy response, the proper procedure is for the Minister to state that fact and to seek leave to make a statement after Question Time.

Mr Speaker, we would be willing to accommodate the minister after question time, and I would ask you to suggest that to him.

**The SPEAKER**—The member for Grayndler has asked me to rule. The minister has been going for just over two minutes. I call the Minister for Employment and Workplace Relations.

**Mr ANDREWS**—I was asked about threats, and these threats have been highlighted in almost every major newspaper in Australia today. The *Advertiser* from Adelaide has ‘Beazley fires wide of a sitting duck’; the *West Australian* newspaper, from the Leader of the Opposition’s own state, ‘Beazley plans return to an unwanted past’; and the *Herald Sun*, in Melbourne, ‘Beazley steps backwards’. But of course it was one above all that really hit the mark, and that was the *Sydney Morning Herald*, with ‘Beazley’s real agenda: his job’.

Every major newspaper in Australia has condemned this weak response by the Leader of the Opposition over the weekend—simply doing their bidding in return for $50 million from the unions in Australia. What is next? Have we got the secret accord coming along? Already we have the union leaders in New South Wales, John Robertson and the like, gloating that the Leader of the Opposition can now keep his job—as if it was a gift of the union bosses in Australia that the Leader of the Opposition can keep his job.

In relation to these matters, as the Prime Minister said, the reality for Australians is this: a 4.9 per cent unemployment rate announced last week, the first time in 30 years that unemployment has gone under five per cent in Australia. What we had under the Leader of the Opposition, when he was the employment minister, was 11 per cent unemployment—

**Mr Albanese**—Mr Speaker, I raise a point of order. Surely it is out of order to have filibustering in question time? This has gone on for seven minutes—

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

**Mr Albanese**—This is question 5.

**The SPEAKER**—The member for Grayndler will resume his seat and not argue with the chair. The member for Grayndler would be well aware that there is no power residing in the chair to limit answers to questions. There is only one relevant standing order, standing order 104, and the minister is in order.

**Mr ANDREWS**—This side of the parliament is interested in jobs for all Australians. That is why we put in place economic
reforms that have driven down the unemployment rate from the 11 per cent when the Leader of the Opposition was the minister for employment to 4.9 per cent. That is why this side of the parliament has seen a 16.8 per cent increase in real wages compared to 1.2 per cent when the Leader of the Opposition was the minister for employment. There could be no more stark contrast in relation to this matter, and a government interested in—

The SPEAKER—The minister has completed his answer.

Workplace Relations

Ms GEORGE (2.50 pm)—My question is to the Prime Minister. I refer the Prime Minister again to Freehills, the government’s law firm of choice, which helped draft the government’s industrial relations law. Is the Prime Minister aware that, in its presentation in February this year, Freehills said that 20 per cent of employees are paid on awards, 40 per cent of employees are on collective agreements, 20 to 25 per cent have individual arrangements—common-law contracts—and 2.4 per cent are on AWAs? Why does the Prime Minister continue to mislead Australians about the prevalence of AWAs when there are only 538,000 AWAs, compared to nine million employees on other workplace arrangements?

Mr HOWARD—Mr Speaker—

Honourable members interjecting—

The SPEAKER—Order! The Prime Minister has the call, and the Prime Minister will be heard.

Mr HOWARD—I do owe the member for Throsby an apology. Unfortunately, in using the figure of a million, I was relying on the estimate of the Leader of the Opposition.

Group of Eight Summit

Mr BAIRD (2.51 pm)—My question is addressed to the Treasurer. Would the Treasurer advise the House of outcomes from the recent G8 summit in St Petersburg? What progress is being made to reform global financial institutions?

Mr COSTELLO—I thank the honourable member for Cook for his question. The G8 finance ministers met in St Petersburg over the weekend.

An opposition member interjecting—

Mr COSTELLO—There were not many socialists. The Russians are much more pro-enterprise than the Australian Labor Party, I can tell you. One of the things the Russians want to do is to promote private enterprise and flexible wage bargaining. If I were the member for Lilley, I would not head for Russia; Cuba is more your bag, my friend. To go back to St Petersburg, the G7 finance ministers represent the developed economies of the world. Together with Russia they represent the G8. The G8 finance ministers met in St Petersburg over the weekend and had two topics of conversation, principally. The first was good governance in public finance, on which Australia was asked to lead the discussion. None of the G8 countries has a history of budget surpluses that matches Australia’s and none of them has retired all of their net debt. Australia’s experience was considered of sufficient interest for Australia to be asked to lead the discussion in St Petersburg.

Finance ministers from the developed economies of the world were particularly interested in intergenerational reporting, something else which Australia pioneered with our first Intergenerational report in 2002, and our Charter of Budget Honesty, which provides for accounting against external standards and also statements of sensitivities and risks. The G8 ministers noted in their communique the importance of good governance in public finance and pledged to work at an international level to improve
standards both for developed and developing economies.

The second topic of discussion amongst the G8 ministers in St Petersburg this weekend concerned the topic of energy security, which is of interest to all countries around the globe. Russia, of course, is a massive oil exporter, but, to various degrees, the G7 countries are net oil importers. All the G7 countries are struggling with high gasoline or petrol prices. A discussion took place in relation to the measures which could be taken on a global scale to improve prices for consumers and to take the risk out of the global economy which high gasoline or petrol prices represent.

It was agreed between the ministers that facilitating further private investment, both from consuming and producing countries in the oil business, was very important. For many of the large oil producers of the world this will mean liberalising foreign investment regimes, giving certainty of title and allowing technical expertise to be brought in to increase the take from fields which hitherto may have been thought unproductive or uneconomic but which can be returned to, as well as investment in new fields. Ministers agreed that, whilst not without its risks, the outlook for the global economy remains a positive one, particularly whilst the industrialisation which is occurring in China continues to lead global growth. They noted the importance of keeping a watch on inflation and of being vigilant to any inflationary price movements that might get into the general economy as a second-round effect from oil prices or finance.

Australia is also chairing the group of developed and developing nations known as the G20. The annual conference of that group will be held in Melbourne, Australia, in November. It has become an important forum for the reform of the IMF and the World Bank. The managing director of the IMF is visiting Australia today and tomorrow. Our discussions will continue on making those global financial institutions more representative, particularly of the growing Asian economies, and more accountable to national governments for the work they do. I expect that these will be positive discussions with positive progress to be reported in the course of this year.

Workplace Relations

Mr BYRNE (2.57 pm)—My question is addressed to the Prime Minister. Is the Prime Minister aware that on 28 March, a day after the government’s industrial relations legislation came into effect, eight experienced machine operators at Triangle Cables were sacked on the basis that their services were no longer required? Is the Prime Minister also aware that the Australian Industrial Relations Commission in Melbourne recently ruled that as Triangle Cables had only 97 employees those employees were no longer entitled to unfair dismissal protection? Given that Triangle Cables is advertising for machine operators, doesn’t the Triangle Cable case show that Australian employees can be sacked for no reason and replaced?

Mr HOWARD—I am not personally aware of the circumstances of that, but it is the case that the unfair dismissal laws have been changed and that they no longer apply to firms that employ fewer than 100 people. The government has not endeavoured at any time to disguise that fact. The view is taken by this government that, whilst laws relating to unlawful termination should be maintained—and I will come to that in a moment by way of supplementing, if I may, an earlier
answer I gave in response to a question asked by the Leader of the Opposition—it is in the interests of flexibility and greater employment in this country that the unfair dismissal laws should no longer apply to firms employing fewer than 100 people, and we have never made any secret of that fact. In fact, at the last election when we talked about unfair dismissal laws we did not put any statistical limit on the change we had in mind. But earlier in question time I was asked a question by the Leader of the Opposition. I think it was about a lady by the name of Karen Palmer, a machine operator at Greer Industries.

Ms Gillard—Mr Speaker, I rise on a point of order. If the Prime Minister intends to add to an answer, he has got a facility to do that at the end of question time.

The SPEAKER—The Manager of Opposition Business would be aware that the Prime Minister did say that he intended to add to an answer. As it is related, I believe, to the question, I call the Prime Minister. He is in order.

Mr HOWARD—I was asked about Karen Palmer, a machine operator at Greer Industries. Since being asked that question I have been provided with some information about this, and I would like to share it with the House. Whilst I do not regard this to be an exhaustive statement of the facts, what I have been informed is this: the employee may have been dismissed in connection with her being temporarily absent from work due to illness or injury. If so, that could amount to an unlawful termination of employment, and the Workplace Relations Act makes it unlawful for an employer to dismiss an employee for one or more discriminatory reasons. One of the prohibited reasons for termination is temporary absence from work because of illness or injury. I understand that a union is pursuing a claim about unlawful termination of employment in this matter. If the employee makes a claim for unlawful termination, that person will be entitled to an order from the court unless the employer can prove—in other words, the onus is reversed—that the termination was for a reason that was not unlawful. The government put in place an unlawful termination scheme where people considering whether to proceed to a court can receive up to $4,000 worth of legal assistance on the merits of their claim.

The Office of Workplace Services have advised that they are currently examining the matter. It is interesting that, on the basis of this information, a claim for unlawful termination by a union is apparently either on foot or in contemplation. I do not recall, in the substance of the question asked by the Leader of the Opposition, any reference to unlawful termination. Maybe the Leader of the Opposition knew that and he did not want to disclose it to the House.

Honourable members interjecting—

The SPEAKER—Order! Members on my right are holding up their own colleague.

East Timor

Mr CADMAN (3.03 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister advise the House how the government is working with the United Nations to achieve security and stability in East Timor?

Mr DOWNER—First, I thank the honourable member for his question and the interest that he has shown. The United Nations has been playing and will play a key role in East Timor’s future, but it does need to move quickly to play its part to help East Timor through the current crisis and, importantly, beyond that crisis. The Security Council’s mandate for the present mission—UNOTIL, as it is known—expires on 20 June, and we support a short extension of that mandate by
a period of a month or two. Any successor mission should focus on areas where the United Nations can be particularly helpful—first of all, in assisting the East Timorese with the process of reconciliation and, secondly, in helping with the improvement of the overall quality of governance in East Timor. Thirdly, we believe that there will be a need for international police to remain in East Timor for some time, both in helping to stand up the East Timorese police, the PNTL, and also to assist with overall policing duties. That work would best be done under the auspices of the United Nations. We would be looking at perhaps around 500 international police operating in East Timor under the umbrella of the United Nations.

The United Nations can play a key role. They can also play a role in assisting the East Timorese, should the East Timorese wish, to investigate allegations in East Timor, for example. They have been asked by the East Timorese to investigate the killing of East Timorese police last month in tragic circumstances, and Australian police are helping with the forensics of that. The United Nations might be able to assist with other inquiries, should the East Timor government wish to ask them to pursue those inquiries—for example, in relation to allegations concerning certain politicians in East Timor.

But let me make this final point about what the United Nations can do, what Australia can do and what Malaysia, New Zealand and Portugal can do: at the end of the day, the East Timorese are responsible themselves for East Timor. They are responsible for the management and the running of their country—and no amount of commentary and criticism of the United Nations, of Australia, Portugal, Malaysia or whoever it may be is a substitute for the East Timorese taking responsibility for their own destiny and their own country. If there are differences between East Timor’s politicians, it is for those politicians to resolve those differences in their national interest. It is not good enough to ask the international community to solve those differences. They must learn to solve these problems amongst themselves, just as when we have differences in this country we are able to resolve those in our own way in the national interest.

It is very important that the international community sends that message to the East Timorese. Certainly, we are prepared to help them if things go seriously awry and there are useful ways we can help—that is what we are doing now—but that is no substitute for the East Timorese taking responsibility for their own country and their own destiny.

Workplace Relations

Mrs IRWIN (3.07 pm)—My question is to the Prime Minister. I refer to the government’s $55 million advertising campaign, which included this WorkChoices booklet stamping the entitlements of rest breaks, annual leave loadings, allowances, shift overtime loadings as ‘Protected by law’. I also refer to the AWA offered to employees at the New South Wales child-care centre operator, Childs Family Kindergartens, which cuts the wages for child-care workers set by the New South Wales Industrial Relations Commission and expressly removes a number of provisions, including rest breaks, annual leave loading, first aid allowance and overtime payments beyond two extra hours work. Rather than being protected, don’t these conditions disappear with the stroke of a pen—your pen, Prime Minister?

Mr HOWARD—The answer to the honourable member’s question is that the reference made, which is apparently in 4.4 on page 22, was entirely correct and entirely consistent with what has occurred. I do not know what is in the workplace agreement to which the honourable member refers. I think
I will look at it myself, if she wants to send it to me, and then I might be able to enlighten the House even more.

Rural Health Services

Mr SCHULTZ (3.09 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister advise the House of action the government is taking to increase the number of doctors and nurses in country areas? Are there any alternative views, and what is the government’s response?

Mr ABBOTT—I thank the member for Hume for his question. I know how concerned he is to ensure that we do get enough doctors and nurses in country areas. I can inform him and the House that this government is funding the largest expansion of medical and nurse training places in Australia’s history. Under policies already in place the number of medical graduates will increase by 60 per cent from 1,300 last year to 2,100 by the year 2011. In addition, the government has recently committed an additional $250 million to provide an extra 460 medical school places a year and up to 1,000 additional nurse training places a year. The government wants to see Australian communities served by Australian doctors, but in the short term, unfortunately, it is important that we make full use of suitably qualified overseas trained doctors to serve our communities, particularly in country areas.

Mostly they come into Australia under section 457 temporary skilled migration visas. That is how they get here. But they will not get here if the Leader of the Opposition has his way, because last week he was asked about these section 457 temporary skilled migration visas and he said:

Well, Federal Labor can get into office and block it.

He would block the visa under which so many doctors and nurses are coming into Australia. For instance, in the 10 months to the end of April, these visas were issued to 1,704 doctors, 2,555 nurses and 1,150 other health professionals. The largest user of these visas was not union-busting Perth builders but the New South Wales Department of Health. It is the largest single user of 457 visas in this country. So, if the Leader of the Opposition has his way, communities in Australia, especially the country communities of Australia, will be short more than 5,000 health professionals. That is 5,000 doctors and nurses that this person here wants to expel. What we have is a Leader of the Opposition who is far more interested in saving his own job than he is in delivering services to the Australian people. What he needs to do is carefully explain how he will stop the foreigners he does not like coming in while letting the foreigners we still need come into this country.

Workplace Relations

Mr BEAZLEY (3.12 pm)—My question is to the Prime Minister. I refer the Prime Minister to the experience of statutory individual contracts in Western Australia under the Liberal Court-Kierath government during which around 25 per cent of all agreements registered with the Western Australian Commissioner of Workplace Agreements had an ordinary rate of pay that was below the award rate by 1998. During the same period penalty rates and overtime rates were abolished in 44 per cent of agreements and the introduction of WA workplace agreements in the state public sector—

Mr Tuckey interjecting—

The SPEAKER—Order!

Mr BEAZLEY—resulted in a pay disparity of up to 30 per cent between like employees.
Mr Tuckey interjecting—

The SPEAKER—The member for O’Connor is warned.

Mr BEAZLEY—Prime Minister, isn’t it the case that, just like state Liberal AWAs, your AWAs are all about a wages race to the bottom?

Mr HOWARD—The Leader of the Opposition brings us back to AWAs. I thank the Leader of the Opposition for that, because his promise to abolish AWAs is a promise that he disavowed only eight months ago. What the Australian people want to know is what happened between that interview he gave on television in October of last year and the weekend. I think he got mugged by a bit of reality, and the reality is pronounced ‘New South Wales unions’. John Robertson and his merry men said to the Leader of the Opposition, ‘Kimbo, if you don’t front up and abolish AWAs, we’re going to roll you.’ That is basically what happened. Everybody in this building knows that the Leader of the Opposition’s powerbase is the New South Wales Right and everyone knows that his moment of truth was in fact the New South Wales ALP conference. What else would explain a policy which is against the economic interests of this country? What else would explain a policy that will threaten the living standards of hundreds of thousands of Australians? Because that is what is involved here. AWAs are the preferred employment instrument of aspirational Australians. The aspirational people of this country want AWAs. The Leader of the Opposition has declared an open fronted attack on aspirational Australians. I say to the Leader of the Opposition: he has betrayed by this decision a total misunderstanding of the hopes and the aspirations of Australia’s future.

Australian Capital Territory: Schools Funding

Mrs GASH (3.15 pm)—My question is addressed to the Minister for Education, Science and Training. Would the minister update the House on government funding to schools in the Australian Capital Territory? Are there any alternative policies?

Ms JULIE BISHOP—I thank the member for Gilmore for her question and note her interest in this matter. The Australian government is providing some $33 billion for schools across Australia over the 2005-08 period. That is a $12 billion increase on the last funding period. In addition, we are investing some $1 billion under the Investing in Our Schools program to make up for the failure of state and territory governments to properly capitalise on the requirements of schools for things such as playground equipment, classrooms and the like, $700 million of that going to state government schools. This year alone the Australian government is investing some $49.2 million in recurrent funding in the ACT and under the Investing in Our Schools program we have already provided some $7.5 million over recent months to government schools in the ACT.

I am asked about alternative policies. It seems that the Labor Chief Minister’s idea of an education policy is to put the future of young Canberrans in jeopardy by closing some 39 government schools. Through gross mismanagement of the Canberra economy, 39 schools are being closed. It is a disgrace that parents, students and teachers were not notified that 39 government schools are being closed in the ACT. I want to know how Jon Stanhope intends to account to Commonwealth taxpayers for the $7.5 million that has already been paid in recent months under the Investing in Our Schools program to schools that he intends to close. I will ask
him: how does he account to the Commonwealth taxpayers for that $7.5 million? Not only is he ruining the Canberra economy but he is burning up Commonwealth taxpayers’ funds. The member for Canberra, the member for Fraser and the Leader of the Opposition, as Jon Stanhope’s mentor, ought to be ashamed that a Labor colleague is closing government schools in the name of an education policy. Not only has he ruined the Canberra economy but he is ruining the Canberra education system and they ought to condemn him for it.

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

QUESTIONS TO THE SPEAKER

Question Time

Mr Abbott (3.18 pm)—Mr Speaker, I wonder if you could perhaps view the footage of question time to consider whether there has been some orchestration of disorderly behaviour by members opposite. I saw at least nine points of order from the Deputy Manager of Opposition Business, I heard orchestrated barracking from members opposite and then, of course, there was the consistent holding up of bits of paper in defiance of the chair. I wonder whether you could review the footage and rule on that at the start of tomorrow’s question time.

The Speaker—I thank the Leader of the House and I will look at the tape and respond accordingly.

Question Time

Ms Gillard (3.18 pm)—Mr Speaker, can you confirm that, if a government backbencher gets the call to ask a question during question time, they have a right to ask any question they choose and that it is inappropriate for the Leader of the House to send the Chief Government Whip over to the member for Ryan to discipline him for not reading the question given to him word for word?

The Speaker—I am sure that the Manager of Opposition Business would be well aware that I have no knowledge of conversations between the members on the back-bench.

PERSONAL EXPLANATIONS

Mr Ticehurst (Dobell) (3.19 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr Ticehurst—Yes, indeed, most grievously.

The Speaker—Please proceed.

Mr Ticehurst—In an adjournment speech in the last sitting week on 1 June, I was forcefully and unjustifiably accused of making direct threats to the Central Coast Mariners. The member for Shortland claimed that as a direct result of threats by the member for Dobell the coach of the Mariners withdrew as patron of the Coastal Voice. I do not know anybody at all on the Mariners; I have never spoken to them. This Coastal Voice is a Labor Party front. She also went on to say that the Coastal Voice will publish numerous emails and comments sent from the member for Dobell. I have not done that. She also then accused my staff of sending nasty and scurrilous emails. They have not done that. These are all false claims and all they are trying to do is cover up a Labor Party front.

The Speaker—the member can explain where he has been misrepresented, but he will not debate the issue.

Mr Stephen Smith (Perth) (3.20 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr Stephen Smith—I do.
The SPEAKER—Please proceed.

Mr STEPHEN SMITH—I have been misrepresented by the Minister for Employment and Workplace Relations in a press release issued after question time the last time we met, Thursday, 1 June. In that press release, he asserted that I quoted the chair of the government’s low pay commission in the following terms:

‘pushes the Low Pay Commission to reduce the minimum wage in real terms’.

I refer to a draft of the question distributed in advance of question time for media purposes where the only work that is in quotation marks is the word ‘pushes’. I refer to the Hansard chamber green distributed by the Content Management Branch which has the word ‘pushes’ in quotes. I refer to the daily Hansard which has the following:

... and I quote—‘pushes’ ...

And I refer to Professor Harper, the chair of the government’s low pay commission on the Lateline program of 31 May 2006, in response to a question about minimum wages going down in real terms, saying:

... the act pushes us there.

I did not make the quotation that the minister misleadingly asserts.

QUESTIONS TO THE SPEAKER

Points of Order

Mr McMULLAN (3.21 pm)—Mr Speaker, my question relates to page 41 of the Hansard of Thursday, 1 June 2006 and some, I am sure, inadvertently inconsistent matters that occurred today. On 1 June I sought to speak to a point of order raised by the member for Mackellar and you said that I had no right to do so, which I think was incorrect—but nevertheless you made that ruling. Today a point of order was raised and, as I understood it, the Leader of the House spoke to that point of order. In my view, the procedure is that members do have a right to speak to points of order, and I feel that the Leader of the House was in order, but both rulings cannot be right. Either I was in order on 1 June or the Leader of the House was out of order today. I understand with all the tumult it is difficult, but I wonder if you could review those decisions and make sure that we get a consistent position.

The SPEAKER—I thank the member for Fraser. I will certainly review that Hansard and report back as appropriate.

AUDITOR-GENERAL’S REPORTS

Report No. 45 of 2005-06

The SPEAKER (3.22 pm)—I present the Auditor-General’s Audit report No. 45 of 2005-06 entitled Internet security in Australian government agencies.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.24 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 documents:


Gene Technology Regulator—Quarterly reports for the period 1 October to 31 December 2005.


Debate (on motion by Ms Gillard) adjourned.

BUSINESS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.24 pm)—by leave—

I move:
That, for the sitting on Wednesday, 14 June 2006, so much of the standing and sessional orders be suspended as would prevent questions without notice being called on at 2.30 pm.

Mr Price—Through you, Mr Speaker, I ask the Deputy Leader of the House: will these changed arrangements mean another reduction in question time or will each side of the House get to ask 10 questions by agreeing to support this motion?

The SPEAKER—As the Chief Opposition Whip would be aware, it is not the responsibility of the chair to organise the number of questions asked during question time, but the Deputy Leader of the House might wish to comment.

Mr McGauran—I am very happy to reassure the honourable member that the opposition will be given full opportunity to fulfil its normal and regular role in question time.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Workplace Relations

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 government's driving down wage rates for working Australians by removing their right to penalty rates, leave loadings and shift work loadings without any benefit for the economy. 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) (3.25 pm)—I thank the House. What does the government have against the nans of Australia? What does it have against the grandmas, the granddads, the mums, the dads and the kids? What has the Prime Minister got against them that he wants their wages slashed and their conditions overturned? What has he got against them that he wants to produce fear and uncertainty in the workforce instead of decency and fairness? What has this government got against the Australian people? These Australian workplace agreements are purely and simply about slashing wages and conditions and have nothing at all to do with boosting productivity. They are all about pitting kids, in the first instance, against multinationals and businessmen with years of experience and regarding those kids as potential serious bargaining partners. The government’s plan for the future is to cut wages, cut conditions and take penalty rates away.

We in the Labor Party stand for a modern, flexible industrial relations system with collective agreements to boast pay and productivity. There is no doubt that Australia’s relatively good productivity performance in the nineties was, by and large, related to the flexible enterprise agreement system put in place by the Labor Party. That is why we had substantial growth in productivity, whereas New Zealand, which previously had productivity rates roughly the same as Australia’s but instead moved away from collective agreements to individual contracts, found its productivity effectively halved. The gap between Australian and New Zealand productivity rates, which had been nonexistent, became quite dramatic. That is why an enterprise agreement—it is not centralised wage fixing we are dealing with here—when put in place for employees and employers to sit down and work out how they can do things better in order to justify a pay rise produces productivity whereas an AWA produces just any old thing. It certainly can increase profitability for the employer, but it has nothing to do with productivity.
The experience of AWAs is that they have nothing to do with productivity. They are all about slashing wages. They are a lazy route to profit. They give employers the wrong incentives. Cutting workers’ wages does not increase productivity. Cutting pay and slashing conditions does not prepare the Australian workforce for the future. The government is dumping Australian workers on a low-wage, low-skill treadmill and condemning our kids—our youngest and most vulnerable workers—to compete with India and China in a race we can never win. It is a race to the bottom. This is about exploiting our youngest and most vulnerable workers and expecting them to take on multinationals and giant corporations in a no-win contest for wages and conditions.

The worst time we are going to have between now and the next election on the issue of AWAs will be January and February next year. That is when the kids will complete their training courses of this year. Many of them have been in traineeships, or what used to be described as traineeships, and some of them in apprenticeships. They are going to experience next year for the first time, as they go for their first jobs, AWAs without a no-disadvantage test applying. We will see horror cases day in, day out all next year arising from the sorts of AWAs that will be thrust upon these kids.

As I go around the business community and the broader Australian community, I am surprised at the commonality of views. Over the last 12 months I have talked to hundreds of businessmen and thousands of people in this country. Amongst the hundreds of businessmen to whom I have talked I have not found one who has said that they support unreservedly the policy this government has put in place in its industrial relations legislation. Every one of them says that John Howard has gone too far. None of them—not one of them—argued for what the Prime Minister calls the ‘flexibility’ that has been placed in the system. They understand completely the absurdity of the proposition that a businessman would sit down and seriously discuss each year with 1,000 workers the internal content of the AWA, as they would just about anything else. Employers would, of course, talk about a collective agreement. That is, a simplified, simple process. They don’t mind doing that. But the notion that they would sit down with every one of their employees is absurd. I remember one fellow telling me that he had signed off his AWA, which had a provision in it for maternity leave. When he raised a question about that the employer said: ‘I don’t care about it; just sign the blasted thing. This is the template that we have.’

There is a material difference, however, between the AWAs now and those that were first introduced by this government. We have not liked them at any point of time. Despite what the Prime Minister says, he has to concede that they are not a heavily utilised instrument. AWAs have been in place for seven years and they have achieved the magnificent distinction of being only 2.4 per cent of the total number of agreements put in place covering working conditions in this country. That is not much progress, considering that the federal government has been effectively levering in AWAs by forcing its own employees to take them. It has also been forcing state governments to take AWAs when those state governments enter into agreements with it. Anyone who contracts to the federal government for road building or whatever else is also forced to take an AWA—

Mr Adams—It has been standing over them.

Mr BEAZLEY—The federal government has been standing over the workforces that receive government contracts. When one
considers that, it is a bit of a surprise that after seven years of AWAs only about 500,000 people out of a total workforce of more than 10 million are covered by them. But there is a difference, which I suspect is going to produce circumstances now where these figures may well start to change. Previously, under the amendments forced on the government when it last put in place its industrial relations legislation, a proposition was put in place for a no disadvantage test. There was a definite limitation on the capacity of an AWA to massively undermine conditions that workers in their previous place of work had enjoyed. Now it has all changed. In the legislation put in place by the government at the end of last year and now coming into operation, out went the no disadvantage test and in came the Spotlight AWA. Out went the no disadvantage test and, with it, out went penalty rates for overtime, out went penalty rates for holiday work, out went breaks, out went shift allowances—out went a whole range of conditions which could be effectively traded away for virtually nothing. That is what happens when you remove the no-disadvantage test.

The Prime Minister comes in here with absurd statistics on how much better off people are on AWAs. He knows darned well that when you take out the managers, when you take out the supervisors and when you take out groups of miners previously on common law agreements or common law individual contracts and now put on AWAs you get a very different picture indeed. Why do you think Freehills has been going around with these briefing notes? Freehills has been saying to employers whom they are briefing that if you take a look at last year’s wage rises, the last year we have statistics for, the average AWA based employee got 2.5 per cent, effectively the same as the inflation rate, and agreements generally produced a four per cent increase in income—union collective agreements 4.3 per cent and non-union collective agreements 3.5 per cent. What point do you think Freehills was making to the employers? Do you think Freehills was going to those employers on behalf of the government and saying to them, ‘Look, we think this is a terribly unjust situation, so could you chaps please gird your loins, get yourselves together and make sure that this performance of 2.5 per cent is improved to at least four per cent next year?’ No. What Freehills is doing, what the government’s advocates are doing, is saying to employers, ‘Look at this little ripper product we have got for you—the capacity for you to slash away at all those benefits that have been built up by your workforce over the years. And here is the positive feature, here is the proof positive.’

It is not about productivity. Freehills were not producing a set of statistics on the productivity outcomes of people who work on AWAs, collective agreements or whatever. It was simply the pay. What they were saying, as this government is saying to employers now, is: ‘Get out there and do your worst. Do your worst first with the people who are entering the workforce. Do your worst second with the people who are changing jobs. Do your worst third with the people whom you can now unfairly dismiss, sack and reemploy. Do your worst with the women who come to you and seek flexible hours so they can deal with their families. Do your worst to the blokes when you have managed to put in place a sufficient percentage of your workforce which is massively underpaid in comparison to your more long-term employees.’ That is what is going on here.

God help us with these laws if we ever enter into a period of some form of economic downturn. Because when we enter into a period of economic downturn, you will see this
law in full pomp—you will see this law raging through the industrial relations conditions of ordinary Australians. And don’t think that ordinary Australians do not understand this. They understand this absolutely, despite the fact that the government has structured the law to conceal as much as possible from public scrutiny the impact of their AWAs. It is an offence, if an AWA is actually signed, for either party to reveal the content of it, so we can only see the statistics in their rawest sense; we cannot actually see the statistics involving an individual, unless it is an AWA that is not signed as opposed to an AWA that is signed—though, in the case of Spotlight, I must say they had the brazenness to put their AWA on their website, so I suppose that we can have a good look at the Spotlight AWA. But, generally speaking, the real stories of injustice in this community, we cannot see.

But we can see enough of the victims of this government’s legislation to this point—people like Arthur Ledwidge, a 46-year-old Melbourne field technician, sacked along with 70 other workmates and told he could buy a company van and become a contractor doing the same work but earning $180 less a week; people like Emily Connor, a 23-year-old Canberra child-care worker, sacked after five years’ employment, not even allowed to say goodbye to the kids she cared for or their parents—no warning, no reason; and people like Leonie Wong, a 17-year-old worker in an ice-cream shop, sacked because she rejected an AWA that signed away annual leave, overtime, weekend penalties and superannuation. Then we had Karen Palmer here today, sacked after 14 years with a company. The Prime Minister had the brazenness to say to Karen Palmer—so kind, Prime Minister: ‘Go and take a court case against the company that dismissed you, for which we’ll give you four grand’—for a case that will start at 50 grand and probably end at 150 grand. Big-hearted old Uncle Arthur on that one! One thing she needs of course is a statement from her employer that he has sacked her because she carried an injury. Do you think she got a statement like that from them? Yeah, go and tell it to the marines; call on them—sure the employer would do that for her!

There is no saving these industrial laws, which is why we say we will rip them up. What we now see is a new AWA in a new format, the format with the no disadvantage test ripped away. And we now have the practical examples, the Spotlight examples and the other examples that I have been referring to. We now know what an AWA—not a terribly popular mechanism for employing people hitherto—can do now that that no disadvantage test has been ripped away from it. That is why we are taking you on on that, and you are going to be defeated on it. (Time expired)

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.41 pm)—On the weekend the Leader of the Opposition showed once and for all why he is unfit to ever be the Prime Minister of Australia. The reason is that what he showed on the weekend was that, in return for $50 million from the unions in Australia, he was prepared to cave in to their demands. He was prepared to cave in to their demands to keep his job. As the Sydney Morning Herald said in its editorial headline: ‘Beazley’s real agenda: his job. Cynical backflip on AWAs’. And almost every major newspaper in Australia over the last day or two has had a similar headline in relation to the announcement by the Leader of the Opposition. The Herald Sun in Melbourne: ‘Beazley steps backwards’. The West Australian: ‘Beazley plans return to an un-

Why is it that almost every major newspaper, almost every major news outlet in this country, has said over the last 48 hours that not only is this a backflip on the part of the Leader of the Opposition; it is one that is irresponsible in terms of taking Australia and Australians’ prosperity forward. There are a couple of reasons for this. The first is that what the Leader of the Opposition proposes is to rip up the wages and conditions of hundreds and thousands of Australians. That is what he proposes to do. The reality is, as the Australian Bureau of Statistics data shows—not my data, not some false data manufactured by the Leader of the Opposition—those who are employed under Australian workplace agreements are on average paid 13 per cent more than those who are under collective agreements. And if you compare individual Australian workplace agreements with awards in Australia then the differential is that 100 per cent are generally better off under individual agreements than those people who are employed under awards in Australia. The policy of the Australian Labor Party is essentially to take us back to having an award as the core of every workplace arrangement in this country. So the first point about what the Leader of the Opposition has been condemned for is that he wants to rip away the wages and conditions of hundreds and thousands of Australians who have made use of individual agreements.

The second point is that he wants to tear down the economic structure that has delivered economic prosperity in this country. The Leader of the Opposition wants to rip up—to use his expression—not just what was put in place in this parliament at the end of last year, and came into operation on 27 March this year, but Australian workplace agreements in their entirety. He wants to rip up those provisions put in place in this country almost a decade ago. What have those provisions done for the economic prosperity of this country? We saw last week in this country for the first time in 30 years an unemployment rate starting with the figure ‘4’. For the first time in 30 years in this country the unemployment rate fell below five per cent. We have the Leader of the Opposition complaining in this place and elsewhere about examples. I do not hear him saying one word about the fact that 55,000 jobs were created in the month of May in Australia.

I do not know who the Leader of the Opposition is talking to, but as I have gone around this country I have had small and medium business operator after business operator come up to me and say, ‘Because of the changes that you’ve made to the industrial relations laws in this country, I’m going to or I have employed somebody else.’ On television just a few weeks ago, there was an employer from Darwin who said that she had employed an additional seven people as a result of getting rid of the unfair dismissal laws in this country. Those sorts of anecdotal experiences, which are related to me day after day and week after week by employers around this country, are revealed in part I believe in those 55,000 additional jobs created in this country in the month of May.
alone. A 4.9 per cent unemployment rate, something we have not seen in a generation or two in this country, is a result of the economic prosperity that reforms undertaken in 1996 and again last year have led to. That is what the Leader of the Opposition wants to rip away.

No wonder once again editorial writers at every major newspaper in Australia have condemned the announcement made at the weekend by the Leader of the Opposition. Why have they condemned it? They have done so because they know that this has helped to not only drive down unemployment in this country but drive up real wages. Let us make a comparison. What do Australians think real wages went up by under 13 years of a Labor government? During the time that Labor was in government and the Leader of the Opposition was the minister for employment, real wages went up by just 1.2 per cent. In the 10 years that this government has been in office, real wages for Australians have gone up by 16.8 per cent. They went up by 1.2 per cent when the Leader of the Opposition was responsible for employment in this country and have gone up by 16.8 per cent since we have been in government. That is the comparison that Australians understand—a 4.9 per cent unemployment rate, a 16.8 per cent increase in real wages. That is what the Leader of the Opposition wants to tear down. He wants to tear down the edifice that has brought about these changes and these benefits for real Australians.

There is something more significant in the criticism of the Leader of the Opposition for the announcement he made at the weekend. He announced, ‘I am going to abolish, if I win government, individual workplace agreements in Australia.’ The real significance of that announcement was that it showed the weak and vacillating character of the Leader of the Opposition. That is what Australians know about Mr Beazley, the Leader of the Opposition. They know he is a weak man, and this just showed it in spades again at the weekend. It reinforced in the minds of Australians what a weak Leader of the Opposition we have in this country. He did not even consult his backbench. He did not consult his caucus. He apparently did not even consult the shadow ministry. The member for Perth conceded this morning in the media that he did not consult him about it, that he just told him that it was a fait accompli.

The Leader of the Opposition could have made a choice at the weekend. The choice can be summed up in two personalities. One of them is a successful Labour Prime Minister, namely Tony Blair, the Labour Prime Minister of Great Britain. Mr Blair had a similar choice to make when he became Prime Minister of Britain. When he became Prime Minister, it was widely expected—indeed, it was being pressed upon him by the trade unions in the United Kingdom—that he would undo, that he would wind back, that he would rip up the reforms which Margaret Thatcher and the previous Conservative government put in place in the labour market and industrial relations in the UK. When Mr Blair, shortly after becoming the Prime Minister of the United Kingdom, went to the Trades Union Congress he told his comrades that he was not going to cave in to them. The Leader of the Opposition in Australia could have made that decision when he went to the New South Wales conference of the Labor Party and the unions at the weekend. Back then, Mr Blair said:

We will keep the flexibility of the present labour market, and it may make some shiver but, in the end, it is warmer in the real world...

If we had a Leader of the Opposition who had some strength of character, who was
prepared to stand up to those who were seeking to destabilise his leadership of the Labor Party, as John Robertson and his mates in Unions NSW were doing—and the member opposite, the member for Perth, knows better perhaps than many others in this place that that is what was going on—and who had some real guts and decency and the courage to stand up for his convictions, he would have said what Mr Blair said to the trade unions in the UK when he became the leader. We do not have a Tony Blair insofar as the Leader of the Opposition in Australia is concerned.

This is a man who did not have the courage to stand up for his convictions, who did not have the courage to say, ‘We’re going to do something to continue to drive down the unemployment rate in Australia.’ This is a man who has no concept of and no concern about unemployment in Australia, who presided over almost 11 per cent unemployment and who said when he was the minister for employment and a question about the long-term unemployed was put to him that they might as well stay on the scrap heap. This is a man who does not have any concern for jobs in Australia. As the editorial in the Sydney Morning Herald said, the Leader of the Opposition is not concerned about jobs for Australians. He is concerned about one job and one job only—that is, his job. Instead of doing a Tony Blair at the weekend, the Leader of the Opposition gave a Mark Latham performance. Mr Latham has been widely criticised.

Opposition members interjecting—

Mr ANDREWS—Members opposite are laughing now. They were not laughing when the former Leader of the Opposition did not consult them. The two members at the table, the member for Perth and the member for Lilley, know that better than anybody else in this place. We had in Mr Latham a man who did not consult, who just went off and made decisions by himself. He made a decision, for example, about having the troops home by Christmas. We have had a similar response from the Leader of the Opposition: ‘We’ll get rid of AWAs by the following Christmas.’ Instead of a Tony Blair performance, we had a Mark Latham type performance from the Leader of the Opposition at the weekend.

And what is this going to do as far as workplaces in Australia are concerned? This gives a green light to certain sorts of activities. It says to the mining, resources and other industries in Australia: ‘We don’t care about what circumstances have actually helped you to make this economy thrive the way it is thriving at the present time. We don’t care about that.’ The fact is there was a mass migration of workers in Western Australia from the state system into the national system when the state Labor government in Western Australia effectively abolished individual agreements, which the Leader of the Opposition plans on doing. What happened in the mining industry? Not just the employers, but thousands of employees in the mining industry in Western Australia went from the state system over to the federal system so that they could take advantage of individual Australian workplace agreements.

The Leader of the Opposition’s home state has about 10 per cent of the Australian workforce yet some 30 per cent of the AWAs which are utilised in this country. But has the Leader of the Opposition learned anything from that lesson at all? None whatsoever. He just says to the mining industry in Australia, producing billions of dollars of profit and income for this country, ‘Oh, we’re going to rip up the arrangements that have enabled you to be profitable in the way you are and that have ensured that this country has thrived in the way it has.’ No wonder we...
have this massive condemnation from the media in Australia.

But worse than that, this gives a green light in a couple of ways. As reported in the *Australian* today, ‘Unions push ALP for more’. I say this to the member opposite, the member for Lilley: once you start to appease people, as the Leader of the Opposition has done, once you start to appease the thugs in the union movement, as the Leader of the Opposition has done, once you say, ‘I’ll cave in to you, because that’s the only way I’ll keep my job,’ the reality is there is no end to it. What do we see in the newspapers today? ‘Unions push ALP for more’. This is just the start, as far as the unions are concerned, because they know what we know, which is what every Australian knows: you have a weak Leader of the Opposition. If he is prepared to cave in once, he is going to cave in again, and again, and again. I predict that in the coming weeks and months, what we will see from the Leader of the Opposition is not just this first cave-in, but a series of cave-ins, because essentially he is weak, he is known to be weak, and that is what the unions know.

But worse than that, he will obviously give a green light to the sort of the thuggery we have seen in workplaces in Australia—a green light to the CFMEU and their mates to go back into the mining sites, to the construction and building sites in Melbourne and Sydney, and push up the cost of building and housing in this country. That is what this sort of decision is going to do. It has happened because the Leader of the Opposition is weak. The Leader of the Opposition could not stand by a decision which he made some eight months ago, and we are going to see the consequence of that played out not just this week, but in the weeks and months ahead in Australia. As the leader writers in the newspapers around Australia said, this is a backward step taken by a backward Leader of the Opposition.

Mr STEPHEN SMITH (Perth) (3.55 pm)—You can neither believe nor trust what the government says on industrial relations. You can neither believe nor trust what the Prime Minister, Mr Howard, says on industrial relations, what the Treasurer, Mr Costello, says on industrial relations, and what the Minister for Employment and Workplace Relations says on industrial relations. In question time today, we had another classic example. This is what the Prime Minister said to Alan Jones on radio 2GB on 4 August last year—and this quote was put to the Prime Minister in question time a couple of weeks ago, on 25 May from memory—before the legislation went through the House:

I mean some people have to work on public holidays.

... ... ...

... it would be absurd and unfair and unreasonable if somebody has to work on a public holiday that that person isn’t compensated by being paid whatever it is, the double time or the time and a half.

... ... ...

I just want to make the general comment that those arrangements are going to continue. The Prime Minister said:

... it would be absurd and unfair and unreasonable if somebody has to work on a public holiday that that person isn’t compensated by being paid whatever it is, the double time or the time and a half.

That statement was put to the Prime Minister again today at question time, and it was put in the context of the Spotlight AWA—the 2c an hour AWA, where Mrs Harris was offered the princely sum of 2c an hour extra per hour for all her entitlements, penalty rates et cetera being knocked off. She lost 90 bucks a week. Two cents an hour for 90 bucks a
When you isolated the public holiday pay loading, she got an extra 2c an hour for working on a public holiday, but lost $21.40. The Prime Minister walked away from that at question time, because he knows he disingenuously misled the Australian people on the Alan Jones program in August last year, but he cannot walk away from that quote. It is just another example of how this government can be neither trusted nor believed when it comes to industrial relations.

When we draw the adverse consequences of the government’s legislation to their attention, they do one of two things: they pretend they do not know about it, or they pretend they do not exist. But then they say: ‘Look, even if those terrible, shocking, adverse consequences are there, guess what? This is good for the economy.’ And then they say, because we’ve now committed ourselves to abolishing AWAs, ‘The heart and soul, the be-all and end-all, of what is good for the economy is the ongoing existence of AWAs.’ That is now their position—the ongoing existence of AWAs. I remember the last election being called. We heard nothing about these matters in the run-up to the last election. We only heard about these things when the government got all the power under the sun and returned to its Jobsback 1992 proposal, and returned to the old-fashioned obsession and ideology that John Howard has had since the 1970s and 1980s.

In 1996, when the government first came to office, it introduced AWAs, but the Democrats in the Senate required 230-odd amendments, including a no disadvantage test, which protected and secured penalty rates, overtime, leave loading, shift allowances and the like—the 20 allowable matters. That gave some protection to people’s rights and entitlements and conditions and living standards. And even before this government’s legislation came into effect on 27 March this year, even before then, what did we know? Based on the most recently available government stats, we know that the government’s be-all and end-all instrument of good economic management, AWAs, made up about 2.4 per cent of agreements in the workplace. The rule of thumb is that we had 20 per cent of people on awards, 40 per cent of people on collective or enterprise bargains, 30 per cent of people on individual common-law agreements—three million people—and about 2.4 per cent or 2.5 per cent on AWAs. Of the 10.1 million people in the workforce, there are three million on common-law agreements, four million on enterprise agreements, two million on awards and, in accordance with the most recent stats delivered by the government’s man in Senate estimates a couple of weeks ago, 538,000 on AWAs. This is the thing which is the be-all and end-all of our economic performance and our economic future!

Before we come to what the OEA had to say, in a presentation on 22 February, the government’s hired legal gun, Freehills—after the bill had gone through the parliament and after it had been enacted but before substantial features of it had been implemented—gave a snapshot of current agreement making:

Currently:
- 40 per cent of employees are on collective agreements
- 2.4 per cent are on AWAs
- 20 per cent are paid on awards
- 20 per cent to 25 per cent by individual arrangements...

Average annual wage increases between June 2004-05:
- In agreements generally=4 per cent
- Union collective agreements=4.3 per cent
- Non-union collective agreements=3.5 per cent
AWAs=2.5 per cent
So the government’s own legal adviser—the government’s hired legal gun, which is paid hundreds of thousands or millions of dollars over the years to help draft the government’s legislation on industrial relations—says that, if you are on a union collective agreement, from 2004-05 your average wage increase was 4.3 per cent and, if you were on an AWA, your average increase was 2.5 per cent. Looks like pretty good legal advice to me! It continues with an ‘Overview of effect of Work Choices’:
Potential—threats
Existing Industry Player:
Current Enterprise Agreement with:
Overtime
Shift penalties
Annual leave loadings
Based on:
Award
New Entrant:
AWA
Overtime has crosshairs through it; penalties have crosshairs through it and loadings have crosshairs through it. All gone. Freehills give legal advice under the Prime Minister’s so-called default position, ‘protected award conditions’:
Conditions protected but may be bargained:
Public holidays
Rest breaks
Incentive payments
Annual leave loadings
Allowances
Penalty rates
Shift/overtime loadings
A red box says:
Must be specifically addressed by Agreement.
On the next page there is legal advice on how to knock them over:

This agreement excludes the protected award conditions, as defined in the Workplace Relations Act 1996 (as amended from time to time).
That is how you do it: a one-line throwaway. All those things that make the difference between Australian families keeping their heads above water and making ends meet have all been sold down the river in a one-line throwaway—under a Spotlight AWA, for the princely sum of 2c an hour. Guess what? The government’s hired legal gun says that under a collective agreement average annual wage increases were 4.3 per cent in 2004-05 and under an AWA they were 2.5 per cent. They are now saying that all the things that helped to sustain the 2.5 per cent for the AWAs—penalty rates, overtime, leave loading, you name it—are all gone. So a one-line throwaway, down the river for the princely sum of nothing if you want it to be to that effect in the contract.

These things were put to the Prime Minister during question time, and the truth is that he had no response. But it gets worse. That was before the government changed the legislation and knocked off that no disadvantage test. What did we find out from the Office of the Employment Advocate at Senate estimates hearings? Since the legislation came into effect, there were 538,120 AWAs in operation as at 31 March this year. Since 27 March, when the act came into effect, 6,263 AWAs were lodged. Of the AWAs sampled, guess what? Under the one-line throwaway—sold down the river—all penalty rates have gone, 100 per cent exclude at least one protected award condition, 64 per cent remove leave loadings, 63 per cent remove penalty rates, 52 per cent remove shift loadings, 41 per cent do not contain a gazetted public holiday, 16 per cent exclude all award conditions and 22 per cent do not provide for a pay increase over the life of the agreement. And the Prime Minister clutches a straw and
Tuesday, 13 June 2006

CHAMBER

says, ‘Well, that must mean that 78 per cent do.’

At question time today the Prime Minister disingenuously misled the House when he said that the quantum was there for all to see. Not true. If the Prime Minister wants to table the quantum in those AWAs, I invite him to do so in order that we can all see that the average increase in those AWAs is a princely sum of 2c an hour. So if the Prime Minister wants to assert that 78 per cent of those agreements have a pay increase, let him tip out the information and show that they are not the Spotlight AWA—2c an hour.

We have had other interesting examples from other jurisdictions where this has been utilised. The Leader of the Opposition drew attention in question time to some stats from Western Australia. It is interesting that, when the Gallop Labor government knocked over state based AWAs in Western Australia, the state Liberal Party and the business community in Western Australia said exactly the same things that we are hearing now. In the West Australian of 3 May 2003, they said it would take us backward, there would be a diminution of job opportunities and a return to the bad old days—all the things we are hearing now. Last time I looked, after 15 years of continuous economic growth and a resources boom to China, Western Australia had 10 per cent economic growth.

This notion that AWAs are the be-all and end-all of economic management is a complete nonsense. The government’s legislation is not good for the economy. It is bad for the economy because it is a straightforward shift of part of the economy from wages to profit. It rewards bad management and it does not require productivity. It is a straightforward slash on wages—a straightforward attack on wages. It is bad for our economy. The government tries to pretend that 5,338 AWAs are an economic management issue of the same realm as a half a trillion dollar foreign debt, 49 consecutive monthly trade deficits and an increase in the current account deficit of six per cent. It is a nonsense and you will find that out at the next poll. (Time expired)

Mr SCHULTZ (Hume) (4.06 pm)— When I look across this chamber, what do I see? I see union hacks, sons and daughters of union hacks and union hacks that have worked for union hacks. Is it any wonder that I do not see one worker who has bent his back as have many workers on this side of the parliament? Is it any wonder that in 1996 the Australian people woke up to what the Labor Party stand for? It is anti workers, anti incentive and anti productivity. Is it any wonder they are out there making the statements that they are making today. Is it any wonder that their leader, Kim Beazley, has done an enormous backflip as a result of the pressure by his union mates? ‘Turn over on this legislation, Kim. Get these AWAs out of the workplace or you won’t be leader next week.’ The Leader of the Opposition does not have the intestinal fortitude that Australian people expect of a leader of a political party, and they will judge him on that at the next election.

You can live in hope, comrades, but I can tell you: you will still be in opposition after 2007, and you may still be in opposition for many years after that, because the Australian working class people—and I am one—understand what this government is about and what it has delivered to them as a people. They understand where this country has gone in the last 10 years and that the prosperity in this country has been brought about by the strong leader of this nation, the Hon. John Howard. I commend them for their commonsense.

Just before Christmas last year, members of the opposition condemned the govern-
ment’s changes to the industrial relations system—an archaic system that has operated for over 100 years now—and said that Australian married couples would stop procreating and that there would be no more family barbecues—stupid rubbish like that. But what do we see? Birth rates are going up and there are more barbecues today than you would have seen in the last decade. So much for the irresponsible fearmongering by members of the ALP. The decisions that the government makes now—these are decisions that give me heart for my children, my grandchildren and, hopefully, for my great-grandchildren—will determine whether jobs growth and the increase in wages and living standards we have seen over the last decade will continue into the next decade.

Let me compare what has happened in the last decade to what happened in the previous 10 years of the Labor government. Since March 1996, the coalition has created more than 1.8 million jobs. More than three-quarters of all jobs created in the last two years have been full-time jobs. Under the previous Labor government, when Kim Beazley was Minister for Employment, Education and Training, unemployment reached a peak of 10.9 per cent, putting nearly one million Australians out of work. The unemployment rate under this government is now at a 30-year low of 4.9 per cent. Since the coalition was elected to office, unemployment has been reduced by 218,800, or 29.6 per cent.

Is it any wonder that private sector union membership is down to about 19 per cent? And is it any wonder that union membership in the public and private sectors combined is around 21 per cent? They are waking up to you guys in droves and moving out of the system. All this nonsense you are pushing into the public arena—you are willing to compromise your principles and your integrity and to lie to the Australian people to get back into government—is being absorbed by the Australian people, particularly by the working class people of this nation. They will react as they reacted a couple of elections ago to not only the former leader, Mark Latham, but also to your current leader.

The only good thing that the trade union movement has done is to give Kim Beazley a little bit of confidence to think that he has something to offer the Australian people. The only problem with that sort of mentality is that they have underestimated the intelligence of the Australian people, who know that Kim Beazley has absolutely nothing to offer them. He has no strength. He capitulates to the Australian Labor Party trade union movement when he is put under pressure.

A few minutes ago the Minister for Employment and Workplace Relations mentioned a significant number of headlines appearing in the national media. An article on page 4 of today’s Australian Financial Review by Steven Scott is headed ‘Unions test Iemma over contract deals’. The Premier of New South Wales might get a shock at the polls in March next year. Hopefully, the New South Wales constituency have woken up to what he is about. The article stated:

The NSW government is under pressure to block companies that use Australian Workplace Agreements from winning government contracts after the state Labor Party conference endorsed calls for tougher procurement policies.

However, before speaking at the weekend conference, Premier Morris Iemma warned such a move could breach federal laws and would be difficult to enforce.

The current New South Wales Labor government has awarded a number of government contracts to companies, including Westpac, who are using AWAs in their workforce. The Labor premier has recognised that the AWAs are a workable alternative for
businesses. The unions saying to him, ‘We are cocking the .45 pistol and putting it up against your head through the trade union movement. You had better change your attitude about giving contracts to these companies with AWAs or we are going to do to you what we have threatened to do to Kim Beazley. We will make sure we take you out as the leader of the New South Wales Labor Party and we will put someone else in.’

That is the despicable, degrading level the once proud Labor Party has stooped to. My grandfather would be turning in his grave to know that the party that he used to be a member of and stand for has stooped to that level—deceiving and lying to the Australian people. But, more importantly, he would be disgusted—

Mr Kerr—He would be shocked at where you are standing today, Alby!

Mr SCHULTZ—to see the move away from the working class people that has occurred under this present regime in the last 10 to 15 years.

Mr Kerr interjecting—

The DEPUTY SPEAKER (Mr Jenkins)—Order! The member for Denison is not assisting the chair.

Mr SCHULTZ—So I can understand why the Australian people will continue to reject the Australian Labor Party for what it is. They know that Work Choices offers more employers and employees the opportunity to make agreements that are relevant to the needs of their businesses rather than their being forced to work under the old one size fits all awards system. They also know that our living standards will rely on the productivity of our workplaces. Work Choices will allow Australians to continue enjoying real wage increases, will boost productivity and will provide the flexibility necessary to allow

Australian employers and employees the choice to work out what they want.

Nobody knows that more than I do, with my experiences in the Australian meat industry. I spent 32 years not only as a slaughterman and a labourer but as a manager, and I saw both sides of the equation there. I spent more time out of work on industrial strikes that should never have occurred than I did at the workplace. One of the reasons I opted out of the trade union movement and went and applied for a management job, was so that I could support my wife and young children. We were in a situation in those days where workplace agreements were being ignored and pushed away by the Australian Labor Party through its trade union movement, even to the point where we were physically threatened by the trade union movement when we tried to negotiate agreements with our employers on the day.

So don’t any of you guys over there, who have absolutely no idea what it is like to work for a living, stand in this chamber and preach to the working class representatives of the people over here in the Liberal-National Party coalition government, because we know more about what hard work is all about than you could ever dream of. You have listened to what your trade union mates tell you about what work is about; you have never experienced it. (Time expired)

The DEPUTY SPEAKER—I just remind the member for Hume that he is addressing his remarks through the chair, and the chair is trying not to be too thin skinned.

Mr Schultz interjecting—

The DEPUTY SPEAKER (Mr Jenkins)—I thank the member for Hume. The discussion is now concluded.
AUSTRALIAN BROADCASTING CORPORATION AMENDMENT BILL 2006

Assent

Message from the Governor-General reported informing the House of assent to the bill.

FUEL TAX BILL 2006
Cognate bill:
FUEL TAX (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2006

Second Reading
Debate resumed.

The DEPUTY SPEAKER (Mr Jenkins)—The original question was that this bill be now read a second time. To this the honourable member for Hunter 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.

Mr PROSSER (Forrest) (4.17 pm)—I will continue in the debate on the Fuel Tax Bill 2006. Under the Greenhouse Challenge Plus program, member businesses must measure their greenhouse gas emissions, develop action plans for greenhouse gas abatement and report to the government on their actions. The government recognises that making greenhouse management a core element of business is important to finding cost-effective solutions to the long-term greenhouse response. Membership of the Greenhouse Challenge Plus program signals an expectation that very large users will participate in an active partnership with government to address climate change. The program complements the government’s other energy and greenhouse gas abatement measures addressing very large energy users.

Where a taxpayer becomes a member of the Greenhouse Challenge Plus program, they will be entitled to claim fuel tax credits for taxable fuel they acquired or manufactured in or imported into Australia before they joined the program by making a decreasing fuel tax adjustment for the amount of fuel tax credit that they were previously not entitled to take into account. The decreasing fuel tax adjustment will take into account the credits the taxpayer was previously not entitled to, up to five years prior to the end of the financial year in which they became a member of the program.

A further environmental measure is compliance with emissions performance criteria by vehicles using diesel fuel in on-road applications. Operators of diesel vehicles with a gross vehicle mass of more than 4.5 tonnes are required to meet one of four emissions performance criteria to be entitled to the fuel tax credit. These criteria are designed to ensure that the operators of diesel vehicles have an increased incentive to make sure their vehicle meets the emissions standard set under the National Environment Protection (Diesel Vehicle Emissions) Measure.

Accounting and reporting arrangements for business users under the diesel fuel tax credit scheme will align, as far as possible, with the existing arrangements under the GST law. Generally, this means that a taxpayer will have to be registered for the GST to claim a fuel tax credit; will claim fuel tax credits on the BAS in the same way that they claim GST input tax credits; will apply the same tax periods for fuel tax credits as they would apply for the GST; will attribute fuel tax credits to the same tax period as the GST input credits for the acquisition or importation of fuel; and will be subject to special GST rules applying to the way that their business is organised for the purpose of fuel tax credits. Compliance costs for businesses
currently claiming the energy credits through third parties or receiving fuel effectively exempt under the excise remission arrangements will be rebalanced, as the end user of the fuel, rather than the third-party fuel supplier, will claim fuel tax credits directly via the BAS.

The Fuel Tax Bill 2006 provides for the payment of fuel tax credits to taxpayers to remove or reduce the incidence of fuel tax levied on taxable fuels. Under the fuel tax credit scheme, all fuel acquired or manufactured in or imported into Australia for use in off-road applications for business purposes will become tax free over time. In this context, tax-free treatment occurs through a credit of tax paid—that is, the fuel is effectively tax free. This system of taxing and crediting is necessary to deal with the fact that currently fuel tax is paid by the manufacturer or importer of the fuel, generally well before its eventual use. Therefore, under current arrangements, the fuel tax is levied on the assumption that the fuel could be used in a taxable way, and credits are allowed to reverse the effect of the tax when it becomes clear that the fuel will be put to a non-taxable use covered by the legislation.

There are also additional amendments proposed that will allow certain eligible taxpayers to make claims for the early payment of their fuel tax credit entitlements for a two-year transitional period for fuel bought between 1 July 2006 and 30 June 2008. Taxpayers who make claims for early payment will still be required to report their fuel tax entitlements for the relevant tax period on their BAS and to take into account any claims for early payment.

The two-year transitional period will allow taxpayers to align their business practice to the new claiming arrangements and will ameliorate negative cash flow effects that may be associated with claiming fuel tax credits via the BAS. Under fuel tax reform, all the current mechanisms for delivering fuel tax-free treatment for petroleum products will be removed by 30 June 2006, and from 1 July 2006 fuel tax will apply to all petroleum products, including blends of petroleum products suitable for use for internal combustion engines. Effective fuel tax-free treatment for these products, where used other than as a fuel in an internal combustion engine, will be delivered by fuel tax credit to either the user of the fuel or at another point in the supply chain, depending on whether the use is business or private. For the business use of petroleum products as burner fuels or in non-fuel uses, the effective fuel tax-free treatment will be delivered through the fuel tax credit to the business as the end user of the product.

From 1 July 2006, a fuel tax credit will apply to the acquisition or manufacture in, or importation into, Australia of diesel and diesel-like fuels in applications that currently qualify for an off-road credit under the Energy Grants (Credits) Scheme. From 1 July 2008, the acquisition or manufacture in, or importation into, Australia of taxable fuels for use in other off-road applications will become eligible for a 50 per cent fuel tax credit of the fuel tax paid on the fuel. At the same time, the acquisition or manufacture in, or importation into, Australia of petrol will become eligible for a 100 per cent fuel tax credit of the fuel tax paid for all users that were previously eligible for an off-road credit under the Energy Grants (Credits) Scheme. It is intended that alternative fuels such as biodiesel, domestically produced ethanol, liquefied petroleum gas, compressed natural gas and liquefied natural gas begin to incur effective fuel tax from 1 July 2011. From that date, the acquisition, manufacture or importation into Australia of these fuels for use in off-road business applications will
become eligible for the fuel tax credit equivalent to the amount of fuel tax paid on the fuel.

Fuel grants will continue to apply from 1 July 2006 to 30 June 2010 under the Energy Grants (Credits) Scheme for the purchase for use of alternative fuels—biodiesel, ethanol, liquefied petroleum gas, liquefied natural gas and compressed natural gas—in registered vehicles with a gross vehicle mass of over 4.5 tonnes. The grant rates applicable in respect of these fuels will be reduced to zero in five equal annual steps commencing on 1 July 2006 and concluding on 1 July 2010.

The proposed amendments in this bill are intended to assist taxpayers to make the transition to the new fuel tax system that will commence on 1 July 2006 to replace the existing complex system of fuel tax concessions. Taxpayers will claim a fuel tax credit through the business activity statement in the same way as they claim goods and services tax input tax credits. The claiming mechanisms proposed are intended to simplify administration and compliance arrangements. I commend the bill to the House.

Mr KELVIN THOMSON (Wills) (4.26 pm)—I rise to support the amendment put forward by the member for Hunter to the Fuel Tax Bill 2006. The fuel tax legislation provides a single system of fuel tax and associated credits but overlooks the need for nation building and ignores the immediate needs of motorists and middle Australia. The government ought to be taking action to reduce our dependency on foreign oil, it ought to be taking action to take us in the direction of cleaner, more environmentally responsible fuels, and it should be taking action to develop the Australian fuels industry.

With some assistance from the Parliamentary Library, I have put together some data about the Commonwealth revenue from the GST on petrol and excise since the introduction of the GST in 2000. Honourable members might recall that, in the lead-up to the introduction of the GST, the government promised that motorists would not be worse off as a result of its introduction and that petrol taxes would not increase. Although there is no data on GST revenue collected directly from petrol sales, we are able to make reliable estimates based on petrol sales information and average petrol prices. The information which I have available to me comes from the Australian Petroleum Statistics from the Department of Industry, Tourism and Resources, the average retail prices of selected items from the Australian Bureau of Statistics, FUELtrac Pty Ltd, the final budget outcome and Budget Paper No. 1: Budget Strategy and Outlook 2006-07. That collection of statistics shows that excise has remained relatively constant during the period 2000-01 to the present. Back in 2000-01 the Commonwealth take through petrol excise was around $6.8 billion and rose to $7 billion, then to $7.2 billion and then to $7.4 billion. In fact, it has tapered off in the last couple of years and is back to $7.3 billion and $7.2 billion. What has occurred is that the GST take has increased dramatically. In 2001-02, it was $1.4 billion, and it has gone through $1.5 billion, $1.6 billion and $1.8 billion and, for 2005-06, is estimated to be $2.1 billion—that is to say, a 50 per cent increase since 2001-02.

Members might ask: is this increased Commonwealth petrol tax take due to more kilometres being travelled? The answer is no; the excise side is constant, even declining. It may be that motorists may be reducing the amount of kilometres travelled in response to the higher petrol prices they are being required to pay. But in fact we can see that the government has been able to rake in a massive $2.1 billion in GST petrol take estimated for 2005-06—as I said, a 50 per cent increase
on that which was occurring back in 2001-02.

We have had the budget night tax giveaway, but the government has not told us what it is collecting in extra petrol taxes, bracket creep, GST and the like. Every time the price of petrol goes up, on the inside the Prime Minister smiles and the Treasurer smirks. On the outside they are wringing their hands and saying, ‘We’re so sorry, there’s nothing we can do,’ but on the inside they are smiling and counting all those extra petrol tax dollars that they are trousering. They can use those dollars either to convince us of what good economic managers they are or for election bribes.

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Wills would be aware of what the chair believes about the term ‘bribes’.

Mr KELVIN THOMSON—Thank you for your guidance, Mr Deputy Speaker. They should use those dollars to get us off our dependency on imported petrol and onto environmentally responsible, less greenhouse-emitting sustainable fuels such as natural gas and, ultimately, hydrogen. Back in 2001 the government claimed that the GST would not lead to higher petrol taxes. That claim is rubbish. Freezing excise has not worked. The government gets more in additional GST through rising petrol prices than it would have got from the indexation of excise. That promise has turned out to be absolute codswallop—a noncore promise.

Information which I have collected on the period 2000-01 through to 2004-05—for which relevant information is available—shows that the amount of excise forgone has moved from $90 million in 2000-01 up to $1.1 billion in 2004-05. However, at the same time the GST take has been steadily rising, as I indicated to the House previously, from $1.4 billion to $1.5 billion, $1.6 billion and $1.8 billion. So, during the relevant period, all up we get an increase in the petrol tax take of the combined order of over $4½ billion. Of course, this is occurring at a time when motorists are experiencing plenty of petrol price pain. Indeed, I understand that unleaded petrol prices were as high as 143.9c a litre in Sydney today and at a record average of 147.6c a litre in Bega on the New South Wales South Coast. Prices hit a high of 139.9c a litre in Melbourne after peaking at 142.8c a litre on Thursday. This is against a background where the petrol prices in May were said to be at a new record high, with the national average approaching the $1.35 a litre mark. Back in May the Australian Institute of Petroleum reported that $1.35 was the record; it looks as though that will be eclipsed when the latest figures come out.

Given these circumstances, I think it is quite inexcusable that the Howard government has failed to act on Australia’s growing import dependence and its impact on energy security and fuel prices. We are now importing 60 per cent of our oil. For the past seven years, we have been using oil three times faster than we have been finding it. Given this, a do-nothing strategy is not an acceptable option. It sells Australia short and, if it continues, it will seriously damage regional Australia. What can we do about it? One thing we ought to do is to give up some of the foreign policy adventurism which has been so catastrophic and which I have spoken about on a number of occasions. But, with international oil prices so high, the second thing we can do is to increase competition in the Australian petrol retailing industry.

Labor produced a plan to put downward pressure on petrol prices, seeking to break down the power of the big oil companies and help consumers. That plan included amending the Trade Practices Act to guarantee in-
dependent wholesalers and retailers access, on fair terms, to fuel supplies from the terminals of the major oil companies; allowing independent wholesalers and retailers to bargain collectively when seeking fuel supplies from the terminals of the major oil companies; outlawing predatory pricing under the Trade Practices Act and strengthening section 46 to stop the abuse of market power, thereby protecting independents against the market power of the big companies; giving the ACCC the power to issue cease and desist orders to provide immediate relief against market abuse and anti-competitive behaviour; granting the courts power to order the divestiture of assets and impose jail terms to tackle cartels and the worst cases of market abuse; and establishing a yellow card system, which would enable the ACCC to keep a register of bona fide complaints of misuse of market power to be used for assessing penalties for proven breaches of the Trade Practices Act.

However, the most important thing we can do to give Australia real energy independence is to use some of our huge gas reserves to produce liquid based transport fuels. We have something like 140 trillion cubic feet of offshore gas reserves that, using current technology, could be transformed into what amounts to a limitless supply of transport fuel, which is well and truly commercially viable and would remain viable even if there were a fall in the oil price. We should be taking advantage of these riches to insure Australia against physical supply shocks and give this nation genuine energy independence. The government ought to be making Australia a place of gas to liquids production. We should neither be sitting on our reserves while the price of our transport fuels continues to skyrocket nor be exporting everything we can find and letting other countries do the value adding, guaranteeing that our current account and trade deficits will continue to rise.

We need to do more to promote biofuels, LPG, CNG and synthetic fuels produced from gas-to-liquids technologies. There is much more that we can do on this front. I commend to the House an issues paper produced recently by the Australian Petroleum Production and Exploration Association. The particular parts of that paper which I find interesting and significant are those which go to the use of gas and using that, in the paper’s own words, as ‘a platform for prosperity’. The paper points out that gas is becoming increasingly important in the global energy mix, that Australia has abundant natural gas resources and that these provide great opportunities for us, as gas is a cleaner and less greenhouse intensive fuel than coal.

The paper notes that, even though significant gas reserves have been discovered, many remain undeveloped. It goes on to say that there is great potential in the development of an Australian gas-to-liquids industry. It also mentions coal to liquids, biodiesel and ethanol as part of a response towards a sustainable fuels policy for this country. It notes that the commercialisation of gas-to-liquids diesel technology is still in its infancy but that it may provide Australia with a viable additional source of hydrocarbon liquids generated from its large gas reserves. The paper indicates to us that the opportunity exists to develop new Australian LNG projects of between 30 million tonnes per annum to 50 million tonnes per annum by the year 2015. The commercialising of gas technologies would enable us to move into the area of electricity generation and also the increased conversion of gas to various forms of liquids. There are, of course, forecast capacity additions to Australia’s alumina refining capacity, and growth in gas fired electric-
ity generation would be very useful given that background.

They do note as constraints that the current fiscal regime is perceived to be more attractive for oil than for gas and they also note as a constraint the fact that the market is very fractured and that you do not have a link between the gas pipeline networks in Western Australia, the Northern Territory and eastern Australia—that is to say, an absence of interconnecting natural gas pipelines between these regions. The lack of interconnections between the Western Australian, Northern Territory and eastern markets results in price differentials and lost opportunities for increased gas utilisation.

Given that problem, the paper does of course refer to the possibility of the establishment of a national pipeline grid at some stage and notes that cross-country pipeline connections have many stakeholders and any final commitment would take years to develop—indeed, is likely to take 10 years from the commencement of feasibility studies to actually switching on the gas supply. Nevertheless, it seems to me that this is precisely the kind of national infrastructure debate we ought to be having. It is a far more productive debate, quite frankly, than the debate about a nuclear reactor which the Prime Minister has established and which seems to me to be simply a debate about dividing Australians and setting us at each other’s throats—more about that than providing the kind of infrastructure which would really give us a sustainable energy policy into the future.

The paper also notes that there could be a role for government in addressing the shortage of skilled labour. It is one of the things that it sees as a problem in the promotion of the upstream oil and gas industry. I agree with that absolutely. I think there is certainly a need for more university and TAFE places to deal with the skills shortage. Finally, it comments on some of the greenhouse issues and makes some remarks concerning an emissions trading regime. I think an emissions trading regime is essential for this country. Indeed, I believe it would prove to be of considerable assistance to the gas industry and would enable them to flourish, which they need to do to meet Australia’s future energy needs.

It is not just the Australian Petroleum Production and Exploration Association which has been at work in developing policies to give Australia a more secure, a more environmentally responsible and a more sustainable energy future but also the opposition. Late last year our leader, Kim Beazley, produced a blueprint concerning the development of Australia’s transport fuel industry. The sorts of policies set out in that blueprint and also referred to by the member for Hunter in his amendment show an opposition keen to take Australia in the right direction of transport fuels. The paper notes that we need to increase the use of Australian transport fuels and reduce our reliance on foreign oil. It notes that we need national leadership to develop existing alternatives like liquid petroleum gas, ethanol and biodiesel and that we need leadership to develop emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity as well as future fuels such as hydrogen. Of course, in doing so, we make Australia less vulnerable to future energy shocks, we make Australia less reliant on foreign oil, affecting our trade deficit and our foreign debt, and we make Australian motorists less vulnerable to the slings and arrows of fortunes in the Middle East and in other parts of the world. We also invest in preserving our environment by diversifying our fuel base beyond petrol to biofuels, gas and hydrogen.
When we consider what has happened to the price of petrol and the availability of petrol over the last few years we would have to ask, if we look down the road, if we look down the time tunnel: where is this going? Surely, the prospects in the future are for falling production and higher demand, and in that case prices will soar. The sorts of problems we are experiencing presently will not improve. They are not a one-off, they are not exceptional; they are things which are going to become more serious. In the past three years we have seen global oil prices triple. The era of cheap oil is over.

Given that background, it is quite regrettable that the Minister for Industry, Tourism and Resources has been failing to do the work needed for the government to prepare Australia for the effects of future peaks. My colleague the member for Melbourne, who is in the chamber, asked the minister for industry in June last year about the work that the government was doing to prepare Australia for the effect of future peaks. He asked whether the government had estimated when this might happen, what the decline in global production might be, what the impact on prices might be and whether the government had done any modelling of the impact on the Australian economy. The minister’s answers were no, no, no and no. The industry minister has also said:

At this stage Australia’s fuel security is still good … Do we need to find more oil? Yes, we do. But short of finding more oil I don’t know what the solution is.

This is simply pathetic. This is a council of despair which Labor rejects. The plans that we have put forward, our transport blueprint, mean that we do have something to offer Australia and its energy future. (Time expired)

Mr TANNER (Melbourne) (4.46 pm)—The Fuel Tax Bill 2006 and the Fuel Tax (Consequential and Transitional Provisions) Bill 2006 which are before the parliament tonight are built on a concept that is sound in its underlying terms. The legislation is about rationalising fuel taxation in Australia, partly based on a gradual increase in tax on alternative fuels, which does raise some concerns in my mind about the potential impact on the marketability of the kinds of fuels that we are increasingly going to have to rely on in the future to ensure that transport and energy needs are adequately provided for. It also involves a substantial realignment of the means of taxation of diesel and petrol for off-road business use and the abolition of the Fuel Sales Grants Scheme, which involved a small but significant subsidy to rural and remote petrol consumers.

All off-road business use will now be tax free and this is estimated by the government to cost in the vicinity of $300 million to $400 million per annum. It is interesting, though, that I have not been able to determine whether this includes an estimate of a clawback from company tax, because at the moment the various businesses concerned effectively get a tax offset or a tax deduction for the cost of the fuel tax that they are paying. That will no longer be the case and, therefore, I would assume that there would be a change over time in company tax. As far as I can see, there is no calculation made in the net cost to the taxpayer of these changes, reflecting the inevitability of some clawback in company tax. We do not know whether the estimated cost to the taxpayer from the change is a gross cost or a net cost—in other words, whether the company tax clawback is taken into account.

The loss of the Fuel Sales Grants Scheme is a very significant issue and will have an impact on many consumers in regional and rural Australia, particularly at a time when, as everybody knows, petrol prices have
soared and are causing considerable financial pain for many families and many consumers, none more so than in country Australia. It is interesting that effectively the government is extending greater generosity to businesses in rural Australia through the extension of the capacity to get a here-and-now rebate to petrol but, at the same time, is slugging consumers in regional Australia. In other words, people who are its closest political base in regional Australia, particularly farmers and other businesses, will get the benefit but other people—ordinary workers, ordinary consumers—in rural and regional Australia will now lose the benefits of the Fuel Sales Grants Scheme subsidies.

It is true to say that the magnitude of the benefit flowing to ordinary motorists in rural and regional Australia from the Fuel Sales Grants Scheme has been questioned. Some allege that, in many cases, the benefits are not adequately passed through to consumers—they are just absorbed by producers and retailers. I am not really in a position to comment on the extent of that, but certainly it is an issue of some seriousness. It is rather odd that, at a time of very high petrol prices and when a lot of people in country Australia are suffering significant detriment as a result of those petrol prices, the government should choose to remove this scheme and at the same time increase the availability of immediate tax relief to businesses in country Australia.

I am particularly concerned about the prospect of increased rorting of these arrangements. Some time ago I asked the Parliamentary Library to provide me with details of the policing mechanisms for the successor to the Diesel Fuel Rebate Scheme, and the ability of people for off-road use, in effect, to get an immediate rebate of the tax. I found the information provided to me distinctly uninspiring and not reassuring. It certainly appeared to me that the degree of enforcement and rigorous approach to ensuring that only those who were legitimately entitled to claim the rebate were actually able to do so was hardly of the kind of magnitude that you would hope, particularly as there are substantial amounts of money involved. I would suggest that the ability of producers, of people running businesses, to include the private use of fuel within the rebatable or effectively tax-exempt use that is provided for in their productive activity is quite significant. The government is proposing to expand the fuel range that applies to and, therefore, to open up a new prospect of people rorting the system in order to gain a benefit.

I will give an example from my own family background. For many years my father used a Falcon ute as his primary vehicle, which was used largely on his farm but also as his personal vehicle. Because he was also an accountant, he drove the ute around town for a range of other activities. It was a petrol powered car, so it was not covered by what was then the diesel fuel rebate, but under the measures the government is proposing he would have the opportunity to effectively shift the cost that he otherwise would have to pay in tax and excise on his petrol back onto the taxpayer by massaging that into the category of use of a vehicle for business related purposes. Obviously, this is not an unlimited possibility, but there is certainly plenty of scope for people to effectively pad their business related use and minimise their personal use in order to claim the tax benefit. I am concerned that this legislation will actually expand that opportunity and I call on the government to thoroughly examine the extent to which the current enforcement is rigorous and meaningful and to ensure that the tax benefits that flow under both the existing scheme and the expanded arrangements that
this legislation provides will apply only to
the use for which the benefits are intended.

The bigger picture question, which I do
not think this bill adequately deals with, is
Australia’s interests in the area of energy in
the longer term—in particular, the question
of where affordable fuel is going to come
from in 10 or 15 years time. This is not just
an issue for regional Australia. In fact, it is
interesting to note that average spending per
household on petrol in this country is broadly
very similar in the cities and the country.
Although people tend to travel longer dis-
tances in country Australia, it is common for
people to travel quite long distances com-
muting to work in the cities, while that oc-
curs to a much lesser extent in many parts of
country Australia. So, in aggregate, petrol
use per household in metropolitan Australia
is broadly very similar to that in country
Australia. It is higher in country Australia,
but we should not assume that the question
of fuel needs is for rural Australia only. The
question is also an important one for people
in metropolitan areas.

We cannot escape the fact that the days of
relatively cheap transport may well be over.
Technological change can always deliver
miracles—things that nobody could have
predicted—and it is eminently possible that,
in 10 or 15 years time, different fuels and
technologies will enable us to continue to use
transport options that, as a proportion of total
productive activities, are as efficient and
cheap as we have enjoyed for many years.
But, Mr Deputy Speaker, you would have to
say that that does not look particularly likely.
If the effective cost of transport relative to
the total economic activity of the nation in-
creases substantially, it will have a profound
impact on Australian society and our econ-
omy. A whole lot of production dynamics
will be changed, and in positive as well as
negative ways.

One of the reasons the Australian manu-
facturing industry is under ever-increasing
pressure from imports is that, in the past 20
or 30 years, relative transport costs have
plummeted and, therefore, the capacity to
economically transport sometimes quite large
items or items where the ratio of value to
volume is not particularly high has been
strong. A lot of those possibilities have been
opened up through lower transport costs. If,
through events that none of us can control,
the relative cost of transport as compared
with total production increases substantially,
one of the offshoots will be that it will be-
come more economic to produce products
closer to the markets in which they are con-
sumed. Also, it may mean, for example, that
the importation of primary products from
very distant parts of the world become sig-
nificantly less economic. However, against
those kinds of changes there will be a range
of things that people will find far less posi-
tive. Of course, the overall additional cost
that would be borne by consumers would
increase and the ordinary living standards of
Australian workers and the capacity of busi-
nesses to produce affordable goods and ser-
VICES would be significantly affected. It is a
very serious issue that we need to pay a lot
of attention to.

The shadow minister for human services
and government accountability mentioned
the question on notice I asked last year of the
Minister for Industry, Tourism and Resources
about the extent to which the government
was seriously planning for the longer term
and for the possibility of global oil produc-
tion reaching a peak and declining thereafter.
This is known in the trade as ‘Huppert’s
peak’ after the geologist who first coined the
idea. There is considerable debate about
when that is likely to arise. Some pessimists
suggest that we are on the verge of that peak
in oil production already and that, after the
next year or two, overall oil production will start declining. There are others who are far more optimistic and suspect that it is several decades away. One way or the other, it is going to happen. If we do not gradually reduce our dependence on oil, then when it does happen the implications for Australia and other countries in similar circumstances will be immense.

At that time you will see the interaction of the forces of supply and demand producing very dramatic increases in price. What we have recently experienced in Australia with petrol prices will look pretty trivial compared with the kind of price increases that we may see when we are dealing with a genuinely global market and an increasingly scarce resource attached to ever-mounting demand. It makes sense that a nation like Australia should do everything it can to plan and prepare for that prospect, to diminish our reliance on oil, to develop alternative fuels and to ensure that we are as well placed as possible to ride out any disruption that those changes may bring. Even if it is 20 or 30 years away, we still need to be preparing for these things.

A variety of technological possibilities are emerging. Members would all be aware of hybrid cars, the development of hydrogen fuel cells and biofuels. The dynamics of oil may change as a result of things like tar sands, shale oil and so forth. None of them appears to constitute a magic bullet at this stage, but we cannot predict what they will ultimately produce. Barring the kinds of technological miracles that they may or may not entail, we need to prepare for the prospect of a society where the relative cost of transport is significantly higher than currently. This will have enormous implications for things like the design of cities. It will mean, for example, that that which is becoming increasingly common of people commuting from the other side of Geelong to work in Melbourne or from the Central Coast of New South Wales to work in Sydney will be uneconomic; it will be just too expensive. A whole lot of rearrangements of how we go about our lives and the production process will inevitably flow. That is why it is crucial for our nation that we plan now.

The answers that the minister gave to my questions on notice which the member for Wills read out before of no, no, no and no—in other words, ‘We have no idea and we don’t care’—are simply not adequate. In the interests of our nation, in the interests of all the producers of our nation, not least the primary producers, we need to be preparing for these changes and ensuring that Australia is best positioned to ride out any disruption which may flow. We do not know whether this is going to occur, we do not know what magnitude the negative consequences may be, but we have a responsibility to ourselves, to the nation and to our children to prepare for these things, and the government appears to have little interest in them.

There are some short-term things we ought to be doing, such as ensuring the ACCC has greater powers to police the various levels in the oil industry, ensuring that we do not do things like invade Iraq and therefore contribute to the inflation of global oil prices and particularly improving our approach to energy conservation, transport, buildings and a variety of other things. In the long term it is inevitable that our children are going to face a very different world. Instead of pretending that cheap oil is going to continue forever or that it will be replaced by equally cheap alternative fuel sources, we as a nation need to prepare now for the difficulties we will inevitably face, whether they are five or 25 years away.

Mr SNOWDON (Lingiari) (5.02 pm)—I am pleased to speak in this discussion on the
Fuel Tax Bill 2006 and cognate bill but with mixed feelings. On the one hand, the legislation is part of a major reform of fuel taxation in Australia and may have a positive effect on regional Australia in streamlining compliance and administration of grants available to reduce costs for transport and eligible off-road activities. Hopefully these reforms will remove the bias in grey areas that have emerged from the current arrangements. On the other hand, I am concerned by the abolition of the Fuel Sales Grant Scheme, which was introduced when it was becoming quite apparent that the introduction of A New Tax System—the GST—on 1 July 2000 was not going to deliver cheaper fuel to regional and remote Australians.

The Fuel Sales Grant Scheme provided registered retailers with grants of 1c per litre in non-metropolitan zones and 2c per litre in so-called remote zones and then an additional grant of 1c per litre where the fuel price is consistently over $1.21. The relief provided by these grants was meant to be passed on to consumers, although it is doubtful that it ever was. I remind the House of this because, in the months prior to the introduction of the GST, there was a very lively debate in the Northern Territory about the impact of a GST on fuel prices. Even former Territorian CLP Senator Grant Tambling was prepared to bet cartons of beer on ABC radio that the GST would deliver not only cheaper fuel but cheaper prices of goods on the supermarket shelves as a flow-on. You and I both know, Mr Deputy Speaker, that that was never an outcome—it did not happen. Even with the Fuel Sales Grant Scheme, Territorians very quickly became used to paying more for fuel and more fuel tax than anyone else in Australia.

We hear volatile discussion at the moment about rising fuel prices and people in the city expressing their dissatisfaction at paying $1.30 or $1.40 per litre. People living in the bush are used to these prices because they have been paying them for some time. Certainly people in my electorate are very used to paying these sorts of prices for fuel. I say to the government that in my constituency fuel prices are a major issue. The member for Melbourne pointed out that people who live in towns adjacent to cities drive longer distances than people who live in regional Australia. That may well be true, but it is also true that people who live a long way away from towns have to travel long distances to service centres to access fundamental services such as medical facilities, schools, legal services and other services which they require for their ongoing lives. In the Northern Territory that means people often travel vast distances on sometimes very poor roads. At the time we were debating the GST and talking about fuel prices and arguing whether or not fuel prices would be higher as a result, people at Ramingining in my electorate were paying $1.30 per litre; today they are paying between $1.55 and $1.60 per litre. If you happen to be living on the Barkly Tablelands, perhaps travelling from Tennant Creek to Mount Isa or Camooweal, if you stop on the highway you would today be paying $1.85 per litre.

You hear the debates in this place and you hear the government say how conscious they are of the people who live in remote communities and in the bush. Frankly I do not think they care, because if they did care they would be doing something about a tax on a tax which, as the prices increase, becomes greater for those people who live in these areas where the price of fuel is so high. Last week while I was travelling around the bush I even heard a story of one place where fuel prices are $2.40 or $2.50 a litre. Of course, travelling becomes completely uneconomical. People who have low discretionary in-
comes, as many people who live in the bush do—as you would know, Mr Deputy Speaker Causley, coming from the land as you do—do not have the dough to throw away on paying huge costs extra for fuel. They already pay huge costs because of where they live.

If you live in a remote Aboriginal community in the Northern Territory it is more than likely you are probably earning somewhere around $200 to $240 a week; you might have an annual income of $10,000 to $12,000 a year. If you are lucky you might have a vehicle. Can you imagine travelling the distances that these people are required to travel and paying $1.80 or $2.00 a litre for fuel, and travelling on poorly maintained roads because this federal government have perennially failed to provide appropriate money for the infrastructure? We have had debates in this place about the Roads to Recovery program. I have been up in the scrapers here many times, talking about the failure of the government to recognise their responsibilities for providing funding for roads on land in the Northern Territory which is not in local government areas. We are talking of 9,000 kilometres or thereabouts of dirt roads.

Because you have traversed this part of the country, Mr Deputy Speaker Causley, you would know that many of these roads are economically very important. They carry the tens of thousands of head of cattle that traverse the Darwin wharf on a regular basis at this time of year, heading for markets in South-East Asia. The fuel cost is borne ultimately by consumers, wherever they might be. Producers of cattle in the Northern Territory, indeed across the Top End of Australia, because a large amount of the beef that is exported across the Darwin wharf comes from western Queensland, pay for it. Either they have to absorb the additional cost within their pricing or they pass it on to someone else, and we know that that has an outcome on supermarket shelves either here or overseas.

Also because of the failure of this government to provide the adequate resources to maintain the roads in the region, people are required to drive extraordinarily long distance to get their cattle to market. I know of a property owner on the Plenty Highway who was selling into the markets in Queensland. Normally, you would expect to be able to drive across the Plenty Highway towards Winton and to take the product to market at Rockhampton or wherever the saleyards are. Do you know what these people have to do? They have to drive down to the Stuart Highway—that is, they have to drive west not east—then drive north to the junction of the Stuart Highway and the Barkly Highway, then drive across to Mount Isa and then drive down to the saleyards. That creates an enormous burden upon them, and it adds substantially to their costs. The other costs that arise are those which transport companies bear in maintaining their road trains. Maintenance work increases extraordinarily as a result of having to traverse these roads.

I have mentioned Mount Isa but at Alpururrulum, a community of 300 on the Queensland-Northern Territory border, a community operated bowser currently is selling fuel at $1.70 a litre. That is cheaper than on the highway because the community is not that far from the homestead on the Barkly Highway, which I have already quoted as having fuel at $1.85 a litre, and it does it at cost. There is no profit in it; they just do it at cost to service their community and because they are aware of the low levels of income of members of their communities. At Borroloola, in the Gulf, fuel is currently selling at $1.65 a litre. At Ampilatwatja store, 300 kilometres north-east of Alice Springs along the unsealed Sandover Highway, a road that is similar to the Plenty Highway and which
comes off the Plenty Highway, you will pay $1.68 for a litre of unleaded fuel, and diesel will cost $1.78.

As I have said previously, when people discuss regional Australia generally in this place they are not referring to the part of Australia that I live in. They are not referring to Northern Australia. They are certainly not referring to the Northern Territory or to the Kimberley, and I know you have had experience in the Kimberley, Mr Deputy Speaker. They are not referring to Far North Queensland, or western Queensland or Cape York. What they think is regional is Moss Vale. They have no idea. They think that if you put on a pair of riding boots and get into your Land Rover and drive over the top of the Great Dividing Range you have hit the bush. They have no idea at all. They might be dealing with Gippsland—of course, we know about Gippsland and the National Party’s representative in here from that area. They might be referring to the Mallee and or even to the south-west of Western Australia, which is beautiful country and which might be classed as regional, but it is absolutely nothing like the North. When they have a picture in their minds of regional Australia, that is what they see. They have, in my view, little experience, knowledge, understanding or comprehension of the part of Australia that I am talking about, the part of Australia that I am privileged to represent in this parliament.

When I discuss regional Australia in the Northern Territory, I am talking about a relatively small number of pastoral holdings, something in excess of 250 across the Northern Territory; a number of mine sites scattered around the Northern Territory producing enormous wealth for this nation, whether it is at Nhulunbuy with Alcan or the producing of gold in the Tanami or manganese on Groote Eylandt; and a large number of discrete Indigenous communities scattered around the Northern Territory—some hundreds of them. When I sit here in this place and listen to the government dealing with issues such as fuel tax they are talking about farmers. They do not talk about the large number of small communities scattered around the vast areas of the north, not only in the Territory but elsewhere such as in the electorates of the member for Leichhardt, the member for Grey, the member for Kalgoorlie or the member for Kennedy. Australians living in those electorates, like Australians living in my electorate, have been savaged by the burden of the GST. They pay more fuel tax—and the cost of fuel of course is relatively higher in any event. Whatever merits there might be for the GST, I have always argued that Australians living in remote Australia pay more GST. The fuel sales grant was implemented to ease that burden. The scheme was not indexed, so as the price of fuel has increased since July 2000 the relative relief provided by the scheme has become less and less. When you are paying the prices I quoted earlier for fuel at different locations, the grant of 3c per litre for 2006 is not worth much. Consumers have had to absorb the increase in fuel price, including the tax component—and, as I say, I am not even certain that the benefit was ever really passed on to the consumers.

Other failures of the scheme, such as boundary anomalies and whether the full extent of the grant was being passed on to consumers, mean very little when you are paying 20c or 30c more for each litre of fuel. I have always argued that the Fuel Sales Grants Scheme would not compensate for the impact of the GST in rural and remote communities. In fact, the fuel taxation inquiry found it difficult to identify the benefits to consumers in rural and remote areas. They said the scheme had to be abolished. The money saved by its abolition—$270
million in 2005-2006—is to be channelled into road funding. It will be very interesting to see if we get any more road funding in the Northern Territory. A significant amount is required to address the road needs that I identified earlier and that are commonly understood by people who drive in the Territory and live and work in these remote places.

It is worth while pointing out how fuel prices might impact on communities and the relative cost of living in different places across Australia. As it happens, since 1998 the Northern Territory government’s Department of Health and Community Services has done a regular survey of the cost of household food baskets in rural and remote areas as part of its nutrition and physical activity program. It is called the market basket survey of remote community stores. Recall that I said that on the Barkly motorists are currently paying $1.85 a litre for fuel. I also mentioned a figure for Borroloola. We know that, if you live on the Barkly in that remote part of the Northern Territory, you will pay 153 per cent more for a food basket than you would pay in Darwin. What does that tell you? It tells you not to have a lot of money in your pocket. It tells you that the additional cost of paying for fuel at the price which is currently being asked for in the bush means that you have even less money in your pocket.

I know there has been a lot of discussion about alternative fuels. I heard the member for Melbourne talk about how we need to adjust our minds to the idea of higher relative costs for transport. That may well be true, but if we want people to thrive in remote Australia we have to find a way to provide them with fuel at a reasonable cost, not unreasonably different from that which their city cousins pay in Sydney or Melbourne. I have some personal views about this which I have expressed at meetings I have had with some of my colleagues. They do not all agree with me—not even my mate sitting next to me, the member for Hunter. We have conversations about this, but I have a view which he does not share. He comes from a little place called the Hunter Valley.

Mr Fitzgibbon—I am from the bush too, mate.

Mr SNOWDON—That ain’t regional; that is very local.

Mr Hunt—I don’t think he likes you!

Mr SNOWDON—I like him. I think he is a terrific bloke. He just has some strange ideas.

Mr Fitzgibbon interjecting—

Mr SNOWDON—It did. It made me run playing soccer. But what we have to understand is that the changes governments make to the way they price commodities through the tax system can have a dramatic impact upon people’s lives. Whilst it is all very well to talk about trying to introduce cheaper fuels, the fact of the matter is that fuels are not cheap at the moment and they are not likely to get any cheaper and we have to find a mechanism by which people who live in remote parts of Australia are adequately compensated for the extra costs they wear as a result of living where they do.

Presumably, this country wants people to live in the bush. Presumably, this country wants people to inhabit those areas of Australia which produce the wealth of this nation. I am hopeful that when we move on in these debates we will see that not only do we produce the most wealth but also we produce a hell of a lot of the tax income for government. We want to see some of it returned to where it belongs. We want government to return a lot more of it than it currently does to people in the bush—the people I referred to earlier. My friend is from the Hunter where they have a lot of coalmines, they
produce a lot of money and they export a lot of coal to Japan and elsewhere. That is terrific, but the people who live in that community do not bear anywhere near the same costs of living as people who live in remote parts of the Northern Territory. I am pleased to have made this short contribution and I look forward to having another chat about it at some later stage.

Mr NEVILLE (Hinkler) (5.21 pm)—The Fuel Tax (Consequential and Transitional Provisions) Bill 2006 introduces a single system of tax fuel credits for Australian business from 1 July and will phase in extensions to eligibility between then and 1 July 2012. This legislation provides for the removal or reduction of the amount of excise levied on taxable fuels and, when fully implemented, means that fuel tax will only effectively be applied to private use of fuel on-road in motor vehicles and in certain off-road applications; business use of fuel on-road in vehicles with a gross vehicle mass of more than 4.5 tonnes or less; and business use of fuel on-road in vehicles with a gross vehicle mass of more than 4.5 tonnes, but only to the extent of the applicable road user charge.

Before I go into the substance of my contribution, I want to say a few things to the member for Lingiari in his absence. I share his great concern, as I think every rural member does, that in remote areas all over Australia—whether it is an area in Western Australia, in the Northern Territory or in the south-western corner of my electorate—the price of fuel is very expensive. There is no denying that. But I do not think it is fair to suddenly drag out the GST as a major component of that. The reason—and this is often conveniently forgotten by our critics and, dare I say, by the opposition—is that, at the time of the introduction of the GST, we effectively reduced the excise by 7c a litre.

Mr Fitzgibbon—Strike rate 77c, mate.
ments. Many of these businesses have approached their local MPs, including me, in recent months to let us know about the cash flow challenges of this and what they will face if they have to wait up to three months for their 38c a litre rebate. You might say, ‘That’s probably not all that big a deal,’ but I have a fisherman in my area whose fuel bill is $90,000 a month. That is a very big fuel bill. The cash flow implications to him are quite substantial. Bear in mind, too, the precarious nature of fishing in some of Australia’s offshore fisheries—in particular the east coast trawl area, most of which falls within the Great Barrier Reef Marine Park. The problems there are manifest, and we are still working through compensation packages and the like. Banks that are allowing fishermen to continue are providing them with very meagre overdraft facilities, right down to the point of their monthly fuel bill. When you have to add another 38c a litre to that fuel bill, albeit that you will get it back in one to three months time, it is still a substantial cash flow problem.

I was contacted by a number of operators who were looking for the high out-of-pocket costs. As I said, this involves tens of thousands of dollars or, in one case I know of, $90,000. I would like to quote a few of the comments that I have received from a number of businesspeople and fishermen in my electorate. One of them said:

We have gone from paying 22 cents a litre (with rebate off) before the GST came in, to now paying almost $1.10 plus GST (with the rebate off) to the Government wanting us to pay the full price of $1.48 or more—as you know, prices keep increasing, that is just today’s price. Our fuel bill alone is in the red by $35,000 just since December.

I make the point: cash flow is important. Another said:

This would put a lot of trawler businesses under terrible strain financially ... if this new system of administration were to be introduced, trawler and fishing businesses could not afford to fuel their boats and wait to claim the rebate back in their BAS. Many family operators would just close down.

A third one states:

This and the fuel cost at the moment will surely bankrupt my business as we are finding it extremely hard. I have recently retrenched my deckhand and am back on the vessel myself with my son to try and make ends meet.

You can gather from those statements that this has had a more profound effect on the fishing industry than anyone else. And I make no apologies for saying this: I am a critic of the Great Barrier Reef Marine Park Authority. My colleagues in the coalition know of my ambivalence with this organisation. I think the Representative Areas Program on the Great Barrier Reef was a disgrace. The sooner it is reviewed and certain areas opened, the better. You have to remember that at the turn of the decade these people went through what was called the east coast trawl plan. It removed 250 of the 750 trawlers on the east coast of Queensland. Since then, another 50 or more have gone. We were told at the end of that process, ‘The reef is now secure; it is now sustainable. We may need a little bit extra in the marine park, but that won’t be a problem.’ How much extra? Initially, it was going to be 20 per cent but, when the maps came out, it was 33 per cent. Worse still, when the maps were put over traditional fishing grounds, the effect was around 70 per cent to 75 per cent.

This brings me back to the point of the debate: what were the effects of that? One was that you could not fish in what was remaining of the traditional areas without the risk of pulse fishing, where you just outfish an area. I have often wondered whether the technique at the beginning of this plan was
for the fishers to be able to come back to the government and say, ‘We’re overfishing what’s left of the reef.’ I am a cynic enough to believe that that was probably part of the agenda. Nevertheless, I have some very positive fishermen in my area who decided they would go to the outer reef. To go to the outer reef, they had to upgrade vessels, buy new vessels and new equipment but—and this also applies to some who are still fishing within the marine park area—there are vastly greater distances to be covered at a time when fuel is at a premium.

So you can see that these taxation measures and how they are implemented are terribly important, especially to someone whose banker has them on a very tight overdraft. The statements that I read to you before came from commercial fishermen who have been hard hit by this Great Barrier Reef Marine Park zoning whereby, in many instances, trawlers travel great distances.

The government has recognised the risk to these businesses, businesses which have been the backbone of many regional economies—and, I say quite unequivocally, to the agricultural life and fishing life of Gladstone and Bundaberg. We have proposed a compromise by way of a two-year phase-in of the BAS-claiming system. These amendments will be debated in upcoming legislation. Without anticipating that legislation, I understand that the changes will mean that eligible businesses, including farmers, fishers and truck drivers, will be able to elect to make a claim for early payment of fuel tax credits on a written form, as they do now, until 1 July 2008. They will still have to pay the excise up front but, by filling out this form at the time of purchasing their fuel, they will be able to claim back the rebate within a fortnight. That is significant if you are a three-monthly BAS payer. Businesses have until 31 December this year, as I understand it, to elect to take up this early payment option. I would certainly encourage all affected fishers and businesses in my electorate to do so.

Mr Fitzgibbon—What about after two years? What do they do then?

Mr NEVILLE—that is a good question. It is anticipated that having that time to phase in this system and having the effects of the Great Barrier Reef Marine Park RAP ameliorated, ensuring the fisherman get their compensation package and their adjusted vessels back into new fisheries and the like, they will have two years to prepare for this and make cash flow arrangements. So it was a good question and I am happy to answer it.

While I was in favour of the continuation of the existing system for fishermen because of this unique situation, I welcome the measure and thank the government for at least taking on board the concerns of commercial fishermen, farmers and owner-operators of other primary production areas who signal their concern about changing to the BAS system with regard to their tax. Businesses will need to report their fuel tax credit entitlements for the relevant tax period on the BAS but, in the meantime, during the phase-in period the impact will be minimised and they will have some financial room to move.

While not the ideal solution, I consider it a fair solution to a problem facing many of our primary producers. When you consider this in combination with the wider arc of this legislation, when fully implemented it will wipe $1.5 billion off the fuel bills of off-road users over the next six years and that will be significant to those sorts of people. When the legislation comes into full effect, fuel tax will be effectively applied only to fuel used in private vehicles and for certain private purposes and to fuel used on road in light vehicles for business purposes. In fact, it is estimated that the number of businesses and
individuals eligible to claim fuel tax relief will rise from around $185,000 to $1.2 million. The point I make is that there have been some tough measures in this legislation and they have not all been what I would like for my people. But, if you take the totality of this package, quite apart from having—

Mr Windsor—It’s rubbish!

Mr NEVILLE—It is not rubbish. This is well-negotiated and important stuff, Tony, and you know it. The current tax system applies only to diesel fuel used off-road in specified and narrowly defined primary production areas and on-road in heavy diesel vehicles. In fact, I think it would be fair to say that, up until the election of this government in 1996, it was unimaginable that one day all fuel used off-road in farming businesses would become tax free, including petrol used in farm vehicles and equipment which is currently not eligible for credit. That will all change with this legislation, which clearly indicates the government’s intention that, over time, all off-road business users of all fuels will be eligible for fuel tax credit.

From 1 July 2006 all fuels used on-road in heavy vehicles will be eligible for a partial credit. This will be of particular benefit to farming businesses, quite simply because most of the estimated 54,000 heavy petrol vehicles are located in regional and rural Australia. So that will be significant to your people too, Tony.

Mr Fitzgibbon—How many?

Mr NEVILLE—Fifty-four thousand heavy petrol vehicles. From 1 July 2008 that partial credit will be expanded to a full credit for petrol users in eligible primary production areas. Also from 1 July 2008, a 50 per cent credit will apply to all currently ineligible activities, and this will rise to a full credit in 2012. This means that by the time the changes are fully in place, by 1 July 2012, fuel tax will effectively apply only to the private use of fuel in private vehicles and certain off-road uses, the business use of fuel on-road in light vehicles, and the business use of fuel in heavy vehicles to the extent of the applicable road user charge.

Extending these rebates will in a practical sense mean that farmers will no longer have to be burdened by paperwork associated with keeping track of how much fuel they use in a range of eligible and ineligible activities. It will see an increase in their credits and a reduction in their office work. So, as well as significantly reducing this record keeping and compliance cost for business, these measures will simplify and reduce the amount of interaction between farmers and other primary producers and the Australian tax office, and I find that one of the great burdens for farmers and other primary producers is the amount of paperwork associated with running a rural or a maritime business. They come off their trawlers or off their tractors dog tired at God only knows what hour of the night and then have to sit down to paperwork. To increase their credits and reduce their paperwork to the extent that we can I think is a good thing. I thank the government for its assistance to our trawler operators along the east coast and I commend this bill to the House.

Ms HOARE (Charlton) (5.40 pm)—I rise tonight to speak on the Fuel Tax Bill 2006 and cognate bill. The purpose of this legislation is to implement a system of credits to offset partially or fully the excise that some taxpayers pay on fuels and to lay the groundwork for extending the tax net to alternative fuels. All of us come to debates in this place with different approaches, and I understand that the members who have spoken so far on the Fuel Tax Bill have done so for a variety of reasons. We just heard the
member for Hinkler talk about his constituents and the industries in his electorate. I heard the member for Lingiari talking earlier about the effect that fuel prices have on people who live in the remote parts of this country. I usually come to these debates with either an interest in the particular subject or a concern about how the legislation will have an effect on my constituents, and in this case I have come to it with both of those.

When I saw the Fuel Tax Bill 2006 and the Fuel Tax (Consequential and Transitional Provisions) Bill 2006 listed for debate, I thought that this would be the perfect opportunity to talk about the rising cost of fuel and how that affects my constituents. But as you know, Mr Deputy Speaker, as we research legislation sometimes it can be revealed how complex the issues are, and that is what I have found with this legislation—how complex the current system is and how complex it is still going to be even though it will be simplified a bit. It just emphasises the whole gamut of issues that the legislation addresses and how governments and oppositions need to be on top of that. To that end, I thank the member for Hunter for his assistance in providing all the information that is required for this particular legislation and talking us through the various complexities.

The bill constitutes major reform of fuel tax in Australia. It will provide for a single system of fuel tax with associated credits; reductions in the incidence of fuel tax levied on taxable fuels; a staged introduction of a framework for the taxation of liquefied petroleum gas, liquefied natural gas and compressed natural gas from 1 July 2011; a staged reduction in tax assistance for biodiesel and domestic ethanol; and the linking of fuel credits to environmental standards. Most of these are welcomed by the opposition.

The government actually released a white paper on this issue, back in 2004, which planned to have this new system in place by 1 July 2006. On 29 March this year, two years after the government’s white paper was produced, the government finally introduced the Fuel Tax Bill, to be implemented on 1 July 2006. So somebody has been going through the shelves of the Minister for Industry, Tourism and Resources, come across this white paper, had a look at it and thought: ‘In 2004 we made a promise that we were going to introduce these changes by 1 July 2006. It’s nearly that time so we’d better get a move on.’ Even so, we have seen the government circulating, two hours prior to this debate starting today, more amendments to this legislation. I said that the member for Hunter was on top of this legislation. It is very concerning to see that the government is not.

The current arrangements for the taxation of fuel are highly complex and there has been scope for rationalisation. The taxation of petrol is based on a non-indexed excise. This bill does not change the taxation of petrol for basic household motor vehicle use, which a lot of my constituents would be very concerned to hear. There is currently a grant available for diesel fuel under the Energy Grants (Credits) Scheme. There is an on-road credit, which includes alternative fuels, for vehicles over 20 tonnes, for vehicles between 4½ and 20 tonnes and for vehicles operating outside or across metropolitan boundaries. There are off-road credits which apply to business usage. There is a fuel sales grant, under the Fuel Sales Grants Act, of 1c to 3c per litre of gasoline or diesel fuel in non-metropolitan areas. There are remission certificates which apply to exempt commercial users, in industries like plastics and chemicals, from excise or customs duty on certain fuels. This legislation seeks to consolidate
these measures into a single fuel tax regime with credits achieved through the BAS reporting system. Many users will effectively receive the same level of tax, albeit under different administration arrangements, but some users will face significant tax reductions and there will be higher tax for some on-road use. Aviation fuels are excluded from this fuel tax credits system.

The member for Hunter has moved an amendment which covers seven points that the opposition is concerned about. Of those seven points, the third point addresses some of the points that I would like to make now. The legislation that is before us does not do anything to reduce Australia’s dependence on foreign oil. The amendment:

... calls upon the Government to reduce our dependency on foreign oil and to promote:

(a) existing alternatives like liquid petroleum gas, ethanol and biodiesel;
(b) emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity; and
(c) future fuels, such as hydrogen as Labor has committed to in its Fuels Blueprint; That fuels blueprint was released on 19 October last year by Kim Beazley, the next Prime Minister of this country. Labor’s third blueprint is titled Developing the Australian fuel industry. As Kim Beazley pointed out:

We need national leadership to develop:

• existing alternatives like liquid petroleum gas, ethanol and biodiesel;
• emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity; and
• future fuels, such as hydrogen.

A Beazley Labor government would re-examine the depreciation regime for gas production infrastructure and allow the selective use of flow-through share schemes for smaller operators. A Beazley Labor government would make alternative fuel vehicles tariff free, cutting up to $2,000 off the price of current hybrid cars; work with state and local government to give city traffic and parking advantages for these vehicles; and examine the granting of tax rebates for converting petrol cars to LPG. A Beazley Labor government would also conduct a feasibility study into a gas-to-liquids fuels plant in Australia, offer petroleum resources rent tax incentives for developers of gas fields which provide resources for gas-to-liquid fuels projects, examine a new infrastructure investment allowance for investment in Australian gas-to-liquid fuels infrastructure, develop a targeted funding scheme for research and development in this area, and work with industry to improve engine design and fuel quality standards.

There is a huge opportunity for Australia arising from the biofuels and alternative fuels debate. We do have too much reliance on overseas oil, which is then reflected in the hefty prices that the mums and dads and grandmas and granddads of this country pay at the bowser every time they fill up their car’s tank with petrol. However, this government has not embraced this opportunity, so this issue will be on the minds of all Australians at the next election. People are sick and tired of paying up to $1.50 a litre—and that is in my region, let alone regions in remote Australia—for petrol, which will probably go up to close to $2 before the next election. While they are paying that price for petrol, they are losing money from other areas of their family’s budget such as children’s sporting activities and airconditioning for the home. Different family activities might have to go by the wayside because parents have to pay more to put petrol in their car to undertake day-to-day living. So I think a Beazley Labor government’s ap-
approach to biofuels and alternative fuels will be supported by the Australian public.

On the question of fuel prices: we have just come out of the long weekend holiday, when many Australian families take to the road to make the most of a three-day long weekend. As we see most times coming up to public holidays—Easter, school holidays, the long weekend in June—we saw the fuel prices soar. We have been encouraging the government to give the ACCC more powers to monitor fuel prices, to make hard decisions on the spikes in fuel prices and to punish those oil companies or petrol station owners who take advantage of these particular vulnerabilities in our community. On the World Today on Friday, 9 June, Brendan Trembath was interviewing Lachlan McIntosh, who is the Executive Director of the Australian Automobile Association. Lachlan said:

Well, we saw a big spike in the Eastern states yesterday, up 10 or 12 cents a litre—
That is 10c or 12c a litre in one day. He said:
We didn’t see the same rise in Perth. Perth doesn’t have a long weekend coming, so their prices are 10 or 12 cents a litre cheaper. I hope as a result of our analysis that doesn’t drive the price in Perth up, but it is sort of pretty annoying.

The newspapers were full of similar stories. An article in the Brisbane Sunday Mail on 11 June talked about the price peaking at $1.35 for a litre of unleaded petrol:
The surge prompted fresh calls for a thorough inquiry into the fuel industry with both the RACQ and the Queensland Consumers’ Association demanding a vigorous probe by the Australian Competition and Consumer Commission ... The RACQ’s Ken Willett said:

... motorists were being charged six cents a litre more than was justified by movements in the international price of oil.

Going from one end of the country to the other, the editorial in the Herald Sun, titled ‘Pumped dry’, said:

... service station owners say that some people are trying to swap mobile phones and wrist watches for fuel.

That is a disgraceful situation that we are in, that families cannot afford to put petrol in their cars and are going to trade off things that they now take for granted, whether it be their wristwatches or their mobile phones.

In response to this the member for Hunter, our shadow Assistant Treasurer, put out a statement about John Howard’s refusal to grant the ACCC the powers it needs to scrutinise petrol prices, saying that the Prime Minister does not treat the concerns of motorists seriously. In 1997 the Trade Practices Act was amended to remove the power of the ACCC to continually monitor petrol prices. The Prime Minister cannot just say to the ACCC: ‘Have a casual look at it over the weekend. Let me know if you find anything untoward.’ The ACCC does not actually have the powers to be able to do anything about that. As the member for Hunter stated, the Treasurer should be writing to Graeme Samuel of the ACCC to demand that they ‘begin thorough monitoring of petrol prices as provided for under Part VIA s95G(6) of the Trade Practices Act’. The Prime Minister and the Treasurer will not do this. The Australian public keeps getting slugged at the bowser because of this. This legislation goes no way to addressing any of these problems.

Labor supports the basic structure of this bill as a more sustainable basis for fuel taxation in Australia. In particular, Labor supports a revised timetable for excise rises for alternative fuels. This was a concession for these emerging industries that was won after significant pressure from Labor. However, there were aspects of the bill that appeared to be problematic. One of those in particular
was in relation to claiming the rebate either quarterly or yearly, as some businesses would, because that is when they currently put in their business activity statements. Labor will continue to work with affected sectors and will continue to seek some relief from these provisions. We will continue to try and work so that these provisions do not adversely affect the industry sectors in the years to come, as these regimes are being phased in.

Mr WINDSOR (New England) (5.58 pm)—I put out a press release in my electorate last week saying that this was possibly the worst piece of legislation that I had seen in 15 years of politics. I will elaborate on that in a moment. One of the things the Fuel Tax Bill 2006 and cognate bill do, particularly at this time in our history, is send so many mixed messages to a number of industries, and particularly fuel users generally, as to the future of renewable energies. There is also the principle of taxing energy as a source of revenue. Before elaborating on that particular issue I would like to read to the chamber—and I am delighted to see so many in the gallery to listen to this speech—an article from the Chicago Tribune of 19 May 2006: ‘Big 3 big on ethanol expansion’.

Mr Ripoll—There’s so much noise, we can’t hear you; you’ll have to speak up!

Mr WINDSOR—I know there are a number in the gallery who are very keen on hearing this. The article said:

WASHINGTON—The Big Three automakers pressed Congress on Thursday to help make ethanol fuels more widely available, saying that would be an immediate step toward lessening U.S. dependence on foreign oil.

Leaders of General Motors Corp., Ford Motor Co. and DaimlerChrysler AG’s Chrysler Group appealed to lawmakers—the legislators—

for incentives to increase the number of gas stations offering blends of the corn-based fuel.

“If we want a game changer, and a game changer in very short term and in big numbers, then ethanol is a very good play for this country,” said Ford’s chairman and chief executive, Bill Ford.

The executives endorsed a plan to have renewable fuels meet 25 percent of the nation’s transportation energy needs by 2025.

That is what is happening in the United States. Another thing that is happening in the United States is that something like 20 per cent of the US corn crop this year will be turned to renewable energies, particularly ethanol. Some people who are not engaged in agriculture would not realise what 20 per cent of the US corn crop actually means. The United States produces something like 300 million tonnes of corn annually. I think the projected amount this year is about 285 million tonnes. Australia produces about 30 million tonnes of grain, sometimes a little bit more. Twenty per cent of 300 million tonnes means that 60 million tonnes of corn is being transferred from the grain market into the energy market. That is what the United States is doing.

We are introducing legislation such as this under the guise of it being a new way of looking at taxation credits—that is, credits, not taxation in itself. This legislation is about taxing energy, taxing fuel, taxing the use of fuel, taxing further down the track the use of renewable energies and bringing into the tax net some of the natural gases—that is, the compressed natural gases, the LPGs. That is what this legislation is about.

We are doing nothing to address some of the major issues that are confronting our nation, at a time when the Prime Minister and others are making great play of having an energy debate in this country—particularly in relation to nuclear energy. I am not afraid
to have that debate. But why are we introducing legislation of this sort when we are trying to make up our mind on our long-term needs and after the sudden recognition that there are greenhouse gas problems in the world? We need to look at the long-term need for cleaner fuels, we need to look at the discharge of carbon dioxide and other small particle emissions and we need to preserve the globe for future generations. But we are introducing legislation such as this, which in effect penalises renewable energy. It does very little to encourage a phase-in period; it absolutely discriminates against biodiesel in 75 per cent of the diesel market, the heavy vehicle market and the farm sector market; and it patently discriminates against a renewable energy source other than the five per cent diesel blend. That is what we in this nation are doing.

I believe it is quite possibly one of the worst pieces of legislation that I have ever seen. It amazes me that someone for whom I have a great regard, the member for Hinkler, could allow such legislation to come into the parliament and then say: ‘Oh, it’s not quite as we would have liked. There is a compromise in this, but we’ve had a significant win in deferring the use of the BAS to generate the excise from farmers and others for two years.’ I cannot believe the National Farmers Federation and a group that I was a member of for many years, the NSW Farmers Association, are welcoming a deferment of a hanging. Two weeks ago those groups were saying: ‘This is dreadful. We need to do something about this.’ There are cash flow implications for the farm sector in moving away from the current system. The current system is that those who do not pay tax have to pay tax and then claim back again that tax that they do not have to pay. That is how the system works. The manufacturer or importer pays the tax when it comes in. We had this absurd system to start with, where a tax is paid and then it is rebated further on.

The existing system is such that, when a farmer for instance has fuel delivered, they can almost immediately make application for the reimbursement of the rebate. The change that is still in the legislation—and we hear it is going to be changed—is that the BAS would be used as a means of rebating the diesel rebate, the 38c a litre, as we see with GST at the moment. In some cases that would take at least three months and have enormous cash flow implications. The government, under great pressure, I am told, has decided that it will be deferring that decision until after the next election. That might get the National Farmers Federation and some others off the hook, but the country members of the government stand condemned for allowing legislation such as this to come into this parliament. A compromise of this nature is by no means sufficient.

There are a number of other issues in this bill. At a time when fuel prices are skyrocketing and having massive implications for all Australians, particularly country Australians, where you do not have the option of public transport and you have distance to contend with, the Fuel Sales Grants Scheme is removed as of 1 July. For those who do not know, the Fuel Sales Grants Scheme was put in place, quite rightly, by the government in 2000 to neutralise the negative impacts of a higher bowser price on country motorists, as compared to their city cousins, so that they would not be paying a greater GST on their fuel purchases. The National Farmers Federation, the National Party and many others lauded that at the time. I was in the state parliament at the time, and I thought: ‘At least they’re trying to equalise it. It’s a positive thing that country people won’t be penalised.’
This legislation removes that. As of 1 July, country people will pay more GST at the bowser if their retail price is higher than that of their city cousins, which it always is. They do not have the benefits of the competitive process and some of the benefits of fuel dumping from the refineries that occur from time to time. Country people do not have those benefits. Country people will pay from 1c to 3c a litre more for their fuel because of the removal of Fuel Sales Grants Scheme. I do not think that is fair.

I am also critical of the National Farmers Federation. During that debate, which took place last year, the National Farmers Federation were again dragged out to support the government on an issue. They wandered into the building with press releases saying, ‘We endorse the government’s initiative to remove the Fuel Sales Grants Scheme’—this is the Farmers Federation we are talking about—’the neutraliser of the impact of GST on country people, because we believe it was an inefficient system and wasn’t getting to the people who were buying the fuel.’ Surprise, surprise, the National Farmers Federation are supposed to represent farmers. Farmers are able to claim their fuel usage through the system if it is for production. It is a cost of their business. The National Farmers Federation were prepared to accept an increase in fuel prices for all their non-members, knowing it was not going to impact on their members. That is a disgraceful act by that body, to give the government the sign-off on an increase in fuel prices to country motorists.

A couple of days ago, the member for Gwydir made mention on ABC radio in my electorate that the Fuel Sales Grants Scheme was an inefficient system, and there were various studies that indicated that and some that did not. If it was an inefficient system, why have we been subsidising the oil companies to the extent of $270 million for six years? For six years, there has been a transfer of income. If this has not been getting to the motorists by way of the equalisation of the impact of the GST, why has nearly $1½ billion been siphoned off to the fuel companies? That is the argument that is being used in relation to this. If it was inefficient at the start, why did they introduce it? Why did they not look at another way of it coming into effect?

I have mentioned the BAS deferment of the rebate for two years, when it will impact on BAS arrangements. But I would like to speak on renewable energy issues in this legislation. This legislation puts in place a platform that will wipe out the previously promised differential between imported and domestically produced ethanol and biodiesel. It will wipe that out. The government are saying they are encouraging the domestic investment in biofuels et cetera. The potential for the development of that industry is not being developed. They know that in a few years time the imported product will be on the same playing field as the domestic product and that this will essentially mean the death of any infant industry in relation to renewable energy.

The legislation, as I said earlier, absolutely discriminates against biodiesel blend in the farm and heavy vehicle markets, which are 75 per cent of the market. I intend to move a number of amendments tomorrow when the third reading proceeds, and one of those will be to adjust the transition period for renewable energies—ethanol, biodiesel et cetera. That was put in place in 2003 or 2004. There were various voluntary codes or agreements the Prime Minister had with the fuel companies. They have just been a stalling tactic from the fuel companies to make sure that no viable farm based industries, particularly ethanol and biodiesel industries, get under-
I will be moving that the transition period be increased so that there is a greater period of excise freedom for investment in this industry.

As I mentioned earlier, 20 per cent of the US corn crop is going to renewable fuels. I am not a great fan of President Bush, but he has woken up to this. Rather than being absolutely dependent on the Middle East and other parts of the world for fuel needs, Australia should be looking at what we can do to cut that corner in relation to our balance of payments imbalance. We are allocating about $1 billion per month to the balance of payments deficit from the importation of fuel. Domestically, we used to produce 32,000 megalitres. That has been reduced to 19,000; we import now. In the past five years, imports have gone up from 17,500 megalitres to 30,000 megalitres, so you can see why we are having difficulty with our balance of payments.

Brazil is expanding its ethanol production—it is producing ethanol from sugar, of course—at the rate of one Australian sugar industry a year. There has been a quite dramatic increase in canola prices. I thought it would have been the duty of the National Farmers Federation to try to put more money in farmers’ pockets. They have done nothing to promote renewable energies and the impact they can have. The European biodiesel market, for instance, has had an enormous impact on the global price regime for oil seed, particularly canola. That is the impact we could be experiencing here.

What we do in this nation is to grow grain at very low prices to enter corrupt world markets—and we have seen the fiasco in Iraq in recent months. We grow that grain and then take it out into a corrupt market. We receive some money for it. We then take out some of that money and enter another corrupt market—the oil market—which is controlled by very few people. Why don’t we cut the corner and create all those regional opportunities for investment and job creation—the very things that we talked about here today in question time? Why don’t we address these issues? The production of renewable energies by using things that our Australian farmers do well could have an enormous impact on the balance of payments. There could be a renewable energy source for our farming communities, grain producers, sugar producers and others within Australia. Whereas every other country that is producing ethanol or biodiesel has some protection at home, we have introduced legislation which will expose our producers to that market.

I listened to the member for Gilmore, and I have a lot of time for her. One of the few ethanol plants is in her electorate. I encourage members of the government to look at some of the matters she raised in her speech. I would encourage her to urge her Senate colleagues to really stand up on these issues and to speak out against the unfairness and bias directed at renewable energy providers. I would encourage the Prime Minister to revisit this issue. He has shown that, with logical argument, he will revisit issues—and we saw that with the Snowy Hydro. However, I do not think the Prime Minister is fully on top of this issue, which has been run through Treasury and has come into this parliament. Most people on the government benches do not really understand the longer term implications.

Another issue, which I think the member for Hinkler mentioned—I do not want to verbal the member for Hinkler; perhaps it was one of the previous speakers—was the government’s freezing of the fuels excise at 38c a litre. There is a nasty little fact in the back of this legislation that no-one to my knowledge has mentioned yet—a little thing...
called a ‘road user charge’. It will be up for annual change, which will be determined through ministerial discretion. Is this the back door to again ratcheting up the income from excise? The government has made great play that it has frozen the 38c a litre excise. Is this road user charge and the capacity of the minister of the day to change it—obviously in an upward direction—the way things will go in the future? In conclusion, I urge senators on the government benches—because the only senator that I have heard make sense in relation to this is Barnaby Joyce—to look seriously at this legislation and change it so it will actually work. *(Time expired)*

Mr RIPOLL (Oxley) (6.18 pm)—Like the member for New England, I too am amazed at the number of the people in the gallery tonight. I am always appreciative of that, so I thank him for pointing that out to us. I rise to speak on the Fuel Tax (Consequential and Transitional Provisions) Bill 2006. I think this is a very important bill. It is important not only because of the issues it raises but also because of what it does not do and what the government has not done to properly deal with fuel and the fuel industry more broadly. That said, I broadly support the intent of this bill but I also support the second reading amendment moved by the member for Hunter as the correct way forward on this critical issue. The government, as in so many other important areas of public policy, has been slow to respond to issues which affect the daily lives of so many people, in particular the price of fuel. It has also been slow to respond to the challenges facing this nation with regard to the fuels industry. I will address these issues in this debate and will deal with the bill more directly.

This bill amends several acts in order to implement the Fuel Tax Credits Scheme. It continues a major change of the fuel taxation system in Australia, which other speakers have pointed out. I also make the point in my contribution that the current arrangements for fuel taxation in this country are exceptionally complex and difficult to work with. The explanatory memorandum states:

These Bills provide a single system of fuel tax credits to remove or reduce the incidence of fuel tax levied on taxable fuels, and a framework for the taxation of gaseous fuels from 1 July 2011, when fuel tax is levied on liquefied petroleum gas, liquefied natural gas and compressed natural gas for the first time.

The fuel tax credits system effectively means that all taxable fuel acquired, manufactured or imported for use in off-road applications for business purposes will become tax free over time. Under the fuel tax credits system, fuel tax relief will be expanded for fuel used in road transport. The amendments should generally simplify the administration of the existing system of grants for fuel use. The move to apply the administrative rules that apply to other indirect tax laws to the proposed Fuel Tax Credits Scheme should also assist with administration. As I said, this is a move in the right direction but leaves unattended some of the more critical issues of the cost of fuel for ordinary people and a number of other critical issues involved in this matter.

Labor has long supported the basic reform program. In fact, Labor has led this debate and has advocated reform in the oil and fuels industry for some time. Labor has been instrumental in providing a longer phase-in for the introduction of fuel tax for liquefied petroleum gas, liquefied natural gas and compressed natural gas to assist the development of these industries. Labor also supports the requirement for environmental requirements to be met by major fuel users as part of the fuel taxation regime. The second reading
amendment of the shadow minister, the member for Hunter, states:

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

(1) condemns the Government for failing to properly consult with commercial fuel users on the appropriate model for payment of fuel tax;
(2) condemns the government for circulating major amendments less than two hours before debate on the Bill is to be resumed;
(3) calls upon the Government to reduce our dependency on foreign oil and to promote:
   (a) existing alternatives like liquid petroleum gas, ethanol and biodiesel;
   (b) emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity; and
   (c) future fuels, such as hydrogen as Labor has committed to in its Fuels Blueprint;
(4) condemns the Government for ignoring the impact of rising petrol prices on Australian families;
(5) condemns the Government for increasing petrol prices in regional Australia through the abolition of the Fuel Sales Grants Scheme at a time of very high petrol prices;
(6) condemns the Government for failing to strengthen the Trade Practices Act to protect competition in the petroleum industry; and
(7) condemns the Government for failing to guarantee that the money saved as a result of the abolition of the Fuel Sales Grants Scheme will not be specifically directed to roads in regional, rural and remote Australia’.

These are all sensible things that the government should be doing of its own volition; they are not things that the opposition should have to thrust upon the government.

In discussing the detail of this bill, there is an opportunity for me to range over a number of areas, including some of Labor’s initiatives in the fuel industry. Firstly, I would like to point out that Labor understands that government does have a significant role to play in helping to ease the pain for Australian families at the petrol bowser. This is no longer a simple issue of cost; it has become a critical issue in families’ budgets and how they plan to spend their weekly, fortnightly or monthly pay packets.

Labor and the Leader of the Opposition, Kim Beazley, put the Prime Minister on notice over petrol prices last June. Labor has put forward a plan specifically to tackle this issue, but before I go into what our plan includes, I make the point that something positive, something concrete, something definite can be done. If the government claims, as it often does, that it does not control the levers of the price of petrol and that it is a global market—it talks about price parity and a whole range of things—I would say to the government: ‘You are just not trying hard enough. You just do not care enough; you are not willing enough; you are not doing enough.’ There is something that can be done. There are a range of measures that can be brought forward. Labor’s plan includes, in particular, applying the competition blowtorch to the industry by strengthening the Trade Practices Act to prevent abuse of market power. The pricing issues and the abuse that takes place in the fuels industry are significant. You do not need to be an expert in this matter to understand it. Most, if not all, consumers understand what happens at the bowser in profiteering and pricing issues.

The second thing that the government could be doing and that Labor plans to do is to have the Australian Competition and Consumer Commission, ACCC, investigate petrol prices and report every six months on
price movements—particularly in regional Australia, in areas where there is significant movement and significant cost to so many people in the bush. Thirdly, Labor would modernise the 25-year-old regulatory regime for the petrol fuel sector, to promote competition and protect independent service station operators and franchisees. This is something that I am particularly concerned about and interested in. If the government continues to talk about competition as the great driver of downward pressure on prices, then it should promote fair competition, and it should do it through a fair, modernised regulatory regime—something that can actually have some impact.

I will take this opportunity to mention something that the member for New England mentioned and which I am sure others will as well. I refer to the comments made by Senator Barnaby Joyce, who has been quoted as warning ‘the Petroleum Retail Legislation Repeal Bill 2006, which introduces a new regulatory scheme for petrol, will drive independent service station owners out of business’. I do not think that is healthy for the country; in fact, I do not think that is very healthy for the fuels sector or for service stations in this country. More importantly, I do not think it is very healthy for the consumer. I think less competition is a bad thing. I think less choice in the petrol station you go to is generally a bad thing. Senator Barnaby Joyce, a coalition member, agrees with that. He thinks it is a bad thing and he says that what this government is doing is bad—in fact, he believes it is so bad that he has threatened to vote against the government and to cross the floor unless amendments are made to the Trade Practices Act to further safeguard independent fuel retailers. I say to Barnaby Joyce, ‘Hear, hear!’ He should be out there condemning this government on this bill, because it just does not do enough, and some of the things that it does go in the wrong direction. It does not go anywhere near far enough to protect independent service station operators and franchisees.

The final measure in Labor’s plan is to reduce our reliance on imported oil and to grow an Australian fuel industry. This is a very important part of our plan because it is another area that the government just feels too comfortable and relaxed with and does absolutely nothing on. Not only do we need to promote competition and ensure a strong regulatory regime; we need to ensure that there is a viable, strong Australian fuel industry that is supported by government in the right manner. We need to invest in alternatives and support innovation. We need to ensure that we as a nation do the right thing.

I will come back again to the member for New England because he mentioned hundreds of millions of dollars in grants going to the fuel industry. This is an area where the government could seriously look at how that money is spent, the areas it is spent on and what innovations could come out of that investment from the national government in the fuel sector.

Labor’s plan is to provide a real future for the biofuels industry by providing a government fleet market for ethanol blends, to set an example and help grow the industry. I think you have to lead by example in an area like this. There has been a lot of scaremongering about biofuels, about ethanol blends and about what they do and do not do to your vehicle. Government could lead by example by using ethanol blends in all government vehicles. The Queensland government is leading the way in this and doing a very good job of it, and there is a slow but steady take-up of ethanol blends. I think that is something positive that should be supported, because it goes to the heart of a range of things that our plan for the fuel industry
does. It is about the long term. It is about investing in the future. It is about fuel security. It is about being fuel independent over the long term. It is about building industry. It is about looking to the future. These are the things that are lacking in this government's approach to the fuel industry more broadly.

I also want to take this opportunity to talk about alternative fuels. The Australian Labor Party also has a plan to develop a diversified Australian fuel industry. Labor knows that Australia must develop and use those fuels that will become cheaper in the future, that are sustainable and renewable. We must look to the future. We must have fuel security. We must be independent. Australia must foster demand for new Australian fuels and fuel technologies, with governments at all levels playing a role. I think that is also key here. We need agreements between local, state and federal governments, particularly in these areas.

Australia needs national leadership to develop this, though. It can do it in three ways: by existing alternatives like liquid petroleum gas, ethanol and biodiesel; by emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity; and by looking towards future fuels, such as hydrogen. There are options for government. Government needs to be interested. That is the key point I am making here: unless government takes an interest, nothing happens at all.

Australia needs to develop the technologies to make it happen. Our transport fuel markets need a fresh blast of competition—competition that, in the end, will drive development. To this end, a future Labor government will work with the states to steadily and sensibly convert public transport to alternative fuel usage and to ensure that the Commonwealth government car fleets run on alternative fuels. As I said previously, the states are already moving in that direction, and I congratulate them for that. Again, this is an area where the federal government could show some leadership and flow that on to other areas.

A future Labor government will also work with state and local government to give city traffic and parking advantages for alternative fuel vehicles or hybrid vehicles and the like. There must be rewards for people who do the right thing, who are using alternatives and trying to make a difference. If you do not reward people, they will not necessarily take up those advantages. Also, a future Labor government will make alternative fuel vehicles tariff free, cutting up to $2,000 off the price of current hybrid vehicles. Again, you must reward people for making the right choices.

Finally, a future Labor government will examine the granting of tax rebates for converting petrol cars to LPG. This has been a pet issue of mine for some time. I just cannot understand why, in the current fuels environment, government does not get more involved in a readily available resource, in something that could be easily dealt with and in trying to assist people in converting petrol cars to LPG and looking at other incentives. These measures over a fixed period would help spark consumer interest and raise awareness of alternative fuel choices. In the end, we need to give people choices—not the rhetoric of choice but real choices—at the petrol bowser, where they can decide on the types of fuels that they will be using and the sorts of prices that they will pay. For example, some 500,000 Australian vehicles at the moment run on autogas. In fact, car conversions from petrol to LPG have risen 14 per cent in the last 12 months. That is pretty obvious, given the high petrol prices. Certainly, in years gone by, the percentages of people converting cars over were going backwards
because there was just no incentive for people to move in that direction.

The NRMA announced last year that its fleet of 400 service vans would move across to LPG, cutting 60 per cent off its $2 million fuel bill annually. There should be a message in that to a lot of businesses to look at the cost of conversion and the sorts of fuel savings they could enjoy by moving in that direction. In this regard, an example can also be found within the State Transit Authority of New South Wales, which has 404 compressed natural gas powered buses in Sydney. CNG powered buses are quieter than diesel powered buses. Obviously CNG makes a great alternative to regular fuels—and CNG is an Australian resource, whereas diesel is largely imported. State Transit purchases $30 million worth of diesel fuel annually, so I think people can quickly see the sorts of advantages and savings that can be made by moving in this direction.

There is now a willingness to use alternative fuels that has not previously existed in Australia. The LPG industry itself has set a target to increase the use of autogas to 10 per cent of all motor vehicles by 2010. If only the Howard government, the federal government, would be as decisive and back it with programs and incentives. Consumers are also showing a strong interest in the emerging technologies of hybrid cars, for example. Last year, over 1,000 hybrid electric cars like the Honda Civic and the Toyota Prius were sold in Australia. But if we want to see real numbers of people driving these cars on our roads then the federal government ought to take an interest and look at how they deal with this area. These are small but significant steps. If consumers are prepared to embrace new technologies, they need to be given real choices by government. They need to be given assistance in making those industries work and in making those choices work for them as well.

I would like to speak just a little further on the need to develop new industries in this country, specifically about gas to liquids and coal to liquids technology, which I think are exceptionally important in the current debate. The Labor Party has always been a great supporter of GTL and CTL. In fact, my colleague the member for Batman, Martin Ferguson, has been speaking about this issue for quite some time—and for good reason, because it is in the best interests of the nation. Establishing new nation-building industries is obviously not easy. It requires leadership. If this government is not prepared to provide it then the Labor Party is prepared to and will do so.

Unfortunately, as I have said at a number of points in my contribution, the federal government are seriously asleep at the wheel on this issue. They turn to the fact that it is just a global market and it should be left to global market forces to drive all of these matters. They are simply wrong. In fact, some people would remember that about five years ago Senator Nick Minchin, the then Minister for Industry, Science and Resources, appointed a GTL Taskforce to investigate the feasibility and benefits of establishing a GTL industry in Australia. That task force came up with this conclusion:

Provision of common user infrastructure is a legitimate way in which Australian governments could facilitate the establishment of a GTL fuels industry.

Five years later, though, there has been no action. It was a good report with some sensible recommendations—something the federal government could invest in and do something about—but five years later: no action. Obviously there is no imperative from government to deal with the issue of fuels. The task force also highlighted the
potential significance of a GTL industry to Australia’s economy. It said:

These benefits would be of national strategic significance to Australia ... The cost of any government intervention must be considered against the potential benefits.

Again, that is wise counsel, which, unfortunately, has been ignored by the government.

As has been pointed out by Labor’s resources spokesman, the potential benefits go beyond unlocking new resource wealth and creating new industry, more jobs and more experts. They include the opportunity for Australia to address this most pressing of problems: our future transport and fuel security.

In the final few minutes I have I would like to make mention of a couple of other points in relation to fuels generally. In my view, the price of petrol has gone beyond what it costs to get to work and to go on a Sunday drive. It is now as critical to people as the underlying cost of their mortgage and as critical—and watched as significantly—as an interest rate rise, because the impact of fuel prices today on the family budget is as significant as a quarter per cent rise in interest rates. Families are under a lot of budgetary pressure. While the government crowns about a strong economy, most families are living well but are at breaking point. Although there are low interest rates in Australia—comparatively high for the rest of the world—families cannot quite seem to manage. If people were to lose their job for just four weeks, most would be in serious trouble, much more trouble than they would have been when interest rates were, for a very brief period, at 17 per cent, and I think the government ought to look at that very closely. (Time expired)

Mr HATTON (Blaxland) (6.38 pm)—We are talking about very complex legislation in this cognate debate on the Fuel Tax Bill 2006 and the associated Fuel Tax (Consequential and Transitional Provisions) Bill 2006. The reason it is complex is that the number of provisions that are involved are significant. Also, there is a series of interleaved movements so that, over time, the changes that are indicated, which are outlined as a reform package, will be undertaken in different years, finishing by about 2012, so that a final, new fuel taxing regime will be incorporated. It has been indicated that one of the alternatives to undertaking this set of steps, which replaces the government’s former scheme, was to simply introduce a GST on fuel. Why didn’t the government do it? Instead of a 10 per cent GST, I would hazard a guess that, in order to keep it in line with the higher taxation level on fuels across the board, there would have had to have been a second rate of GST. For those people in business it would have been much simpler to introduce the idea that business inputs could be taken into account and that fuels, whether diesel, liquid natural gas, LPG or petrol, could be taken as a business input. Under the GST system they would be effectively put aside, because you could take account of that as part of the costs and, even if it were at a different level, for a business that would be easier and simpler. For the government it would be harder, because it would introduce a layer of complexity.

Instead of that, we have this new regime which takes us almost to segue with the government’s existing legislation through to this new set of reforms over an extended period. I will outline just simply what the major reform is. The bill constitutes major reform of fuel taxation in Australia, providing for a single system of fuel tax and associated credits; reductions in the incidence of fuel tax levied on taxable fuels; staged introduction of a framework for the taxation of liquefied petroleum gas, liquefied natural gas and
compressed natural gas from 1 July 2011; staged reduction in tax assistance for biodiesel and domestic ethanol; and linking of fuel credits to environmental standards. In fact, the actual implementation is extended over a significant time. In their paper *Securing Australia’s energy future*, produced in 2004, the government indicated that excise on burner fuels would be removed at the start of the next financial year, on 1 July 2006; on 1 July 2008 a 50 per cent credit would be introduced for the off-road use of taxable fuels in activities not previously eligible for credits; and three years on, in July 2011, effective excise would apply on all fuels used in internal combustion engines. I will come back to that matter later because it deals not only with petrol and diesel but also with liquefied petroleum gas and others. On 1 July 2012 full credit would be extended to all business use of all taxable fuels in all off-road activities and on 1 July 2015—I was three years out—final effective fuel excise rates would apply to all taxable fuels, including a 50 per cent discount for alternative fuels.

In terms of the government’s intention, it is a case of moving from here, or where we were previously, forward to 2015 to a new regime—moving from one set of energy credits in their previous legislation to this new fuel regime. But it also involves taking a category of alternative fuels not previously subject to excise and imposing excise on them—that is in 2011, and that is significant. I want to come back to that later, because it relates to the broader question of alternative fuels in Australia and to the significant investments that have been made in Western Australia by a number of companies in liquid natural gas and, in particular, to the investments that have been made near Barrow Island, where we have the biggest, most significant liquid natural gas find in Australia’s history. The order of magnitude of the fields involved is quite staggering, and how that energy resource is to be treated and how long it will last is of immense significance. That is not specifically dealt with here except to bring it into this excise regime. The government say that they want to simplify the whole process. They made a series of announcements in 2003 and 2004 of a series of schemes. It will be a long process, because we are looking at a nine-year period for the changeover. There will be differential impacts on various parts of the transport industry, which is already suffering significantly with the cost of fuel.

In my electorate of Blaxland we have a large number of heavy haulage companies—for instance, Thomas National Transport at Villawood. I have spoken to members of the union there, and also to the manager, about the government’s independent contractors bill, which I think is yet to come before us—and I will be speaking later on that legislation. The people working there told me that they were under a great deal of pressure because they are employees of the company but have had to buy their own rigs and pay for their own fuel. Diesel, which once was very cheap, is now extremely dear and, at the very top of the range, it is not subject to the discounting that you normally get. That is a great impost on them and a great uncertainty. As well as that, they had the uncertainty—which has now been clarified for a year—of what their future status would be and also the uncertainty of working out the effects of inflation, increasing interest rates and so on. They know that certainty in the area of fuel tax and excise is important and significant. They also know that they tend to be left out a lot in the consideration of the impact on ordinary working people. As owner operators these people have invested a great deal of money into their businesses and they are hit
with a whole range of measures. I trust that they will not be detrimentally hit by this. Of course, if in a year or so they end up as independent contractors as a result of another bill the government might bring forward—the government has said people in New South Wales and Victoria will not be incorporated—they will be on the significantly increased end of these changes.

We are supporting this bill and the series of complex changes involved. But we are also saying, ‘Hang on a minute, this is not just about tax change; it is about a whole series of other measures.’ I support the amendment which the shadow minister and member for Hunter, Mr Fitzgibbon, has put forward. I want to read a part of the amendment to give you a flavour of what this amendment is about—and I will return to another section of it. The amendment states that the opposition:

(1) condemns the Government for failing to properly consult with commercial fuel users on the appropriate model for payment of fuel tax;

(2) condemns the government for circulating major amendments less than two hours before debate on the Bill is to be resumed;

That is not the right process, but it happens again and again. The government has been in power for over 10 years. It has not properly consulted all the people who will be directly impacted, despite the fact that these measures have been under way for such a significant time. It is a further indication of the manner in which this government treats the opposition and the parliament. Where major and significant changes are to be brought in, the government pumps them into the House without consultation with the opposition and without time for the opposition to adequately look at them. Then the government says, ‘You can support the bill and you can support these amendments as well, without adequate time to make an assessment of them.’ I do not think that is an appropriate way for the government to conduct its business. It is discourteous to the parliament and its members. In fact, it is not part of good government or good governance. But there are much deeper problems here. In the third element of the amendment, the opposition:

(3) calls upon the Government to reduce our dependency on foreign oil and to promote:

(a) existing alternatives like liquid petroleum gas, ethanol and biodiesel;

(b) emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity; and

(c) future fuels, such as hydrogen as Labor has committed to in its Fuels Blueprint;

We have a blueprint; we have a plan. We have thought about these issues of Australia’s energy needs. We have supported companies coming in from overseas, investing in Australia, making significant finds and trying to exploit those finds. We have also encouraged Australian initiatives to do exactly the same thing, and we have encouraged Australian shareholders and Australian workers to be part of that.

I and other Labor members accompanied the shadow minister and member for Bateman, Martin Ferguson, to look at the Jansz field—the biggest fuels infrastructure project Australia has yet seen—and associated fields just off Barrow Island. It just so happens that Claude Killick, the president of the Condell Park branch of the ALP in my electorate, went to Barrow Island before I did. He did a number of things during his working life. He was on a small ship, captained by an American, with other Australians on the crew. They were looking for oil off Western Australia in the 1960s. The ship was beached on Barrow Island and it took them a significant time to get it off. After they did get the ship off, they
continued to look for oil reserves around that area. Claude Killick told me that he saw in the 1960s the immense gas fields around Barrow Island. He was privy to this because the people who worked the seismographs were able to tell him what was happening. He saw the Jansz fields that are being exploited—our most significant infrastructure development yet—and the associated Gorgon fields close to Barrow Island. The company behind this is already committed to further exploration in closely associated fields. The expectation is that this particular development on its own will allow Australia to be independent of gas from overseas for in the order of 60 years and possibly 100 years.

We know how significant our export of LNG has been over the past five to six years—big contracts have been won, at a cost certainly, with China, and with Japan and other countries—but we also know that continued investment by Australians and overseas investors to develop resources such as in the Gorgon and Jansz fields and the associated fields up the West Australian coast is immensely important. It is important that the government has a plan not only to tax in a simpler way but to further explore and exploit that. The government needs to have a plan to go beyond imposing excise on fuels that did not have excise. That is what it will be doing come 2011 in its program. If you look at the specifics of it, the excise will apply to all fuels using an internal combustion engine, including concessional excise for biodiesel, ethanol, liquefied petroleum gas, liquefied natural gas and compressed natural gas. The effective excise rates will increase over five equal annual steps, reaching their final rates on 1 July 2015.

This is part of a regime to take taxing in this area from the old into the new era over a nine-year period—it has been conceived prior to that—but it actually complicates the whole issue of how we might most wisely use our greatest resources. The Prime Minister for his own ends is attempting to start up a debate on nuclear power. We have immense resources of coal and we are a major exporter. Our future is in finding a way to more effectively use and sell cleaner coal—a coal where its CO₂ product can be sequestered. Though not associated with coal, the project on Barrow Island to do the proving for sequestering CO₂ from those liquid natural gas finds has already cost $36 million. One of the things that companies have to put their money into to be able to march forward is in this problematic area of climatic change. The significant problem for Australia is to clean up our coal for export to secure long-term sales not only to existing customers but to future customers and in a way where climate change is not affected in the way it is now.

One of the ways we can more effectively do that is by using gas, which we have in immense abundance, as recent finds have demonstrated and as Woodside in its activities in Western Australia in the fields further to the north has indicated. That immense richness is not incorporated into the centre of Australia’s fuel use. We are still highly dependent on diesel and petrol. We are still in a situation created in the sixties with the development of the Bass Strait fields and others and with the later move towards world parity pricing for fuel in order to encourage companies to find more petroleum and other fuels in Australia. We have not appropriately looked at how fuels might be more differentially taxed and how Australia might move forward in a planned way to less reliance upon petrol and diesel and greater reliance upon what we have in most abundance. We certainly have coal in great abundance, but we also have liquid natural gas and its associated forms in tremendous abundance. So it
would be natural for Australia, would it not, to encourage its use in cars and trucks and other forms of transport by having an appropriate tax regime instead of imposing extra excise and boosting that up over a period five years or so? We should have a plan which says that, given our immense riches, one of the key things Australia should do to decrease the use of current fuels is to move to use natural gas in its variety of forms, particularly in transport.

The second thing we could do is to purify the output of existing power stations by encouraging a far greater use of natural gas as the agent for a brighter burn for those coal fired power stations. The technology is there. It is being done in some places. We need to look at the whole question of retrofitting technology to reduce emissions of CO₂ which are creating climatic problems. What we have in most abundance, coal and gas, could symmetrically be used to decrease the problems we are creating for the environment. That kind of planning and that kind of thinking is outside not just these tax changes but the whole purview of the government in this area. They have not planned forward. They have planned how to cut and hack back and let the market have its run, as the member for Oxley said, but they have not positively worked on a taxation scheme to change the way tax is done or on a plan for the future energy needs of Australia. (Time expired)

Ms OWENS (Parramatta) (6.58 pm)—I rise to speak on the Fuel Tax Bill 2006 and the Fuel Tax (Consequential and Transitional Provisions) Bill 2006. This is an important debate, but it is a very small part of a much larger debate which this nation should be having centring around the use of energy and the way we develop our energy resources for the future. We have touched on some of those issues in our second reading amendment. Energy is an issue which is being debated widely in the community at the moment. Petrol prices are rapidly rising, putting incredible pressure on family budgets. There are conflicting views in the community and in this parliament on the signing of the Kyoto protocol and we have at the moment the furphy of nuclear power raised by the Prime Minister last month thrown into what is a vacuum of the larger policy of energy in Australia. There is a lack of talk in this place even on alternative sources, of Australia's ingenuity and of ways for us to shield Australia from oil price shocks in the future by developing alternative sources within Australia both for use within Australia and for export.

But today we are talking not about that but about a very small but important part of it, which is fuel tax. There are 19 speakers on the opposition side for these bills, which reflects how importantly we on this side view the entire energy debate and how few and far between are the genuine opportunities to debate this important matter in this parliament. The fuel tax bills today do not deal with the general motor car use of mums and dads and motorists but specifically with some businesses and particularly regional areas. The legislation plays around the edges. It makes some very important changes and those changes are needed. They have been needed for some time. In fact, the government has made four announcements about the reform of the fuel excise rates over the last few years. The first was in the 2003-04 budget, where the government outlined the reforms, and then in December 2003 the Prime Minister elaborated on the budget announcements. In March 2004, the government extended the transition path for fuels becoming subject to excise. In June 2004, they released their energy white paper, and the Treasury, quite independently, on 27 May 2005 introduced a
paper called *Fuel tax credit reform: discussion paper*. So there have been at least four major announcements on the need for this reform dating back to 2003-04.

Essentially this bill implements a system of credits to offset either partially or fully the excise that some taxpayers pay on fuels and to lay a groundwork for extending the tax net to alternative fuels, both current and developing. Most fuels are subject to excise, when a fuel is produced in Australia, or customs duty, when the fuel is imported, and also to the goods and services tax. This bill relates to excise and customs duty. The bill also deals with the Energy Grants (Credit) Scheme, which allows users to recover some or all of the excise and customs duty on fuels. That system is administered by the Taxation Office, which publishes the grant rates on its website. This bill essentially moves some of those processes around. It simplifies the process into one process through the BAS system. It increases tax for some and decreases tax for others. Some will pay less, few will pay more and it introduces a tax regime for alternative fuels which will be introduced over a number of years. The current arrangements for taxation of fuel in Australia are highly complex and there is much scope for rationalisation.

The proposed changes from 1 July 2006 seek to consolidate a range of measures into a single fuel tax regime with credits achieved through the BAS reporting system. Many users will effectively receive the same level of tax credit but under different administration arrangements. As I said, some will face more tax and some will face less. Under the current system, off-road use is treated differently to on-road use, as it is in this new bill. Under the fuel tax credit system, all taxable fuel acquired in, manufactured in or imported into Australia for use in off-road applications for business purposes will over time become tax free. There will be effective fuel tax-free status introduced for business off-road use. On-road users, on the other hand, will face increased taxation, the 20-tonne threshold will be removed and vehicles over 4.5 tonnes will pay fuel tax at the level of the road user charge and receive a fuel tax credit for other tax. The Fuel Sales Grants Scheme will be abolished over time. The scheme costs $256 million per year and provides a grant for sales of gasoline or diesel of up to three per cent per litre in non-metropolitan regions.

The bill has been supported by most producers, but it has been opposed by the ACCI due to the cash flow implications for small to medium enterprises. Currently, remission certificates permit some industries to receive fuel excise free, but under the proposed regime these fuel credits will be received only after the BAS has been lodged and processed by the ATO. This will cause cash flow problems for many SMEs, who may have to wait almost 50 days between paying the excise and receiving the fuel credit. This morning, some two hours before the debate began, we received a new amendment from the government which will provide short-term relief for that but only for two years. In recognition that this will cause considerable hardship for many small businesses, they will be able to receive their credit early, but at the conclusion of those two years the regime will revert. So this is not a solving of the problem at all, merely a pushing of the problem away for another two years.

It would be nice if this government, particularly given that it has known about these reforms since 2003-04, spent more time getting the bill right in the first place. This is why in its second reading amendment the opposition condemns the government for failing to properly consult with commercial fuel users on the appropriate model for pay-
ment of fuel tax. This is a system which suits the Taxation Office but does not suit the many small users who have built their business models and cost structures around the existing concessions made at the time of fuel purchase. The amendment also condemns the government for circulating major amendments less than two hours before debate on the bill. Most people not in this parliament would assume that when one receives an amendment one can actually read it. Amendments actually read like this: ‘(1) Clause 2, page 2, table 8, omit parts 1 to 4, substitute parts 1 to 4A.’

There are three pages to this amendment. In the debate on the industrial relations legislation we saw 300 amendments written like that, and they were debated and voted on within 40 minutes. They are not amendments you can read; you really do have to sit down with the bill and insert those amendments one by one. To receive this sort of amendment two hours before a debate when the legislation is clearly contentious for large sections of the industry not only does not allow the opposition—or the government, for that matter—to seriously consider the amendment but also does not allow any debate by or feedback from the industry that will be affected by this bill.

It is extraordinarily arrogant of this government. Lately we have seen a lot of inability on the part of the government, in spite of knowing sometimes for years that legislation is to be introduced, to consult fully with industry or to give anybody a chance to provide appropriate feedback on bills being debated in this House. As members of parliament, we can all fool ourselves into believing that we know best. Occasionally maybe we do, but nobody knows as well as a group of people putting their views together to find the best outcome.

The opposition also calls on the government to reduce Australia’s dependency on foreign oil and to promote existing alternatives like liquefied petroleum gas, ethanol and biodiesel, emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity, and future fuels such as hydrogen. Under this government Australia is a country without a national goal on energy. We on this side of the House believe that a strategy must be developed. We need leadership on this issue. We need national leadership to develop the natural talent for innovation that Australia has in existing areas such as liquefied petroleum gas, ethanol and biodiesel, to explore emerging alternatives such as compressed natural gas—one of the great natural assets of Australia—liquid fuel from gas and stored electricity, and to explore future fuels such as hydrogen. We also need to develop the technologies and techniques to make all this happen. We need a serious investment, a serious plan and a serious commitment to finding alternatives to fossil fuels. We must make Australia less reliant on foreign oil, which affects our trade deficit, creating foreign debt. By developing alternative fuels, we place Australia in a very good position to export to the world.

We also condemn the government for ignoring the impact of rising petrol prices on Australian families. We see it in all our electorates. The increase in petrol prices is clearly hurting Australian families, who on average are spending around $10 per week extra on unleaded fuel compared to just a few months ago. Since January, the average cost of unleaded petrol has increased nationally by 22 per cent. The $138 million increase confirms the reason that consumer sentiment has fallen by 13.3 per cent. A family that drives a 2000 model Holden VT Commodore is paying an estimated $18 extra per week, while a 1999 Ford AU Falcon Fu-
cura costs $16 more to run per week and a Mitsubishi costs $13 extra to run per week.

I recently visited a school and was talking to some grade 5 and grade 6 children. I had been there for about an hour and they were asking all the usual questions about whether I fly or drive to Canberra—all the really important questions that children ask of politicians and that we have all experienced. One of them asked me about my car and I explained that it is provided as part of my salary. This little boy said, ‘Do you pay for your petrol?’ I said, ‘No, I don’t; it’s paid for as part of my package.’ The entire group of children took in a collective breath in shock and outrage that I was somehow exempted from the pain of petrol prices that even grade 5 and grade 6 kids understand. Grade 5 and grade 6 children know that their families are suffering because of the price of petrol. I know some members have been in this House for a very long while and have not handed over their cash at a petrol pump for many years, but Australian families are and they are doing it more frequently and paying more for it than ever before.

We also condemn the government for failing to strengthen the Trade Practices Act to protect competition in the petroleum industry. Labor has been talking for many years about the need to strengthen the Trade Practices Act to protect small business from unfair competition from megacompanies. In the petrol industry it could not be more important than it is now. The government has been extremely slow in acting in this area. We have been calling for it for quite some time—it has been part of our policy at each election—and it is desperately needed not just in this industry but in many others as well. Finally, we condemn the government for failing to guarantee that the money saved as a result of the abolition of the Fuel Sales Grants Scheme will be specifically directed to roads in regional, rural and remote Australia.

In summary, there is some good work in this bill. To some extent it does simplify some extremely complex arrangements. It phases in taxes on alternative fuels. Labor has been arguing for some time that these taxes not be introduced rapidly but rather phased in over time. The phasing in and out of the other regimes does provide some opportunity for businesses to respond and to build these changes into their cost structures. We are disappointed that the government has not found a real solution to the problem for small to medium enterprises caused by the claiming of credits through the BAS system rather than up front. We urge the government to seriously consider that problem and refer the matter to a Senate committee for further consideration.

We also urge the government to take seriously the opposition’s calls for a much stronger debate on energy in Australia—one that actually canvasses all the options and not just the furphy of nuclear power. There are many other alternatives for Australia. We have an abundance of sun, wind, natural gas and coal. The opportunities for this country in those areas are quite extraordinary. In our people, our skill and our natural resources we have a talent in those areas, and we should be exploring those to the full.

Mr GAVAN O’CONNOR (Corio) (7.14 pm)—The opposition will be supporting the Fuel Tax Bill 2006 and the Fuel Tax (Consequential and Transitional Provisions) Bill 2006. However, I state to the House my support for the second reading amendment which has been moved by the member for Hunter. I believe the member for Hunter has foreshadowed further amendments that may be introduced in the consideration in detail debate, and of course I will be supporting those. This legislation creates a single fuel
tax regime with credits approved through the business activity statement system. It essentially provides transition arrangements to phase in the fuel tax credits scheme while phasing out the Energy Grants (Credits) Scheme, the Fuel Sales Grants Scheme and the state administered Petroleum Products Freight Subsidy Scheme. The purpose of the legislation is directed at ensuring that claimants receiving a grant continue to benefit from fuel tax concessions and at phasing in over time the extension of eligibility for the off-road business use of fuel. Currently ineligible off-road activities will become eligible for a 50 per cent fuel tax credit from 1 July 2008 and for a full credit from 1 July 2012.

Much has been said in the debate on this legislation about the current state of fuel taxation in Australia. The general public could be forgiven for asking what the Australian parliament and successive governments have been doing up to this point in time about this very complex area of taxation. It is a scandal, and I do not mind saying that after 10 long years of the Howard government we finally have legislation presented to the parliament which the government itself is still busily amending. I reiterate the comments of the previous speaker in this debate: one would have thought that the government, with all the resources at its disposal, could have developed a coherent fuel policy for Australia and developed over time a less complex fuel taxation system, if that is indeed the way that this Treasurer wants to raise revenue for government purposes.

The current arrangements for the taxation of fuel in Australia are highly complex and there is enormous scope for rationalisation. After 10 long years, this legislation seeks to introduce some rationalisation of the current scheme. It is important to note that the current bill does not change the taxation of petrol for basic household motor vehicle use. Under the current regime, a grant is available for diesel fuel under the Energy Grants (Credits) Scheme. There is an on-road credit, which includes alternative fuels, for vehicles over 20 tonnes, for vehicles between 4.5 and 20 tonnes and for vehicles operating outside or across metropolitan boundaries. Off-road credits apply to business usage and a fuel sales grant, under the Fuel Sales Grants Act, of 1c to 3c per litre of gasoline or diesel fuel in non-metropolitan areas applies. Remission certificates apply to exempt commercial users, in industries like plastics and chemicals, from excise or customs duty on certain types of fuel. The proposed changes, to apply from 1 July 2006, seek to consolidate these measures into a single fuel tax regime with credits achieved, as I have stated, through the BAS reporting system. Many users will receive the same level of tax but under different administrative arrangements, and of course the cost of compliance and understanding will fall on those businesses. Some users will face significant tax reductions, and there will be a higher tax for some on-road use. Aviation fuels are excluded from the fuel tax credit system.

Labor’s position on this has been articulated by previous speakers and I will not canvass too widely those statements. Labor supports the basic structure of the bill as providing a more sustainable basis for fuel taxation in Australia. In the general scheme of things, the bill is a major reform of fuel taxation in Australia. It provides for many things: a single system of fuel tax and associated credits, reductions in the incidence of fuel tax levied on taxable fuels and a staged introduction of a framework for the taxation of liquefied petroleum gas, liquefied natural gas and compressed natural gas from 1 July 2011. It provides for a staged reduction in tax assistance for biodiesel and domestic
ethanol and it links fuel credits to environmental standards, something for which Labor has argued for a long period of time.

This legislation had some serious shortcomings for small and medium sized enterprises in Australia, which have been the subject of significant representations by people in my constituency and by members of the farm sector in my capacity as the shadow minister for agriculture. Their main concern was the provision, under the originally proposed regime, that fuel credits would be received only after a BAS had been lodged and processed by the Australian Taxation Office. It was estimated by many of those seeking change in this area that many SMEs that lodged business activity statements would have something like a 50-day delay between paying the excise and receiving the fuel credit. As we know, the ATO has not had an exemplary track record of processing activity statement refunds quickly, so the provisions as they stood were going to lead to significant cash flow problems for many small businesses.

Labor particularly has worked very hard with those sectors to put pressure on the government to look closely at this particular provision and change it, which the government has done. The government has made a minor concession that extends the sunset period by a couple of years. But, as we know, these are ongoing problems for small and medium businesses. I think it is a reasonable proposition that we extend that sunset clause indefinitely, and I will certainly support any measures to do that.

For example, Labor was approached by the ACCI, which had real problems with the new legislation. We were also lobbied by the farm sector and other business lobby groups—of course, that lobbying effort was directed at government members also—and changes have been made. So we would welcome any change in that regard, but more particularly we think it ought to be extended beyond that two-year period.

The issue of fuel is one of direct concern to my constituents and the people whom I seek to represent in my shadow ministerial portfolio in the farm sector. As you may well know, Mr Deputy Speaker, my electorate of Corio encompasses most of Geelong. We have some tens of thousands of people who every day travel to Melbourne for work. Most of those people travel by car. I am not saying that that is the most efficient way to move people between Geelong and Melbourne. I commend the Bracks government for the recent upgrading of the rail system and the introduction of the fast trains between Geelong and Melbourne, and I commend those people who seek to use that transport mode to get themselves to their place of work. But the reality is that, for convenience, many people in my electorate travel to Melbourne for their work by car. They have to do that. They have been affected deeply by the rises in oil prices that have occurred which have translated into higher prices at the petrol bowsers in my electorate and in Melbourne. The simple reality is that most of those commuters are facing quite significant increases in their fuel bills, and these issues of fuel taxation are very important to them.

They are also important to the farm sector, because the cost of fuel is a significant input into the production of agricultural produce in this country. Much production is undertaken in rural and regional areas that are quite far away from ports and the markets in which we sell that produce. When you look at the inputs that come from petroleum based products into farm processes you see that it is not just confined to fuel but to fertilisers, and the rising international price has impacted very heavily on the baseline costs of
farmers on-farm. It has also affected the delivery of goods into regional areas—the delivery of spare parts and general household items. The general cost structures are moving as businesses adjust to the new economic environment typified by high petrol prices.

There is a simple reality about Australia’s position. We are terribly dependent on foreign oil, and that dependence is growing. For example, petroleum based fuels account for 97 per cent of Australia’s transport needs. That is an extraordinary statistic. The reality is that we are consuming petroleum based products at a rate some three times faster than we are finding those resources. At the end of the day, as we all know, there is a finite limit to these resources. No matter how you look at the situation, we could go on finding huge reserves of oil but, as we know, at the end of the day, at quite significant rates of consumption, those fossil fuels are going to run out whether it be in 10, 20, 30 or 100 years.

I have some experience of this. As a young man I happened to work as an administration manager on the construction sites in North Sea oil, where British Petroleum contracted the company that I worked for to extract oil from the North Sea. The technology that was being employed was at the forefront of the recovery technologies at the time. The company that was involved was a significant Texas contractor which is well known to people on both sides of this House. The Texans who worked in that particular company made no bones about the fact that, once the oil was discovered, caps would be put on the oil wells and the supply trickled out to influence the eventual price, given the demand. I mention this example because, at the end of the day, either Australia is in a vulnerable position on this particular issue or it is not. That is the reality: we are either vulnerable or we are not. There are degrees of vulnerability, and at the moment we are highly vulnerable—and we should not be. That is the simple logic of what we have seen take place over a period of 30 years.

Some of us in this House can actually remember the 1974 oil shock. That was supposed to be something that created enormous difficulties for the then Labor government. The then opposition would not hear of any excuse about a trebling of the price of oil feeding into the cost structures of businesses and farms. There was no concession or quarter given to the Labor Party then, but we have seen over the last couple of years a trebling of the oil price again. This government has had at its disposal over a decade a whole raft of things it could have done to much better prepare Australia for the situation it now finds itself in.

Crude oil and refined petroleum now constitute the largest item on our trade accounts—that is, crude oil in 2004-05 was the second-biggest import, at $15 billion. The statistics are quite alarming. In 2005-06 Australia relied on imports for 17 per cent of our petroleum consumption. Those are figures produced by ABARE, which estimates that by 2020 that will rise to 46 per cent. The Australian Petroleum Production and Exploration Association think it will be closer to 78 per cent. So somewhere between 50 and 80 per cent is probably a reasonable guesstimate. We tend to rely on those two bodies for their expertise in making these sorts of predictions. Even if that is the case, we are
highly vulnerable and dependency means terrible exposure to any rises that take place or any events that will affect the demand or the supply of petroleum based products.

The economic impacts are substantial. We have seen a trebling of oil prices in three years globally, and that has started to feed into inflationary pressures. It has already impacted on household budgets in Geelong. It is being used by this government as an excuse for the brakes being applied to growth. I am not disputing that that is an economic impact; but, for heaven’s sake, we have known about our dependence on petroleum based products for a long period of time and we are only now getting the fuel tax regime right and we have no alternative fuel strategy of any moment in place. I get sick and tired of members opposite saying that Labor is a policy-free zone. We are an opposition with limited resources, yet we could come up with a comprehensive policy. You have been in government for some 10 or 11 years and you are still in a mess. The nation is highly vulnerable and we are all going to pay a price for your incompetence.

Mr GAVAN O’CONNOR—I do apologise to you, Mr Deputy Speaker. I really am referring to the imbeciles opposite, who have not been able to put together a coordinated policy in this regard. Labor do have a policy.

Ms HALL (Shortland) (7.35 pm)—I join with the member for Corio in condemning the federal government for its failure to develop an adequate and proper policy, a policy that looks to the future in this area. Unfortunately, we in this House find ourselves reacting to just about every issue, because that is the way this government works. Unfortunately for the people of Australia, I do not think it has reacted soon enough to the need to look at reforms to fuel tax and to look at alternative sources of energy. Australia as a
The Fuel Tax Bill 2006 and cognate bill constitute major reform to fuel taxation in Australia. They provide for a single system of fuel tax and associated credits. They also include measures for reductions in the incidence of fuel tax levied on taxable fuels; staged introduction of a framework for the taxation of liquefied petroleum gas, liquefied natural gas and compressed natural gas; from 1 July 2011 staged reduction in tax assistance for biodiesel and domestic ethanol; and the linkage of fuel credits to environmental standards. We will be supporting much of what the government has included in these bills, but we do not support the government’s ineptitude and its failure to address the real issues that are facing the people of Australia.

The proposed changes consolidate measures into a single fuel tax, which is a good idea. It is good policy, it makes it easier, simpler, and it does this with credits achieved through the BAS reporting systems. Many users will effectively receive the same level of tax under different administration arrangements, but some users will face significant tax reductions. There will be a higher tax for some on-road use. Aviation fuels are excluded from the fuel tax.

It is my understanding that the way the government is linking it to the BAS will cause some problems. The Australian Tax Office is notoriously slow in returning monies and dealing with matters that are sent to it. My office is constantly deluged with problems constituents have with the ATO, including that of facing delays—although that is currently not a problem. As to the administration of the fuel tax credits regime, it will be claimed on the BAS in the same way as input tax credits are claimed for GST. Because of these delays, there is the potential to cause major cash flow problems for medium-sized producers. These producers are effectively fuel tax free due to the remission certificates for excise and customs on fuel input. Now they must pay the fuel tax and get the credit when they lodge their BAS. Producers with a turnover of $20 million must report monthly for GST purposes. I have been arguing that GST refunds are not provided quickly. Businesses with $2 million to $20 million turnovers report quarterly and thus face major delays between payment of the tax and the associated credit. This can cause major cash flow problems.

That is from the business perspective. I would like to turn to the amendment moved by the shadow minister, the member for Hunter. The first part of the amendment deals with the failure of the government to address issues around petrol prices. The people of Australia have been dealt a double whammy of soaring petrol prices and increased interest rates, with two interest rate rises since the last election. What has the government done to deal with these petrol and fuel price increases? I argue they have done very little. The Prime Minister has said there is not much he can do. He has given up. He has put it in the too-hard basket. Those people who rely on the government to solve problems, those people who rely on being able to purchase affordable fuel, should expect a little bit more from their Prime Minister than saying, ‘It’s too hard; I don’t know what I’ll do about it.’

The people of Australia think that something should happen. I refer to a letter I have here from a constituent, Mr Jack Cambourn of Chain Valley Bay. He wrote this letter to me just after the Easter break. He pointed out that the public’s attention is always focused on the price of petrol and the way the price of fuel increases around a holiday break. He was referring to Easter, but I note that within my electorate, prior to the long weekend, the
price of petrol was $1.49. Today it has dropped down to $1.42. This is the phenomenon that Mr Cambourn was referring to in the letter he wrote to me. He said:

Fuel costs are passed on to the people in every item they buy in the supermarket.

I think that is an important factor. When we are in there buying our fruit and vegetables, we must be aware that the high prices we are paying for them are a direct result of the Howard government not acting to constrain the price of fuel or to look at alternative fuels. He goes on to say:

Those who do not own a vehicle pay, but clearly the vehicle owner pays twice, once at the service station, and again at the supermarket.

He goes on to ask:
Do we have to go on paying?

He said:
The Prime Minister was on the Tele recently discussing the problem of increasing prices of motor fuel. “There’s nothing we can do about it” says the PM.

As I mentioned earlier, he threw his hands in the air, abrogated his responsibility and said, ‘There’s nothing I can do about it.’ Mr Cambourn continued:

Immediately a scene appeared on the screen showing a mass of people on the floor of the New York stock exchange. We were told they were stockbrokers bidding for stock in oil companies.

He goes on to make the point that this activity can have an effect on world oil prices. He says:

There are 65 countries around the world who possess natural deposits of crude oil, Australia is one. Some are known to sell motor fuel into their domestic market at a lower price than they would sell it into their export market, but not Australia.

The USA is one, Venezuela is another. Within the past three months the US was selling motor fuel for $US2.80 a gallon.

He goes on to talk about converting these prices to Australian dollars. He went on to say they were much lower—less than half the price that we are paying now. He goes on to argue that the Howard government should look at things a lot more creatively. He then goes on to say that it is up to federal members of parliament to try to resolve the problems of all those families whose interests we have been elected to this parliament to support and to look after.

Another constituent who has been very active in community groups and does a lot of volunteer work is now unable to do so because of the increase in the price of petrol. Parents are telling me that they are no longer able to take their children to those sporting activities that they have been involved in for a very long time. As with other things, that is a double-edged sword because it impacts on the health of our young people, which in turn can lead to an increase in obesity and health problems into the future and which increases costs to government—all because the government has failed to look at the issue of petrol prices.

Floraville Public School, in my electorate, is a lot more far-sighted than members of this government. Last week students from Floraville Public School interviewed me on the telephone. They asked me about ethanol and alternative fuels. They asked me whether I supported their use. They asked me about the sorts of policies the government should be introducing and how the government could address the issues and look at alternative fuels. I gave an answer from my perspective—as a Labor Party opposition member of this parliament who can see that this government’s inactivity is costing Australia in a big way. The students will write a report in their school newspaper that will detail whether they think that what I support is a
much better alternative than what the government has done—which is nothing.

The abolition of the Fuel Sales Grants Scheme will mean an increase in costs to regional areas. There is no way the government can walk away from that. Once again, the government have handled that very badly. They have not looked at the impact of their decision. The government should read the article that the students of Floraville Public School put in their newspaper about ways of reducing Australia’s dependency on foreign oil and developing an Australian solution—that is, an Australian fuel industry. I do not think there is any better example of what could be done than that which has been set out in the Leader of the Opposition’s blueprint for Australian fuels, ‘Developing the Australian fuel industry’.

The Leader of the Opposition highlights the fact that we need to develop a diversified Australian fuel industry and become a more fuel self-sufficient nation which is not dependent on a very volatile oil market and overseas market, which is not open to manipulation by foreign countries and foreign variables and which has a policy that is Australian based. Australian families have been struggling with the increase in fuel prices. Members may have seen that advertisement on television for an insurance company, where the father adds up how much it costs and gives the young boy in the back seat of the car a bill for taking him to school that reflects the increase in the price of petrol. The insurance company offers another solution, but I think the solution is to develop an Australian industry.

I firmly believe the way forward for transport fuels in Australia is to have Australia stand on its own two feet rather than sit there waiting for overseas factors and influences to determine how much we pay for petrol at the bowser. It is also important that we look at the relationships between the oil companies. For too long the market here in Australia has been manipulated. As I highlighted earlier, the cost of fuel before Easter and before the long weekend just gone was manipulated by the oil companies. I do not see how we could be asked to pay $1.49 on Friday and $1.42 today.

Mr Price—It’s a rip-off!

Ms HALL—As the member for Chifley said, it is a rip-off. Who is being ripped off? The Australian people. Who is allowing this rip-off to continue? The Howard government. The Howard government have to take responsibility for what is happening with the price of fuels. They cannot walk away from it. They cannot throw their hands up in the air and say, as the Prime Minister has done, ‘There is nothing we can do about it.’ There is plenty he can do about it, and it is about time he started to do something. We need national leadership to develop existing alternatives such as liquid petroleum, ethanol and biodiesel, which the kids from Floraville Public School—who are under 12 years of age—can see we need. We need technologies to enable emerging alternatives such as compressed natural gas, liquid fuels from gas and stored electricity and future fuels such as hydrogen. For that to happen, we need a government that supports the development of these new technologies. We need this because our transport fuel market needs a fresh blast of competition—real competition, not the kind of competition that we see currently within the fuel market.

By developing an Australian policy, an Australian industry and Australian alternatives, Australia becomes less vulnerable to external shocks and the possibility of a $5 a litre price at the pump within a decade. I do not think it is unrealistic to say that we are very fast approaching that $2 a litre barrier. I would hate to see us reach that by the end of
this year but, unless this government acts and takes some initiative, that is where we will be. Yet all we see is John Howard throwing his hands in the air and saying, ‘We can’t do anything about it.’ He has also said:

I can fully understand the anger of motorists at the price of petrol.

World oil prices are not something the Australian Government, or any government, can influence. They are out of our control.

Well, Prime Minister, what is in your control? What can you do? I would argue that there are plenty of things that you can do. I suggest that you start by looking at the Labor Party’s ‘Blueprint Number Three—Australian Fuels’ and acting on it. We do not mind if you steal some of our initiatives—they would be good for Australia. We believe that Australians should not be paying the high prices at the pumps at the moment. We believe that we should have an Australian industry, and it is about time this government acts to see that that happens.

Mr PRICE (Chifley) (7.54 pm)—It is a privilege to follow the honourable member for Shortland in the debate on this important bill, the Fuel Tax (Consequential and Transitional Provisions) Bill 2006. It provides a single system of fuel tax credits to remove or reduce the incidence of fuel tax levied on taxable fuels. It produces a framework for taxation of gaseous fuels from 1 July 2011, when fuel tax will be, for the first time, levied on liquid petroleum gas, liquid natural gas and compressed natural gas. Under the tax credit system, all taxable fuels that are acquired, manufactured or imported for business purposes will become tax free. The excise levied on burner fuels, such as kerosene, heating oil and fuels used in commercial electricity generation, will be removed from 1 July 2006. Concessions, refunds and remissions derived through the excise will be replaced by fuel credits. A business claiming more than $3 million will be required to become a member of the Greenhouse Challenge Plus program, and fuel tax credits are claimed via the BAS or business activity statement.

In the words of the Prime Minister, the price of petrol is a real barbecue stopper. It does not matter whether you are out in the bush, in a regional city or town, in a capital city or in the western suburbs of Sydney like me—people are feeling the high cost of fuel. They have to pay an extraordinary amount of money to fill up the family car, and that is hurting their budgets. It is quite trite of the Prime Minister to say, ‘It is all because of the world high price of petroleum.’

We have missed a lot of opportunities in Australia. I notice the honourable member for Corio is at the table for the opposition, and I am sure he would agree with me that Australia did a lot to develop solar energy but we have done little to commercialise and take advantage of it. It is a real tragedy. It is very symptomatic of Australia that we can be so good in research and development but not so good on commercialisation and exports. Of course, policies introduced by the Howard government have not helped in that regard. The leader has announced that Australia needs to develop existing technology: liquid petroleum gas, ethanol and biodiesel; developing technology—that is, ‘Let’s get in there quick’: compressed natural gas, liquid fuel from gas and stored electricity; and future technology: hydrogen.

I have had a longstanding interest in ethanol. It stems from the time, too many years ago, when I was reading a Newsweek magazine, which used to be imported into this country; it has subsequently disappeared. It talked about what Brazil was doing with ethanol. Brazil has, for many decades now, produced ethanol from sugarcane. It is by far
the cheapest provider of ethanol in the world. Brazil not only uses it in petroleum in vehicles but also exports it.

We have a real problem in Australia. Currently, we provide in Australia, on a declining basis, 63 per cent of our own petroleum supplies. It has been estimated that within 10 years we will be dependent on 78 per cent of imports of petroleum. Currently we are 63 per cent self-sufficient; in 10 years, it has been estimated, that could decline by as much as 22 per cent—that is, we will need to import 78 per cent of all our requirements in the next 10 years.

This is having a horrendous impact on our current account deficit. I have no need to tell you, Mr Deputy Speaker, that for 49 months Australia, one of the resource-rich countries of the world, in the middle of a resources boom, has produced 49 consecutive current account deficits. We need to do something. I feel we need to do something not only about the framework that has been outlined but about ethanol. We need to do something about extending our own self-sufficiency.

I know that there is a view in this parliament that all you have to do is leave it to the petrol companies and—by some process of serendipity or the road to Damascus—they will suddenly want to do the right thing by looking at biofuels, by looking at ethanol. Should they do that, it will be a first. Let us be under no illusions. In America, the very same petrol companies which in Australia deny us ethanol in our petrol are providing it and bragging about it.

There will always be debates on the Labor side about the right thing to do and the best way to go. I make no apologies for believing that we should be mandating ethanol. We cannot leave it to the petrol companies to do the right thing by the people of Australia. We cannot leave it to the petrol companies to try and solve our own self-sufficiency problems, with a rapidly declining basis of petroleum in this country. We cannot leave it to the petrol companies to make a significant impact on our current account deficit. As I say, I believe that we need to mandate ethanol.

Lots of figures have been bandied around about mandating. Of course, if you were to start mandating ethanol, you would obviously want to start ramping it up—that is, initially you would set a target of, say, 2.5 per cent and ramp it up to five, 7.5 and 10 per cent. If we were to do that, we would make a big impact on our current account deficit, and we would also make an impact on our own self-sufficiency. I have some figures here. For example, 2.5 per cent would add another four per cent in terms of the replacement value; five per cent would mean eight per cent; 7.5 per cent, 12 per cent; and 10 per cent, 17 per cent. We ought to be doing these things. We ought to be looking at them. This parliament ought to be having a debate.

It is true that I have been down to the Manildra plant where ethanol is produced as a by-product of wheat processing. It is also true that I have been pleased to meet Dick Honan and his family. I do not know what Dick Honan’s family’s politics are. I do not think it particularly matters or should be important. I can say that they are a great Australian family who have pioneered ethanol. But, in mandating ethanol, we would not be providing any monopoly to Manildra. In fact, if we were to mandate ethanol, we would be not only guaranteeing a future for ethanol in this country but ensuring that future plants would be constructed in rural Australia. That would be providing jobs in rural and regional Australia, adding to the economy of rural and regional Australia and, as I say, helping the current account deficit problem that we have—that is, starting to minimise it—as
well as starting to address our issues of self-sufficiency.

There is one thing that you can be sure of, because the government has asked for a departmental report into this from the Minister for Industry, Tourism and Resources. The minister for industry is an opponent of ethanol. He has not really ever supported it appropriately. In fact, I know that the National Party members, whilst they are very keen to see ethanol mandated, know that they cannot get it through this government. They know what the benefits are to rural and regional Australia. They know what the benefits would be to the state of Queensland. But they cannot get it up within the coalition.

On our side of politics, these things are worth while looking at. I see that the honourable member for Prospect is in the House ready to make a contribution. He will know that one of the urgency motions considered at the New South Wales state conference of the Labor Party was the issue of mandating ethanol. That motion sought the intervention of the Premier of New South Wales and the New South Wales Labor government. I must say that I fully support it.

As we search for solutions for the future, I would discount none of the new, emerging technologies, but I do say that we have an opportunity with ethanol. This has been around for not one or two years but decades. It is to our shame, in my view, that the use of ethanol is not at 7.5 per cent or at 10 per cent. I believe that you cannot trust the petrol companies. At the end of the day, the real solution is to mandate it. If the New South Wales state Labor government lead the way, that is terrific. I know that their Country Labor members would be very strongly supportive of it. I hope that, at a federal level, we would look at mandating it. We would look at doing something very serious for the desperate situation where currently we are 63 per cent self-sufficient but within 10 years we will be importing 78 per cent of our petroleum needs. We cannot do nothing—that is not an option.

I will finish on a couple of points. It is an absolute tragedy that the ACCC does not have full power to ensure that the petrol companies are not price gouging. On this side of the House we support the ACCC getting it. Whether or not the chairman of the ACCC wants it, we believe that he should have it and therefore should be required to exercise it. On the government side—that is, on the side of the Liberal and National parties—they say, ‘We’re very content with the status quo. We don’t mind petrol going up 9c or 10c before a long weekend or that there are price variations depending on what day of the week you fill up your car at the petrol bowser; that is just a normal matter in the marketing of petrol.’ It is interesting that, no matter what the brand, all the service stations do the same things on the same day. John Howard says that it is not a problem, Peter Costello says that it is not a problem and the backbenchers on the coalition side say that it is not a problem. I have never heard the member for Greenway get up and talk about this issue which hurts Western Sydney. I have never heard the member for Lindsay get up and say that this is a problem and that we need to give the ACCC—

Mr Bowen—Struck dumb.

Mr PRICE—Yes, struck dumb. I have never heard the member for Macarthur, who is not a bad sort of a bloke, get up and say in his electorate on the very fringes of the western suburbs of Sydney: ‘This is hurting families in my electorate and is unfair to them. I want something done; I demand that something be done.’ But I have heard nothing. I have to say that I have never even heard my learned colleague the Chief Government Whip, the member for Macquarie, say a
Mr BOWEN (Prospect) (8.09 pm)—The Fuel Tax Bill 2006 is an important bill—as is its associated bill, the Fuel Tax (Consequential and Transitional Provisions) Bill 2006—with ramifications for farmers, small business people and people in rural and regional areas, particularly. It also has significant fiscal implications. There is no doubt that the fuel excise regime is in need of reform. It is currently complex, difficult to administer and difficult to understand, and some reform is welcome. However, there are aspects of this bill which cause me concern. I also note that this bill is significantly different from the one originally proposed by the government, thanks to the pressure from the opposition and from groups such as the Australian Chamber of Commerce and Industry.

This bill consolidates the range of fuel grants, credits and concessions into one single regime, and this is a concept which I find difficult to oppose. If the bill is passed, many users will be receiving the same level of tax rebate under different administrative arrangements, although it must be noted that some users will have their tax changed. This bill, for example, abolishes the Fuel Sales Grants Scheme which provides for a grant for sales of petrol or diesel of up to three per cent in non-metropolitan areas. This significant scheme costs some $256 million per annum, and the scheme’s abolition has significant impacts. It would be appropriate for a Senate committee to examine this aspect of the bill.

I referred earlier to the government’s significant backdown. In the bill’s original form, fuel tax credits would be claimed by businesses via the business activity statement in the same way as input tax credits are claimed for the GST, and this new scheme would be effective immediately. This means that a range of companies currently paying no fuel tax would now have to pay tax and then claim back the tax at a later time. You do not have to be a genius to realise that this would cause a major cash flow problem for small and medium sized enterprises especially, but apparently the government did not realise this. The problem for small business is especially apparent when you consider that businesses with a turnover of less than $20 million report their business activity quarterly and they would, under the system, have very significant delays before receiving their fuel tax back.

I was listening to the contribution of the honourable member for Hunter earlier today. He said that somebody had suggested to him that the way around that would be for small businesses to do their business activity statements monthly and not quarterly. That person obviously has no understanding of the burden of doing a business activity statement on a small business. They obviously have no understanding of what an onerous task it is and how the last thing small businesses need to be doing is to be preparing their business activity statements more regularly—monthly—in order to get back tax that they have paid and which they used not to have to pay at all. A recent audit report revealed that the Australian Taxation Office is unacceptably slow in processing business activity refunds, and this will make the effect of this change even more significant.

Labor agreed with the Australian Chamber of Commerce and Industry—I must say that we do not agree with them on everything but we certainly agreed with them on this—that this was unacceptable. We argued strongly that this aspect of the bill should be referred
to a Senate committee for fuller consideration. The government has now partially backed down. The new arrangements mean that business will now have two years to adjust to the new tax regime. I note that the National Party have claimed this as a victory—and well they would; they do not have very many. However, it is actually a delayed defeat. The new arrangements will be implemented exactly as planned, just two years later. It does not fix the problem; it just puts it off for two years. While it is welcome that business will have two years to adjust to the new regime, other solutions should still be examined by a Senate committee. These should include the possibility of allowing companies with a turnover of less than $20 million to pay the tax after the business activity statement has been lodged.

I note that the tax office argued until very recently that this change was a necessary design feature. But it is apparently not so necessary that it is required for the next two years. It is not so essential that the tax office cannot survive for two years without it. That has to beg the question: if it is not essential for the next two years, is it essential for all the years to come? Given this anomaly, it is appropriate that a Senate committee examine the proposed changes to ensure that they cannot be further amended or to reduce or eliminate their adverse effects on industry. The tax office said that it was essential; now apparently it is not so essential. We need to see whether, if it is not so essential, it can be done without forever. We say: let a Senate committee have a good look at it and report back on the options. For all those reasons, all of division 3 of the bill should be referred to a Senate committee.

I would like to deal briefly with the taxation arrangements for alternative fuels, most notably ethanol. This new tax regime will impose fuel tax on biodiesel, domestically produced ethanol, LPG, compressed natural gas and liquefied natural gas. Of course it is appropriate that these fuels be taxed in the same way that other fuels are taxed, but it must be remembered that these fuels, particularly ethanol, are very much at the developmental stage and taxing them now could have the effect of killing this industry or at least very seriously affecting its development. That is why the tax regime will be phased in from 1 July 2011 to 1 July 2015. This is appropriate. Labor called for this and we support it. The government talks about being a supporter of alternative fuels, particularly ethanol, and tries to paint Labor as not being in favour. But of course nothing could be further from the truth. I am glad that the government has listened to the calls of Labor and others and agreed to the phase-in of the tax on biofuels.

The matter of biofuels is also addressed in the second reading amendment moved by the member for Hunter earlier today, and I would now like to turn to that aspect. Australia is facing very high fuel prices, as is the rest of the world. It is incumbent on governments to encourage alternative fuels to reduce our reliance on foreign fuel supplies over time. This government has been reluctant to do it. Labor has a well-developed policy in this regard. The government has now adopted Labor’s plan to have the Commonwealth fleet—which is a very substantial one—running on alternative fuels. But of course much more can and should be done. It is being done overseas in places you would not naturally expect.

President Bush has authorised a $1.7 billion program to encourage hydrogen energy and fuel cell technology. Iceland is committed to becoming a hydrogen economy in 30 years time. The Brazilian experience is that you can have an effect on petrol prices by encouraging alternative fuels. That is why a
Labor government would, for example, re-examine the depreciation regime for gas production infrastructure and allow the use of flow-through share schemes in the gas, oil and mineral exploration industries, which would enable some smaller operators to share the tax deductions and losses with their investors, making them more competitive in the battle for capital. In addition, we would make alternative fuel vehicles tariff free, cutting up to $2,000 from the cost of hybrid cars. Obviously, if you cut the cost of alternative fuel vehicles in this country, you improve the viability of the alternative fuels industry.

I would now like to turn to other aspects of the second reading amendment moved by the member for Hunter. Filling your car’s petrol tank can now cost you $100. In Sydney, which is the community I know, it would not be unusual for the average Sydneysider driving to and from work to fill their tank at least once a week. This is a massive cost blow-out for families. Especially in Western Sydney—which the member for Chifley referred to and which I also have the honour to represent—people who travel long distances into the city or across Western Sydney to get to their place of employment often have no choice but to drive, and this is a significant cost impost for them. Yet the government’s Western Sydney MPs wash their hands and say there is nothing that can be done.

As I have said in this House before, increases in fuel costs are an international phenomenon and they are primarily driven by increases in the cost of crude oil, but that does not mean the government is entitled to sit on its hands and do nothing. The government could be acting to reduce our reliance on foreign fuel supplies. Crude oil and refined petroleum combined are this nation’s single biggest import. As the Leader of the Opposition has pointed out, Australia currently relies on imports for 17 per cent of our overall petrol consumption. Seventeen per cent sounds reasonable; I thought it might be higher than that. Until I checked the figures, 17 per cent did not sound too bad. But the Australian Bureau of Agricultural and Resource Economics calculates that this figure will rise to 46 per cent in 2020. This will be bad for our current account deficit and bad for Australian motorists.

The government could ensure that the Australian Competition and Consumer Commission ensures that price gouging is not occurring. The member for Chifley said that Labor believes the ACCC should have that power whether it likes it or not—and he is right. The chairman of the ACCC has said that he thinks something fishy is going on with petrol prices—and, if something fishy is going on, something should be done about it. Price gouging is not the main cause of high petrol prices but, even if it is adding to prices by a relatively small degree, Australian families deserve relief from it. The head of the ACCC has said that something fishy is going on with petrol prices and the Victorian Chamber of Manufactures believes that refiner margins are eight to 10c a litre higher than they should be. I agree with Senator Humphries, who said:

The relatively opaque nature of petrol prices means there is an opportunity for parties in the supply chain [to make] discretionary decisions about how much to charge to exploit motorists. There are plenty of reasons why the ACCC should be closely monitoring petrol prices, and the Australian people who are filling up their tank every day know it. On the whole, I support this bill. I believe that division 3 should be referred to a Senate committee for the reasons I have outlined. I think the National Party has grabbed a deferred defeat, not a victory. Small business in rural and
regional areas in particular have a lot to lose in the long run if division 3 is not amended.

I was attracted to an article in the *Courier Mail* on 15 May this year titled ‘Excise U-turn could kill industry’. President of the Queensland Seafood Industry Association, Neil Green, referring to this bill going through, said:

We are at the stage where we will go broke if this occurs.

He is right. Businesses throughout Australia, especially in rural and regional areas, are saying that. I say to the government: it is not good enough to put this off for two years. They are supposedly the champions of small business. They come into this House boasting and beating their chests saying, ‘We are the only ones who care about small business,’ yet they are introducing a tax regime which one industry association president says will send a significant number of his members broke and which small businesses throughout Australia have protested against. The best that this government can do is to say, ‘It’s okay, we won’t do it for another two years, until after the next election,’ which, by the way, is a very convenient result. The government should have the guts to fix this and fix it now and to be judged by small business on their performance—not to put it off on the never-never, not to put it off until after the next election, as they do on so many issues. They should deal with this now. They should face small business now and they should fix it now.

Mr MELHAM (Banks) (8.23 pm)—I rise tonight to speak on the Fuel Tax Bill 2006 and the Fuel Tax (Consequential and Transitional Provisions) Bill 2006. Typically, the government has provided insufficient time for the opposition to analyse the amendments to this legislation. Those amendments were made available only two hours prior to the commencement of this debate. The systemic lack of professionalism and parliamentary courtesy is becoming a hallmark of this government. This is not the first time that the government has done this and I suspect it will not be the last. At this point in time we have also not been able to consult the report produced by the Senate Economics Legislation Committee. As I understand it, that report was to be tabled this afternoon in the Senate but has now been held over for tabling tomorrow.

Australians have a right to expect that their parliamentary representatives conduct debate in an informed manner. This is becoming impossible through the government’s appalling discourtesy and diminishing respect for the parliamentary process—this by a Prime Minister who campaigned prior to his election on the premise that he would raise parliamentary standards. I can tell you, Mr Deputy Speaker, that in the last decade parliamentary standards have fallen. It is all emanating from the arrogant way the government has conducted itself.

The best that this government can do is to say, ‘It’s okay, we won’t do it for another two years, until after the next election,’ which, by the way, is a very convenient result. The government should have the guts to fix this and fix it now and to be judged by small business on their performance—not to put it off on the never-never, not to put it off until after the next election, as they do on so many issues. They should deal with this now. They should face small business now and they should fix it now.

Mr MELHAM (Banks) (8.23 pm)—I rise tonight to speak on the Fuel Tax Bill 2006 and the Fuel Tax (Consequential and Transitional Provisions) Bill 2006. Typically, the government has provided insufficient time for the opposition to analyse the amendments to this legislation. Those amendments were made available only two hours prior to the commencement of this debate. The systemic lack of professionalism and parliamentary courtesy is becoming a hallmark of this government. This is not the first time that the government has done this and I suspect it will not be the last. At this point in time we have also not been able to consult the report produced by the Senate Economics Legislation Committee. As I understand it, that report was to be tabled this afternoon in the Senate but has now been held over for tabling tomorrow.

Australians have a right to expect that their parliamentary representatives conduct debate in an informed manner. This is becoming impossible through the government’s appalling discourtesy and diminishing respect for the parliamentary process—this by a Prime Minister who campaigned prior to his election on the premise that he would raise parliamentary standards. I can tell you, Mr Deputy Speaker, that in the last decade parliamentary standards have fallen. It is all emanating from the arrogant way the government has conducted itself.

Having noted my concerns about the shoddy manner with which the government is dealing with this legislation, I will move on to discuss the bills before the House this evening. With my constituents I remain concerned about the rising cost of petrol for the domestic user. It is this concern which will underpin my remarks this evening. Motorists are understandably upset at the price of petrol. When challenged on this the Prime Minister commented:

... world prices are not something the Australian Government, or any government, can influence.

Let us accept that as a premise. Logically the next question is: what is the government doing about developing alternative strategies to minimise our dependence on world oil and world oil prices? Not a lot, it would seem. In 2004-05 Australia spent almost $15 billion on imported crude oil and refined petroleum.
In net terms, Australia relies on imports for 17 per cent of its overall petrol consumption. By 2020 the Australian Bureau of Agricultural and Resource Economics estimates the figure will rise to 46 per cent.

These bills go a very little way to addressing the fuel crisis in which this country finds itself. We must seek ways to diversify our fuel base and establish alternatives. The other side of the picture reveals that, if we do nothing, we will increase our dependence on oil supplies from the Middle East, West Africa and Russia. These are not countries noted for their stability, yet we will be forced to rely on these countries for our fuel supplies. The member for Batman has already commented on the implications that has for energy security.

I particularly note those aspects of the bills which propose new environmental measures: the requirement for large fuel users to be a member of the Greenhouse Challenge Plus program and vehicles using diesel fuels in on-road applications to comply with emissions performance criteria. For the record, I note that Greenhouse Challenge Plus is designed to reduce greenhouse gas emissions, accelerate the uptake of energy efficiency, integrate greenhouse issues into business decision making and provide more consistent reporting of greenhouse gas emissions levels. Certainly, Greenhouse Challenge Plus is a tiny move in the right direction to reducing greenhouse gas emissions. Despite this small move forward, I believe Australia must develop a diversified fuel industry. We need cleaner fuels. Australia has fallen behind the rest of the world in the development of a fuel industry plan. In the past three years global oil prices have tripled. One of the results is that business margins are affected and, as that occurs, so consumers face higher prices. We are seeing that pattern now with the recent increase in petrol prices at the pump. It is not unrealistic to expect that the government give consideration to preparing this country for the inevitable future peaks in the price of petrol. Our dependence on foreign oil is growing. Petroleum based fuels account for 97 per cent of Australia’s total transport fuel needs. We are, however, consuming oil three times faster than we are finding it.

In developing a diversified fuel industry, we should expand existing alternatives like petroleum gas, ethanol and biodiesel. We should develop emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity. We should consider future fuels such as hydrogen. By playing a more active role in emerging energy sectors, we can boost our export performance and take advantage of opportunities in world markets. Australia must invest in the preservation of our environment by diversifying our fuel base beyond petrol to biofuels, gas and hydrogen. We must prepare Australia now to face the energy challenges of the next 100 years. One of these challenges is to ensure that we do much more in renewable energy resources. For this reason, Labor supports the increase of the mandatory renewable energy target.

Let us consider what is happening in other countries in their attempts to diversify the fuel base. In the USA, there is a five-year plan to develop hydrogen and fuel cell technology. In the European Union, there is significant financial commitment to fuel cell technology. Iceland is committed to becoming the world’s first hydrogen economy. In Qatar, the focus is developing on gas to liquids. In Brazil, all petrol sold contains at least 25 per cent ethanol. Sweden has recently declared it intends to be oil free by 2020. Other countries have a vision of the future which involves planning now. There will be successes and there will be failures.
but if we do not start to consider alternative fuel sources the future is bleak. This government has consistently reduced investment in research and development, not increased spending in an area which is so vital to our future. For example, while Australia’s crude oil reserves are equal to less than 10 years consumption, our natural gas reserves are many times higher. No-one can predict what the composition of Australia’s transport fuels will be in 2020, but this is an indication of the difference which could be made if we made better use of our natural oil reserves. If all the natural gas reserves we currently know about were converted to transport fuel, it would be enough to power every car, bus and truck in Australia for the next 50 years.

It is not good enough for the Prime Minister to merely hold office and just seek to go on as long as he can, maybe to break Sir Robert Menzies’ record as Prime Minister. He will be judged at the end of his term and by future generations on the sort of policy initiatives that he and his government introduce. In this area they are sadly lacking. There is no excuse when you have been in government for 10 years because you have had plenty of time to iron out the wrinkles and to produce substantive policy. Instead, we have seen short-term reactive policy on a whole range of fronts. In this area we are out of old fuels but potentially have access to a plentiful supply of new fuels—and that is before we consider developing other fuel alternatives.

Labor has proposed a comprehensive Australian fuel industry plan—a plan which would foster the development of a more diversified fuel base. Labor believes in developing a diversified Australian fuel industry. Labor is committed to putting in place effective incentives for the development of natural gas and for a healthy resources sector in the long term. That is why Labor will re-examine the depreciation regime for gas production infrastructure, allow the selective use of flow-through share schemes for smaller operators and implement regional resource infrastructure funds to help meet the cost of providing supporting infrastructure for onshore gas and minerals processing projects helping to grow the industry. Labor will also foster demand for new Australian fuels and technologies by making alternative fuel vehicles tariff free, cutting up to $2,000 off the price of current hybrid cars; working with state and local governments to give city traffic and parking advantages for these vehicles; and examining the granting of tax rebates for converting petrol cars to LPG.

Australia also needs to lead the global race for innovation in the development of new fuels and fuel technologies. To achieve this Labor would conduct a feasibility study into a gas-to-liquids fuels plant in Australia, offer petroleum resources rent tax incentives for developers of gas fields which provide resources for gas-to-liquid fuels projects, examine a new infrastructure investment allowance for investment in Australian gas-to-liquids infrastructure, develop a targeted funding scheme for research and development in this area; and work with industry to improve engine design and fuel quality standards. Labor would establish a new stream of contestable grants, supporting proposals for research into alternative fuel and its associated technologies. These grants would go to projects accessing existing private and public research money, leveraging in extra funds as well as demanding new priorities from Australia’s research community. Labor proposes to ease regulation of biodiesel production on farms and encourage a sustainable ethanol industry.

Labor has a vision to protect its economy so that it does not fall under the weight of a global oil crisis. We must develop a diversi-
fied Australian fuel industry. We must move forward in developing alternative fuel policy. For the life of me, I cannot see why some of these policies cannot have bipartisan support, because it should not be about political patronage from one party or the other. In this area what we need is a long-term sustainable policy—one that is not the subject of the whim of an election campaign or a short-term election strategy. This is the test of the maturity of political parties.

The Labor Party does not subscribe to the view that we should just put our heads in the sand and it will all just develop. I do not see the role of government to be like a moo-cow watching the passing traffic. I am a great believer in governments directing traffic, playing a role and creating incentives for the business sector to build the economy. This is a classic area where I think this government has been negligent and has sat on its hands. It needs to do more.

I support the amendment moved by the member for Hunter and draw particular attention to paragraph (3) which:

... calls upon the government to reduce our dependence on foreign oil and to promote:
(a) existing alternatives like liquid petroleum gas, ethanol and biodiesel;
(b) emerging alternatives such as compressed natural gas, liquid fuel from gas and stored electricity; and
(c) future fuels, such as hydrogen.

There is much more to do to reduce this country’s dependence on oil and Labor has proposed a viable plan to do just that. I also draw the attention of the House to paragraph (6) of the amendment, which:

... condemns the government for failing to strengthen the Trade Practices Act to protect competition in the petroleum industry.

I firmly believe that history has shown us that, without strengthening the Trade Practices Act, we are not going to get decent competition in the petroleum industry. People behave like predators—like sharks—and unless we strengthen the Trade Practices Act as it applies to this industry this behaviour is going to continue and the consumer is going to suffer. I think you can push your ideology too far. The free marketeers, who believe you should just sit back and behave like the moo-cow watching the passing traffic, have got it terribly wrong. They, of course, propose the alternative argument that interventionism is wrong. I do not believe a level of intervention is wrong at all, because we do not live in a perfect world. In my view, the role of government is to intervene in the marketplace to create that equity and that fairness to help stimulate that competition. It cannot be left to the players alone. I commend the amendment of the member for Hunter to the House. I say that history will judge this government poorly on what it has done in this area in the last 10 years. It has basically been asleep at the wheel.

Mr WILKIE (Swan) (8.41 pm)—I welcome the opportunity to discuss the Fuel Tax Bill 2006, the Fuel Tax (Consequential and Transitional Provisions) Bill 2006 and the amendment moved by the member for Hunter. These are important bills which significantly impact on a range of businesses and enterprises across the country and also within my electorate. This side of the House supports the general thrust of the bills, although with particular reservations which I will raise later.

As others have mentioned, the bills are reasonably complex. They seek to replace an integrated system of fuel tax concessions with a single system providing credits claimable via business activity statements. These tax credits will replace the grants now provided under the Energy Grants (Credits) Scheme. The bills also introduce some im-
important measures in relation to emission performance and business participation in greenhouse gas abatement programs.

It must be said that we should have been having this debate some time ago. Labor was prepared to debate the contents of the bills well before this week, but fundamental differences within the coalition saw the government back down on implementation dates. This backflip would have been entirely unnecessary if the process had been handled more competently from the start. As I say, the debate of the bills is long overdue and systemic of a typically directionless government unable to properly control its legislative agenda and with ministers who, quite frankly, are not up to the task. In truth, the government has botched the entire agenda relating to fuel tax specifically and to the fuel industry and fuel regulation generally.

While I speak in this place this evening, a family from my electorate is pulling into the BP petrol station in Carlisle and paying $1.33 a litre for unleaded petrol. It is the same price at Coles Express Karawara and at the Caltex in Bentley. According to Fuel-Watch, the Western Australian government’s petrol price monitoring agency, the average price of unleaded petrol in the Perth metropolitan area in mid-June 2005 was $1.04 a litre. We fast-forward a year and today, 13 June, the metropolitan average for unleaded petrol is $1.36 a litre. As we heard earlier, it is understood that over the course of the long weekend people were paying $1.49 a litre and that after the long weekend that dropped to around $1.42, which is totally unacceptable. The increase in Western Australia over the last year has been roughly 32c a litre or over 30 per cent.

There is no doubt that families are being hurt by higher fuel prices. However, when the government is asked about fuel prices, it throws its hands up in the air and says there is nothing it can do about them. Most telling was the comment by the Minister for Industry, Tourism and Resources, the member for Groom, when asked about fuel security. The minister said, ‘Yes, we do need to find more oil—yes, we do—but short of finding more oil I don’t know what the solution is.’ To say ‘I don’t know what the solution is’ is a cop-out. Australian fuel prices are determined by oil prices overseas, which in turn are influenced by many international factors. I do not believe there is any support for a return to the bad old days of price regulation which distorted market decisions and ultimately did not provide lasting benefits to Australians. But there have been opportunities for the government to put Australia in better stead by minimising our vulnerability and exposure to the vagaries of international oil prices. Unfortunately for all of us, the government has sat on its hands. According to the Reserve Bank of Australia, each 10c increase in retail petrol prices reduces household purchasing power by $300 per annum. Applying the Reserve Bank’s formula to petrol price charges in Perth over the last year, we find that petrol prices, which have increased by 33c in that period, have reduced household disposable income by almost $1,000.

In net terms, Australia relies on imports for 17 per cent of our total petrol consumption but, according to the government’s Australian Bureau of Agricultural and Resource Economics, by 2020 we will be importing 46 per cent of our petrol needs. ABARE’s forecast is optimistic compared to others. For example, the Australian Petroleum Production and Exploration Association, APPEA, predicts that Australia’s oil dependency will rise to 78 per cent in the next 10 years—that is, a 78 per cent dependency on imported fuels. What can we do about this? How can we make our country less vulnerable to in-
nternational oil price hikes? There are a number of things that we can do, but the key focus must be on research and development into new fuel and vehicle technologies. This is a national policy ignored by this government. The Leader of the Opposition detailed Labor’s plans for addressing the emerging fuel crisis in his blueprint that was announced last October. It is an excellent document that provides a stark difference between the opposition and the do-nothing-about-petrol-prices government.

Many on both sides of the House believe that there is insufficient competition amongst the oil companies in Australia and that anticompetitive behaviour is causing petrol prices to be higher than they need to be. We all notice the price hikes that occur in the lead-up to holiday periods and long weekends—and a number of speakers have talked about the fact that companies are often putting up their prices in the lead-up to a weekend and over that weekend and reducing the prices after the weekend when demand tends to slacken, which is absolutely absurd and really a rip-off of consumers. On the face of it, such pricing behaviour obviously appears to be opportunistic. Given these concerns, the response seems obvious: the government should immediately direct the Australian Competition and Consumer Commission to investigate these claims fully.

The free market ideologues who believe that the oil industry is ultracompetitive, and therefore there is no problem, oppose this action, but the truth is that if the directions given to the ACCC are comprehensive and if there is no problem with anticompetitive behaviour then surely that is the answer that the ACCC will provide. In other words, there is nothing to be scared of in asking the ACCC to inquire into the price hikes we have seen over the last year and the current pricing practices of oil companies. We often talk about competitiveness in the oil industry, but in reality the competitiveness arises at the bowser of the different fuel stations that compete by slashing their margins to get people to come to their service stations. In fact, the profits of the oil companies have never been greater than they are now; therefore, we need to look at how we can ensure that consumers are actually getting some benefit. The answer is to ensure that there is competition, and this is where the ACCC needs to step in.

If you look at the ACCC’s website, you see there is a lot of useful information about petrol prices and petrol price cycles. But the last time the ACCC held an inquiry into petrol prices was in 2002 with the inquiry into terminal gate pricing arrangements in Australia and other fuel pricing arrangements in Western Australia. I understand that the review in Western Australia was looking at the price of LPG in relation to the cost of petroleum. Anyone who uses LPG in their vehicle would know that they are being ripped off, but unfortunately we just cannot prove it. We know that every time the price of petrol goes up the price of LPG goes up and usually the match is around half the price of petrol. We know they are up to something, but we just cannot prove it, so we really need to get the ACCC to continue to look at what is going on with those sorts of increases.

Prior to that report in 2002, there were two reports, in 2000 and 2001. Given the significant increase in the bowser price over the last year, it is time for the ACCC to undertake another full inquiry into the pricing behaviour of the oil and petroleum industries. I cannot understand the Treasurer’s continued resistance to doing so. Perhaps he does not talk to ordinary Australian families as I do and he does not understand the fact that families are suffering. That may also explain his surprise and disappointment at
not getting a fillip in the polls from his recent
budget. If you talk to the families in my elec-
torate, they will tell you that the recent inter-
est rate hike and rising petrol prices negate in
many cases any relief from tax cuts and fam-
ily payment rises. No wonder they are hurt-
ing.

It is worth noting that amongst the meas-
ures in this legislation before the House is
the abolition of the Fuel Sales Grants
Scheme. This scheme costs $256 million per
year and provides a grant for sales of gaso-
line or diesel of up to 3c per litre in non-
metropolitan regions. The scheme was intro-
duced as part of the GST package to provide
some assistance to non-metropolitan Austra-
lians. After the scheme had been operating
for a couple of years, The Nationals decided
that they were not getting any credit in the
bush for this initiative and so the then Dep-
uty Prime Minister announced that the gov-
ernment would roll the scheme into funding
for the bush through 'land infrastructure pro-
gress'. It is not at all clear that this $256
million has been rolled into such projects.
The government should make it clear which
new expenditure on land infrastructure will
be funded from the abolition of this scheme;
otherwise, the switch from this scheme will
be seen as yet another swiftie pulled by the
government.

Unfortunately, the Treasurer’s recent
budget was also a document of surrender,
bereft of fresh ideas and long-term vision.
The budget failed to grasp the opportunity to
increase the use of Australian transport fuels
and reduce our reliance on foreign oil.
Unlike the government, the Labor Party be-
lieves national leadership is needed to de-
velop an agenda for the use of those fuels,
which will become cheaper in the future.
This is necessary and long overdue.

At community forums and morning teases
throughout my electorate, the cry for a na-
tional policy to address rising petrol prices
and calls for the development of a national
fuel industry are clear. My message to the
constituents in Swan is this: Labor will de-
 deliver this national policy and we will leave
no stone unturned in assessing the viability
of alternative fuels. We will develop existing
alternatives such as liquid petroleum gas,
ethanol and biodiesel; emerging alternatives
such as compressed natural gas, liquid fuel
from gas and stored electricity; and future
fuels such as hydrogen. I am very pleased to
announce that a lot of the work on technol-
yogy in Western Australia, or even across the
nation in hydrogen technology, is done in my
electorate at the Bentley Technology Park by
the CSIRO—and they are doing a fabulous
job.

Unfortunately, the fuel tax shambles has
continued today with the government circu-
lating major amendments less than two hours
before debate on these bills resumed. This
government deserves condemnation for its
failure to adequately consult on the most
appropriate model for the payment of fuel
tax. It is certainly culpable for the confusion
running rampant throughout the industry.
Last month we witnessed the extraordinary
situation of the minister trying to stamp out a
Senate inquiry into these very changes.

The member for Hunter has previously
made mention of representations made to me
by a local business owner involved in the
solvent industry. The business proprietor
provided me with a letter sent to the Minister
for Revenue and Assistant Treasurer last
week. I understand that the member for
Hunter tabled that letter earlier. I acknowl-
dge that the minister has only recently re-
ceived the letter but I would like to raise my
constituent’s concerns with the proposed
legislation. Let me read the letter in part:
I am very concerned that we were not contacted much earlier about the proposed changes so we could have had an input.

We are one of the biggest solvent re-packers in Australia, we fill out Nature D40 forms now for the ATO, we have a current licence for a bonded site, so it is not like you did not know were to find us.

I was aware that changes to the fuel tax system were coming earlier this year, but that was for fuel, nothing was ever mentioned about solvents, we are not, I repeat not in the fuel industry.

I had to contact the ATO on the 14th of May 2006 and ask what is going on after being asked if I knew about the new tax on Mineral Turpentine from a customer of ours.

What a disgrace, that this businessman has to resort to asking such questions about this confusion. Basically, this constituent will now need to find the money to pay the 38c per litre excise to the solvent companies. He purchases around 490,000 litres per month. Multiply this by 38c a litre. That is an extra $186,200 just for the first month, plus GST. He understands that he will be able to claim some back via BAS statements, but only some of it. The rest he will have to pass on to his customers, but he is required to give notice of price ranges by the contracts he has with these suppliers, in most cases of between 60 and 90 days. So, even though he is passing on these price rises, he is out of pocket until this time frame is met. Unfortunately, my constituent believes that the financial pressures involved may cause him to go bankrupt. I sincerely hope that this is not the case. I call on the government to actively work with him and with other affected Australian businesses to make sure that this does not occur. My constituent concludes his letter saying:

I fully understand what you are trying to achieve but I do not believe that this will make things easier for our company as your literature suggests; it will just create a huge burden for our company, a nightmare in fact. Each time you have changed the legislation, you have done so to solve the problem or to make it more user friendly, but I cannot see how this is any clearer than what we currently have in place. This new system that you are looking at implementing actually hinders our company from doing business. The solvents industry and fuel industry are too different beasts that should not be put together.

Hear, hear! I believe that my constituent has highlighted the impact of the government’s clumsy and inept attempts to address the fundamental problems in its fuel policy in these bills. I call on the government to apply leadership and direction to this important issue.

It was not that long ago that the Prime Minister was alarmed about being called ‘mean and tricky’ by his own party president over the way in which his government dealt with the fuel tax issue in light of the introduction of the GST. Let us repeat what the party president said: the Prime Minister was mean and tricky. Once again, the Liberal Party president has been proved right on the way which this government approaches fuel tax policy. No wonder he just received a gong in the Queen’s Birthday Honours. He saved the government then by telling the truth. But, on this occasion, the government have failed to heed the lesson—and it is high time they did.

Debate (on motion by Mr Dutton) adjourned.

ADJOURNMENT

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (8.58 pm)—I move:

That the House do now adjourn.

Health: Body Image

Ms BURKE (Chisholm) (8.58 pm)—A lot of politicians recently have been talking about the obesity epidemic in Australia. It is...
very important that we do talk about obesity, but tonight I want to talk about the flipside of that debate, and that is body image. This is primarily a women’s issue and, like many women’s issues, it tends to be ignored at a national level. But I think it is time to address a very scary trend that is emerging in our society. Eating disorders are on the rise in Australia; and, disturbingly, they are also on the rise in school aged children. Experts say that there are many reasons why an eating disorder may develop. One medical resource for doctors treating patients with eating disorders states:

Eating disorders are a complex interplay of biopsychosocial factors, including development issues, relationship and family factors, life events, biological vulnerability and socio-cultural influences.

But it cannot be denied that the media has played a large role in the erosion of women’s body confidence. Never before in history have Australians been so heavily bombarded with images of thin women, where thin is equated with beautiful, hip and cool. Thin sells—and the fashion industry, the advertising industry and the media know it. As a result, more and more young girls are growing up hating the way they look. They are being conditioned to despise themselves. In a recent article in the Sunday Age, the Australian Medical Association’s spokesperson on body image and eating disorders, Dr Rick Kausman, is reported as saying:

“I think there is increasing pressure on kids to grow up much sooner than what might be best for them, and I also think we’ve got caught up in a culture where the way we look is all important, even from a very young age …”

He went on to say that doctors are now treating girls as young as eight for eating disorders and that there is an increasing incidence of self-harm. Dr Kausman described this trend as a mini crisis. Yet there seems to be very little national leadership to curb it.

It is now possible to access on the internet pro-anorexia websites which encourage eating disorders. If you log onto www.communities.ninemsn.com.au/AsLightAsAFeather, you will find a pro-anorexic community group. Although it appears that the community group is no longer operational, most of the content and pictures are still accessible. It features ‘thinspirational’ pictures of superthin celebrities and models—such as these ones—and there are dozens of pictures of gaunt young women with their bones jutting out. One picture features a caption which says ‘nothing tastes as good as thin feels’. It features messages from young women who are suffering from eating disorders and turning to these websites in their attempts to hide their illnesses. In April this year, one girl wrote the following message:

I weigh 64kg, am 168cm and I’m ... fat. I’ve been starving myself for a few days but my mum’s started to get suspicious. I need some support, advice and some links to some good pro-ana websites. If anyone can help me that would be great.

It has links to other so-called ‘pro-ana’ websites, including one called Cerulean Butterfly. On this page women can learn tips on how to suppress their appetites and hide their eating disorders. It is disturbing that for three years ninemsn, an Australian company, appears to have hosted a community group that contains such dangerous content. But a disclaimer on the website says:

Notice: Microsoft has no responsibility for the content featured in this group.

I think it does have a responsibility and I call on ninemsn to shut this community group down to ensure that young women cannot view its content or images.

One identity who features on the pages of many pro-anorexic websites as a thin inspiration is Nicole Richie, a young celebrity in the
US. But it is not just on these websites that her pictures feature prominently. She has become quite the darling of many Australian magazines. No-one much in Australia had heard of Nicole Richie until she lost a lot of weight. Then, all of a sudden, she became a style icon with the Australian media. In a recent article in Vanity Fair magazine, Nicole Richie’s doctor said her weight was ‘in the realm of anorexia’. Although he did not confirm that she had an eating disorder, he did not rule it out. Despite the fact that it is possible she has an eating disorder, Australian magazines are portraying her as a role model. I would like to congratulate Australian Cosmopolitan magazine for banning images of Nicole Richie from a recent edition because she was too skinny. Sadly, other magazines continue to use pictures of her in their fashion sections.

The Victorian government is now calling for a national code of conduct on body image, and I congratulate the youth affairs minister on her initiatives. I urge the federal government to get behind them as a matter of urgency. We need a national forum to discuss body image, drawing together the media, the fashion and advertising industries, medical professionals and other community groups. According to a study by researchers from Flinders University, almost half of girls aged between five and eight years old wish they were skinner. The fact that girls in kindergarten have body image problems should be a wake-up call to the government. The pressure on women to conform to a certain image is growing each day and we cannot continue down this path. We need to send a message that your image is not the sole purport of your being. (Time expired)

Queensland Health: Nurses

Mr LINDSAY (Herbert) (9.04 pm)—I rise to bring to the attention of the parliament my concerns about the impact of the Queensland government’s offer to irresponsibly increase wage levels for public sector nurses in Queensland. The impact of this decision will be felt throughout the private sector and indeed throughout both the private and public sectors across our nation. The Queensland government has offered a wage increase to public sector nurses employed by Queensland Health of 25.3 per cent compounded plus major increases in allowances, covering the period from October 2005 to March 2009. Where does this leave the private hospital sector? In order to maintain required staff levels, as an absolute minimum private hospitals in Queensland will need to match the Queensland Health percentage wage increases—that is, 25.3 per cent compounded—within the same time frames.

Over the next three years Queensland’s private sector hospitals will be forced to move closer to wage parity with the public sector. What if the private sector does not move to match the public sector increase? Quite simply, there will be an adverse impact on private sector health care service delivery and throughput, because they will lose nursing staff. Queensland Health is actively recruiting nurses in specialty areas, and if private hospitals lose staff from these vital areas it will substantially impact on service delivery. In 2003-04 private hospitals accounted for 46 per cent of total hospital separations in Queensland, and any reduction in this activity will place substantial additional demand on an already overburdened public sector. What options do private hospitals have to combat this issue? Not many. One is to allow an interim premium increase specifically for Queensland so that the health insurers have the capacity to assist their hospital providers to maintain current levels of service provision.

This issue needs to be addressed urgently, whilst the public sector wage issue is cur-
rently only confined to Queensland. When the Queensland Health increases come into effect, pay levels for Victorian public sector nurses, for example, will be significantly behind those in New South Wales and Queensland. It is very likely that the Australian Nursing Federation in Victoria will move quickly to remedy the situation. This means that the uneven situation between nurses’ pay levels in the public sector versus the private sector will probably spread to Victoria in the near future.

I do not think there are many people who do not believe that our nurses are anything but caring, hardworking and dedicated health professionals. But by recklessly creating an imbalance in nurses’ pay levels the Beattie government has created a potentially national problem, particularly for the private sector health providers. With the current mess that the Beattie government has got the public health system into, can you imagine what it would be like if we did not have the private sector pay levels for nurses without an increase in the insurance premium.

Another looming problem is the effect that this situation is going to have on the private sector hospitals operating in regional and rural Australia. Many of these smaller hospitals and health facilities—staffed by dedicated nursing professionals—have already fallen behind the public sector wage levels over the last four to five years. They are around 10 per cent to 20 per cent behind already. How are these small rural private sector hospitals going to catch up with the rapidly escalating public sector nursing wage levels?

I am worried, because inevitably nurses will want to be paid at the same level as their colleagues in the larger hospitals—that is understandable, who can blame them? These little private sector hospitals out in the bush will simply have to close if they cannot meet the public sector wage levels. We know already how difficult it is for people living in regional areas to access the same level of health care as people in larger centres, and now the Beattie government is going to make it even more difficult.

I am aware that a Queensland private health insurance premium increase early next year is a bitter political pill to swallow. However, as long as any premium increase awarded by the Australian government flows directly through into the Queensland private hospital system, our private hospitals will be able to maintain their current levels of service provisions. The alternative is to sit back and let the Beattie government squeeze the private health system, which will inevitably result in reduced private sector health services. The community does want better health services, not a reduction in the provision of services provided by the private health system. Once again, it is the Commonwealth that has to step in. We must fix the folly of the Beattie government’s cavalier approach to the setting of nurses’ wage levels. I believe it is in the best interests of everyone in our community to maintain a viable and responsible private health system.

Roads: Calder Highway

Gorton Electorate: Delfin Lend Lease

Mr BRENDAN O’CONNOR (Gorton) (9.08 pm)—I rise to comment upon two public meetings held in the Gorton electorate last week: one dealt with the provision of education services to primary school students, and the other dealt with the lack of Commonwealth funding for the interchanges on the Calder Highway. It is always a reflection of an important issue when you arrive at a local community hall on a cold winter’s night, as I
did on Tuesday, to see more than 60 people attend. These people discussed their concerns about the failure of the Commonwealth to fund three interchanges, namely Calder Park Drive, which is the interchange furthest away from Melbourne CBD, the Kings Road interchange that has been promised, and also Sunshine Avenue.

These three interchanges are certainly needed not only to prevent the congestion that has arisen as a result of the growth along this freeway, but also because of the growth in the number of commuters who drive through my electorate from Sunbury to Melbourne or, indeed, from further afield—from Macedon, Gisborne, and other communities—to Melbourne. That congestion is a real problem for constituents of my electorate, but also for those beyond the electorate of Gorton.

A bigger issue than that, and a more critical issue for me, is the high incidence of accidents that have occurred as a result of these very unsafe intersections onto the freeway. The Commonwealth has not provided sufficient funds. The state government, although it is not its particular responsibility, has undertaken to provide half the costs of the construction of the interchanges. Of course, this would lead to far more efficient travel along this important link to Bendigo and beyond, and it would also ensure there would be fewer casualties on the roads.

It is a vital matter for the constituents in my electorate, and also the constituents in Calwell. The constituents of the Minister for Small Business and Tourism, the member for McEwen, would be equally concerned that this funding has not eventuated, that this situation has not been rectified. Therefore, I call upon the ministers for transport and roads to respond to the campaign. Already there have been petitions containing 1,600 signatures tabled in parliament calling upon the Commonwealth to rectify this matter. I know the member for Calwell has tabled a similar petition, and I call upon the member for McEwen, across the chamber, to do the same. I know her community is hurting, and they need that addressed.

The other matter I wanted to touch upon quickly is the ongoing concern of a primary school in my electorate, in Caroline Springs, and its failure to be allotted land. Delfin is a company that develops land, and it is a very important component of the development of Caroline Springs. However, it has provided the land to ICA, which was once a subsidiary of ABC Learning. ICA has not got a history of providing education to any primary school students in the country, and, therefore, the community in Caroline Springs thinks it is more important that a school that has a relationship with this community should be given the opportunity to extend their campus first and ensure that they can meet the demands of those going to that school.

I hope the problem that has eventuated can be resolved. Delfin and Christ the Priest Primary School, the state government and others should be looking to attend to that. I have been to two public meetings. The first one had more than 300 people in attendance, which really shows you how important the issue is. I hope we can resolve that matter so that the students in Caroline Springs can properly—(Time expired)

**Solomon Electorate: Marrara Christian School**

Mr TOLLNER (Solomon) (9.13 pm)—Tonight I rise to talk about the achievements of a Christian school in Darwin, working together with their local community and this government. They are maximising benefits from a small amount of government funding not only to construct a new facility but also to further their students’ educational experience.
During 2005 the Marrara Christian School community, under the direction of Principal John Metcalfe, built a large courtyard in front of the school library with the guidance and assistance of professionals. The project was partially funded by a grant of $92,500 from the Commonwealth government, through the Northern Territory Block Grant Authority. The rest of the funds came from the school itself.

Mr Richard Hart, Marrara’s design and technology teacher, coordinated the project. Students from senior technology classes assisted in this ‘real life’ project and were challenged by the logistics of moving and positioning large amounts of heavy materials. This was very different from the small, light projects normally undertaken in schools. The project consisted of paving, construction of raised gardens, verandas on three sides and the erection of a large sail-shade area. Students, parents and staff were involved in all aspects of the project except for the fabrication of the shade cover. Students experienced the difficulty of using a gantry to position heavy veranda frames into the right holes at the right angle and welding them in situ.

The school council supported this project even though it took 14 months to complete, during which two cyclones and a long wet season slowed the work. They believed the benefit to the students and community made the long time frame very worthwhile. The council consists of Neil Wright, the chairman; Narelle Campbell; James Cox; Richard Exley; Herman Nyhuis; Robert Jackson; and staff representative Lyne Hansen.

A new project designed to increase students’ access to ‘real life’ work situations has grown out of the training success of the library courtyard. Marrara Christian School is now running a commercial wall frame fabrication workshop, where students have the opportunity to gain their Certificate II in construction by working one day a week at the on-site workshop. It appears that the project is going to be a commercial and educational success. St John’s College Darwin and Woolaning Homeland Christian School are already working with Marrara Christian School to provide their students with the same experience. Nhulunbuy High School has also expressed an interest in the fabrication facility.

Some people played a significant role in the library courtyard project. The school is grateful to the NTBGA for the flexibility it showed in allowing the project to be community based. Mr Greg O’Mullane, the BGA executive officer, has been supportive of the school’s work. The Marrara Christian School Council and Principal, John Metcalfe, were committed to a long project in return for the training that the students received. The school business manager, Dave Arthur, played a research and coordinating role for resources and supervising tradesmen willing to work with parents and students. Staff members Mr Richard Hart, Wilf Lahring, Paul Huddleston, Ian Ward and Kevin Powell spent considerable time working with students and parents on the project. The male teaching staff donned gumboots very early one morning to lay concrete before the students arrived for lessons. The senior students from the woodwork, metal work and technology classes worked during lessons and in their own time to learn skills in construction, bricklaying, rendering, garden construction, paving and welding.

Two senior students, Daniel Vreeling and Mark Lahring, were responsible for the lion’s share of the welding on frames and construction of verandas and they worked on the project during weekends. Two working bees saw a strong turnout of parents and staff to complete the paving under the supervision of a professional paver, Mick Dryger. Mr Charlie
Aggelopoulos, a parent from the school, gave his time and machinery to drill a large number of 2.4 metre deep holes to support the structural poles.

This school community demonstrates that the pioneering spirit that built the Northern Territory is far from over. The successful completion of the project shows what a committed community can do efficiently by using and value-adding to a finite amount of funds. This project not only completed more than the original concept in terms of construction but also developed young Australians’ skills and gave them invaluable work experience. (Time expired)

Workplace Relations

Mr HAYES (Werriwa) (9.19 pm)—Earlier today we witnessed yet another example of the desperate measures that this government will take to silence debate on its extreme industrial relations laws. We saw government members march into this place to silence the Leader of the Opposition as he tried to hold the Prime Minister to account over his 2005 commitment:

It would be absurd and unfair and unreasonable, if somebody has to work on a public holiday, that that person isn’t compensated by being paid whatever it is—the double time or the time and a half...

The Prime Minister and the members opposite do not want to hear about the real impact of their extreme industrial relations laws. They certainly do not want to hear that people do not like them and do not want these laws imposed upon them—in fact, they do not want a situation where the bargaining power in the workplace is removed from them and increased for their employer.

The Prime Minister wants to cut and run from the commitment he gave to Australians because he never really believed it. He does not believe that people should receive penalty rates for working on public holidays. In fact, this government would prefer it if penalty rates were not paid at all. The member for Macarthur said only last week that he does not think there is anything wrong with no overtime pay, no meal breaks, no penalty rates and no leave loading. He was also reported as saying that people should consider themselves lucky to have a job.

This typifies the attitude of this government when it comes to industrial relations. It certainly typifies this government’s attitude to working Australians. Last weekend, the Leader of the Opposition gave a commitment to move to protect penalty rates for public holidays. This morning that is exactly what he did—he moved to do just that, but he was stopped because the government is happy to have people working on public holidays for no extra pay. This morning Labor members voted to support the right of working Australians to receive adequate compensation for giving up time with their families to work on public holidays. Government members opposite are on the record now as refusing to support that. They refuse to support the protection of penalty rates on public holidays because they believe that those rates are worth trading off for as little as 2c an hour. This government talks tough on security until it comes to protecting job security. This government has introduced laws to legalise the actions of bad employers and to force good employers to join them in a race to the bottom.

Everyone who knows anything about economics or about operating a business knows that increasing productivity and creating jobs is not achieved by cutting wages. This government has yet to provide one shred of evidence that supports its argument that productivity will be improved by the cutting of wages. It defies logic that people are going to work harder if we pay them less money.
What is worse is that this government continues to hang its entire defence of AWAs around the absurd statistic that employees on AWAs earn, on average, 13 per cent more than those on certified agreements. The Australian Bureau of Statistics has blown that misleading statistic out of the water. The ABS data shows that the hourly rate of pay for non-managerial employees on individual contracts is lower than that of workers on collective agreements, despite what the Prime Minister tried to tell us in question time today.

The broad based introduction of individual contracts is used to achieve one thing and one thing only—wage reductions—and that is exactly what is occurring. We have already heard that every single AWA checked since the new laws came into effect has at least one protected award condition removed. Two out of three scrap leave loadings and penalties. In more than half of them, shift loadings were abolished. In one out of six of them, every single award entitlement has been removed. This government’s objection to penalty rates was writ large this morning when it would not support the restoration of adequate compensation for Australians who are working on public holidays.

Working Australians in every part of the labour force deserve fairness in the workplace and this government has no interest in delivering it. Members opposite are scared about the public backlash against these extreme industrial relations laws and they have every reason to be.

Grey Electorate

Mr WAKELIN (Grey) (9.24 pm)—Travelling through my electorate in recent days has reminded me of the wonderful economic climate that we currently enjoy and of the progress that our community is making. I will mention a few examples here tonight. Cabinet Minister Warren Truss was in Port Lincoln on Saturday a week ago and opened a magnificent community centre at Raven-dale in Port Lincoln. It was great to have him there and to celebrate the team effort of a whole range of local people who have put this magnificent facility together. It will serve the people of Port Lincoln extremely well in the years ahead.

The day before, after the parliamentary sitting week, I moved up into the Flinders Ranges to share with former Deputy Prime Minister, the Hon. Tim Fischer, a great celebration at Rawnsley Park, the facility of the Smith family, opening some magnificent ecocabins. They are magnificent structures and will serve the national, the state and the international tourist trade with distinction, I am sure.

Something with a little bit of difference is the community of Yalata. Not many Australians would know of Yalata perhaps. It is 200 kilometres to the west of Ceduna. It is an Aboriginal community. The old Lutheran church was falling down because of a white-ant problem and Luthers and other denominations from all over Australia got together and built a magnificent structure at Yalata. The construction teams came in at least two waves from all over Australia to construct the church. In a service led by two Aboriginal pastors, we learnt of this great national team effort from those within the Christian community. As a local community leader said to me on the day, ‘Many always expect the government to do everything but we were determined to create this building with our own efforts.’

Last Wednesday evening at Tumby Bay I celebrated the school community skills centre at the Tumby Bay Area School. It has had magnificent leadership from the community and with some support from the federal government in supporting vocational education—to the tune of about $220,000—we are
seeing the olive industry value adding and the young people getting alternative skills to give themselves a better chance to remain in their own community.

These success stories are just a small sample of the great achievements of this government—ever active and ever driving our nation forward, giving added opportunity to individuals.

On the aged care front, I had occasion to be in Port Lincoln once again, at the Matthew Flinders Nursing Home with their chief executive officer, Kent Crack, looking at a facility there to the value of about $3.5 million which will serve that community magnificently well. This was once again an example of cooperative effort, supported by a federal government which has seen a doubling in aged care in the last 10 years, from about $2.6 billion to about $5.2 billion.

Can I respond to the previous speaker, Mr Hayes, on workplace relations in the few seconds that I have left. When I listen to this set, stereotyped approach about 2c an hour and about not getting money for weekend work and public holidays and individual contracts, I am reminded of when I was trying to grow wheat as a small business and wondering where the next dollar and the next shower of rain was coming from. The whole marketplace—the whole community, quite frankly—was not interested in whether I was paid an extra 2c. They could not give a damn if I was paid nothing. The idea was to deliver a product. That was what I had grown up with. (Time expired)

Question agreed to.

House adjourned at 9.29 pm

NOTICES

The following notices were given:

Mr Abbott to move:

That so much of the standing and sessional orders be suspended to enable the following to occur during the periods set aside in standing order 34 for government business on Wednesday 14 June and Thursday 15 June 2006:

(1) in relation to proceedings on the Fuel Tax Bill 2006 at the conclusion of the second reading debate or at 10.30a.m. on Wednesday 14 June 2006, whichever is the earlier, a Minister to be called to sum up (for a period not exceeding 5 minutes) the second reading debate and thereafter, without delay, the immediate question before the House to be put, then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate and any Government amendment that has been circulated for at least two hours shall be treated as if it has been moved; and

(2) immediately after proceedings on the Fuel Tax Bill 2006 have been concluded; the Fuel Tax (Consequential and Transitional Provisions) Bill 2006 to be called on and the immediate question then before the House to be put, then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate and any Government amendments that have been circulated for at least two hours shall be treated as if they have been moved together; and

(3) in relation to proceedings on the Tax Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2006 at the conclusion of the second reading debate or at 12 noon on Wednesday 14 June 2006, whichever is the earlier, a Minister to be called to sum up (for a period not exceeding 5 minutes) the second reading debate and thereafter, without delay, the immediate question before the House to be put, then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate; and

(4) in relation to proceedings on the Tax Laws Amendment (2006 Measures No. 3) Bill 2006 at the conclusion of the second reading debate or at 1.30p.m. on Wednesday 14 June 2006, whichever is the earlier, a Minister to be called to sum up (for a period not exceed-
(5) immediately after proceedings on the Tax Laws Amendment (2006 Measures No. 3) Bill 2006 have been concluded; the New Business Tax System (Untainting Tax) Bill 2006 to be called on and the immediate question then before the House to be put, then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate; and

(6) in relation to proceedings on the Petroleum Resource Rent Tax Assessment Amendment Bill 2006 at the conclusion of the second reading debate or at 5.30p.m. on Wednesday 14 June 2006, whichever is the earlier, a Minister to be called to sum up (for a period not exceeding 5 minutes) the second reading debate and thereafter, without delay, the immediate question before the House to be put, then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate; and

(7) immediately after proceedings on the Petroleum Resource Rent Tax Assessment Amendment Bill 2006 have been concluded; the Petroleum Resource Rent Tax (Instalment Transfer Interest Charge Imposition) Bill 2006 to be called on and the immediate question then before the House to be put, then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate; and

(8) in relation to proceedings on the Australian Research Council Amendment Bill 2006 at the conclusion of the second reading debate or at 7.00p.m. on Wednesday 14 June 2006, whichever is the earlier, a Minister to be called to sum up (for a period not exceeding 5 minutes) the second reading debate and thereafter, without delay, the immediate question before the House to be put, then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate; and

(9) in relation to proceedings on the Migration Amendment (Designated Unauthorised Arrivals) Bill 2006 at the conclusion of the second reading debate or at 1.20p.m. on Thursday 15 June 2006, whichever is the earlier, a Minister to be called to sum up (for a period not exceeding 5 minutes) the second reading debate and thereafter, without delay, the immediate question before the House to be put, then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate; and

(10) on Wednesday 14 June 2006 any division called for between 12 noon and 2.30pm shall be deferred until the resumption of government business after the discussion of the Matter of Public Importance has concluded that day; and

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

Mr Lloyd to move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for work in the Parliamentary Zone which was presented to the House on 13 June 2006, namely: Installation of temporary sculptures on Section 57, Parkes.

Mr Lloyd to move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for work in the Parliamentary Zone which was presented to the House on 13 June 2006, namely: Lobby Café improvements on Sections 2 and 34, Parkes.

Mr Beazley to move:

That this House:

(1) recalls and records the solemn commitment given by the Prime Minister to Alan Jones on Radio 2GB on 4 August 2005 that “I mean some people are going to have to work public holidays...it would be absurd and unfair...”
and unreasonable if somebody has to work on a public holiday that that person isn’t compensated by being paid whatever it is, the double time or the time and a half...those arrangements are going to continue...”;

(2) notes that appropriate compensation includes things like penalty rates and public holiday leave loadings;

(3) notes that since the Government’s extreme industrial relations changes commenced on 27 March 2006, a single sentence in an Agreement can remove all entitlements to public holiday pay, penalty rates and overtime pay, and that the Government’s own statistics show:

(a) 64 per cent of assessed AWAs have removed penalty rates;

(b) 63 per cent have removed leave loadings;

(c) 52 per cent have removed shiftwork loadings; and

(d) 41 per cent did not contain gazetted public holidays, and

(4) affirms its support for the Prime Minister’s August 2005 commitment that employees should receive adequate compensation for working on public holidays; and

(5) calls on the Government to immediately restore adequate compensation for Australian employees who work on public holidays, thereby holding the Prime Minister to his solemn promise to Alan Jones and the Australian people.

Mr Johnson to move:

That this House:

(1) recognise and honour marriage as an exclusive union between a man and a woman;

(2) celebrate the importance of marriage as an indispensable institution in Australian society; and

(3) encourage the Australian Government to enact policies that promote and strengthen marriage in our society.

Mr Hartsuyker to move:

That this House:

(1) notes the importance of rail in meeting the nation’s transport task into the future; and

(2) is of the view that:

(a) as a nation we remain focused on transferring more freight off road and onto rail—particularly on Australia’s east coast corridor;

(b) we continue to develop an efficient, integrated system, which reflects the necessity for inter-model links; and

(c) strong competition on the freight rail network is encouraged and that competition between different transport industries is maintained.

Mr Burke to move:

That this House:

(1) places on record its remembrance for the 146 children, 142 women and 65 men who drowned when the SIEVX sank on 19 October 2001; and

(2) calls on the Government to fully investigate the sinking of the SIEVX.
Tuesday, 13 June 2006

The DEPUTY SPEAKER (Hon. I.R. Causley) took the chair at 12.53 pm.

APPROPRIATION BILL (No. 1) 2006-2007

Cognate bills:

APPROPRIATION BILL (No. 2) 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 1 June, on motion by Mr Costello:

That this bill be now read a second time.

upon which Mr Swan moved by way of amendment:

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

“whilst not declining to give the bill a second reading, the House 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”.

Ms VAMVAKINOU (Calwell) (12.54 pm)—Before I continue the remarks I was making when I addressed this place in the last sitting week on the appropriation bills, I take this opportunity, on behalf of my soccer-crazy electorate, to congratulate the Socceroos on their 3-1 victory against Japan this morning, and wish them luck. I am sure that we will all be watching their progress with great anticipation and excitement.

MAIN COMMITTEE
On my last opportunity to speak on the effect of the federal budget on my electorate, I made reference to a number of areas that remain of great concern to the people whom I represent. I made the point that, unfortunately, there were no measures in the budget to address those areas. I want to refer now to the area of health and the delivery of health services, which continue to be major issues for my electorate. There are three problems with regard to health. The first is the rising cost of health. The out-of-pocket costs to see a GP in my electorate have risen by almost 18 per cent since December 2005. The second issue is the great shortage of doctors, which is being strongly felt in the electorate of Calwell. The third and most pressing issue is the ongoing crisis in public dental health services that has been exacerbated intensely since the abolition of the public dental health scheme by this government. I would like to take this opportunity yet again to lament the fact that the government has not seen fit to restore this very vital public health service. Clearly, there is a serious problem in my electorate as a result of this failure.

As I said, there is a significant shortage of doctors in my electorate and the effects are widely felt. Some relevant statistics would be of interest to illustrate just how difficult it is for people to see a GP in Calwell. For every 1,700 people in my electorate, there is only one full-time GP available. The national average is 1,451 people per GP and the recommended figure is around 1,200 people per GP. As you can see, we are well above the national average.

This is not atypical of doctor shortages in other electorates. The number of GPs is dwindling as a result of the consistent underinvestment by this government in university and GP training places and the failure of this government to recognise the implications of an ageing GP workforce. I do not think there is enough talk about the ageing general practitioner workforce. More than 30 per cent of GPs are now aged over 55 years, with only a 10 per cent increase in new GPs under this government. The number of GPs aged under 35 years has also decreased by 70 per cent since the Howard government cut GP training places by some 400 per year. There is an urgent need for Australia to train more young people in medicine and, as the current workforce prepares for retirement, it is imperative to address this issue. The government does not seem to be aware of the urgency to address the issue. The Labor Party certainly has a plan to address what is a vital failure of this government in the delivery of health services.

As I also mentioned, the implications of doctor shortages are being felt in the Dianella Community Health Centre in my electorate, which I have spoken about on a number of occasions in this place. As a result of a shortage of doctors, Dianella has had to cut back its after-hours GP service, which has been at great cost to the community. I would like to make the point—and I am conscious I do not have very much time left—that Dianella did apply to the federal government for funding under its round-the-clock Medicare program and that application was rejected. In a letter that the parliamentary secretary sent to us, no reasons were cited as to why Dianella was rejected; we just simply did not make it in the top 50 candidates. If we could not make it in the top 50, with the huge shortage of doctors that we have and the huge waiting lists for dental care services, then I would like to know which areas were deemed to have been more important for welfare and service delivery than the electorate of Calwell.

Mr NEVILLE (Hinkler) (12.59 pm)—I rise to talk on the appropriation bills. I welcome the opportunity to highlight the government’s achievements and, in particular, to refute some of the claptrap that has been peddled by the unions and the ALP about the workplace reforms.
The 2006-07 budget brings into focus for all of us to see that what has been achieved over the last 10 years by the coalition government is quite remarkable.

In my recent newsletter I put in a scale which reviewed 36 fiscal and social measures, which I then benchmarked against the performance of the previous Hawke and Keating governments. There were improvements in all of them, and they have gone on to materially improve the quality of life of all Australians. Let me detail some of the achievements. For the first time in a generation, our unemployment rate in Australia has fallen below five per cent—a wonderful example of the success of the government’s economic policies. Huge contributing factors are the economic and workplace reforms we undertook upon winning government. Quite simply, our modern day prosperity would never have come without tax and industrial relations reforms. It is not all about industrial relations; it is about the whole economy. Industrial relations, though important, is just one part of that.

Let us look at some of the very telling and damning comparisons between the current coalition government and the previous Hawke-Keating Labor governments. Under the coalition government, average mortgage rates have been 7.15 per cent; under Labor, 12.75 per cent. Under Labor, 197,800 people were unemployed; under this government, 100,100 are unemployed, despite the increase in population. Under this government real wages growth has been 16.8 per cent; under the previous Labor government, it was 0.3 per cent. The coup de grace is the number of days lost per thousand workers in industrial disputes. There have been 64 days lost per thousand workers under this government and 193 days were lost per thousand workers under the Labor government, which is more than three times as many.

I have already touched on the stellar employment record, but to put some real sense into this, let me tell you about Bundaberg’s Centrelink lines. I monitor these very closely. I deliberately publish them every month in both Bundaberg and Gladstone. Whether they are good or bad for the government, I provide them to the papers. Sometimes they choose not to use them, but they are always provided. Since the coalition came to power in 1996, Bundaberg’s dole queues have been cut almost in half, from 5,864 in April 1996—the first month after we came to power—down to 2,961 in April this year. That is half. For a city which has always struggled with a difficult reputation in terms of jobs, that is an outstanding achievement.

You might recall, Mr Deputy Speaker Causley, coming from a sugar seat, that Bundaberg, the Tweed, the western suburbs of Sydney and the Mersey region of Tasmania are always the worst four areas for unemployment in Australia—but not so anymore. The environment that has been created in Bundaberg and Gladstone by this government has made a material difference to the number of people who are unemployed. Would you now say to the 3,000-odd people who are in permanent unemployment: ‘We’d like to go back to the old employment regime. That will be much better for you’? Do you think they would want that? No way in the world.

It is the fraudulent approach by the unions and Labor towards the latest raft of reforms to our industrial relations system that really angers me. The ongoing anti-Work Choices campaign that has been spearheaded by the unions is totally dishonest in its approach. The unions have particularly targeted my electorate with this anti-IR reform campaign. A handful of union reps have written letters to the editor, spruiking a lot of fallacies and falsehoods.

Mr Kerr—What? Outrageous!
Mr NEVILLE—I am glad you said that, my Tasmanian colleague. I note that many of these letters are almost straight lifts from the press releases, statements and commentary of Labor politicians and union leaders. Apart from the dishonesty of plagiarism, I must say I am surprised, with the wealth of information sources available today—television, radio, newspapers and the internet—and the fact that the unions have paid the Labor Party over recent campaigns $50 million in donations, that such a pitiful performance was mounted in the media. That the unions are still falling back on these practices I find very sad. I have said in my own paper in Gladstone, where it is most prevalent, that if I were a paid-up union member and that was the best that a state organiser could dish up in this campaign, I would be disappointed. I recognise some Labor members and some union members find this campaign important. I do not diminish that and I respect their point of view. But if the people carrying their argument have to stoop to these measures, that says very little about the sincerity or the depth of the campaign.

I am sure that most of my constituents will take the time to decide for themselves what they think of the Work Choices changes. On that point, Gladstone is a very interesting place because the employees of a lot of firms are already on AWAs, and I think that a lot of people in Gladstone would find the Leader of the Opposition’s latest statement, at the weekend, quite horrific. Gladstone is a very focused town: people come there to work very hard and earn a good living. The town has a good standard of living. Of all the industrial towns in Australia, Gladstone is probably the one with the best aesthetics and the best community facilities, and I compliment the city council and the community at large on that. So those people have not come to Gladstone to be pushed around by unions. I remember when one particular plant was moving over to a system—not the AWA system that is now proposed but a forerunner of that—there was a great campaign at this particular plant. A tent was put up at the gate by the Electrical Trades Union and people were handed pamphlets and told, ‘Come on, brother, when we hold the referendum, stay on the award; don’t go onto these AWAs’—or whatever they were at the time, whatever they were called in those days. We eventually had referendum day. The plant voted 83 per cent to 17 per cent to go onto AWAs, despite this huge union campaign. I think that says it all: people do not like to be pushed around; they are intelligent and they can make decisions for themselves.

The other thing that we should recognise is that the fact that unemployment is at this 30-year low of 4.9 per cent stands in stark contrast to what it was when Mr Beazley was in government. He had an unemployment rate that at the time topped 10.9 per cent. I am sure that people like the people of Gladstone will note that since the first raft of workplace reforms in 1996 we have created 1.8 million jobs and that they have seen their real wages increase by 16.8 per cent, after inflation and all the other bits and pieces, as against a rise of 0.3 per cent during the 13 years of the previous government. I am sure they will consider themselves to be better off under the coalition than they ever were under Labor. What Labor and their union puppet masters fail to acknowledge is that these changes are actually about creating jobs in Australia. A case in point is Spotlight. While I might not agree that it is the greatest of all AWA offers—I am not saying that for a minute—if you look beyond the bluster what does this case illustrate? Spotlight’s new store at Mount Druitt, in Sydney’s west, has employed 40 people, many of them previously unemployed. Thirty-eight of the 40 were previously unemployed.
Ms Hall—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Hon. IR Causley)—Would the member for Hinkler accept the intervention?

Mr NEVILLE—Yes, certainly.

Ms Hall—Thank you very much. I would like to ask the member for Hinkler when the Spotlight store in Mount Druitt was planned to be opened. Wouldn’t his assumption be that those staff would have been employed in any case because without staff—

The DEPUTY SPEAKER—Your question needs to be short.

Ms Hall—a newly built store could not operate?

Mr NEVILLE—I suppose you can torture the argument and say that, if they had been there a bit earlier, these people would have gone onto a different rate. The point is that 38 of the 40 of them were out of work. Instead of being on $205 a week they are on $543. They are getting back their confidence, they are honing their skills, they are becoming experienced and they will be sought after by other employers. These sorts of people become valuable. I know there is movement from store to store in Bundaberg and Gladstone all the time because employers want people who are skilled at their jobs.

We have been asked to confine our remarks to about 10 minutes, so I would like to finish on the point—

Mr Kerr—We’ve been provocative, though, Paul.

Mr NEVILLE—I have great respect for the members opposite. But I would like to finish on this point: if you took some modelling based on the Australian Industrial Relations Commission, had they not followed the regime that they did and had followed what the unions had put to them over that time, quite apart from 500,000 people going back into jobs, we would have lost another 386,000 jobs over the 10-year period. I wonder what that would have done to Australia today. It just shows you that subtle balance. If Labor had stayed in power and just let things go along the way they were, forgetting about the Commonwealth debt and everything else, based on that modelling you would have had about another 365,000 people out of work, and that would not be acceptable. So I think we have seen a very good budget against a backdrop of new industrial relations reform. I say to those people who are a little apprehensive: from 1996 to 2006 we kept our compact with you and created more jobs and a higher standard of living. Give us another 10 years like that and we will show you an even greater and more prosperous Australia.

Mr KERR (Denison) (1.12 pm)—The address-in-reply to the budget gives members a unique opportunity to speak at large on issues of public governance in this country and it can be and often is a chance to be reflective about the more significant values that underpin our democracy. Today I want to use that opportunity to reflect on what has increasingly become lip-service to one of the key underlying principles of our democracy, and that is the rule of law.

Some little while ago it would have been quite unquestioned that, were an Australian to be held without trial by a foreign government without charge and, were charges to be preferred, to be put to his ordeal through a process which does not meet benchmark standards of justice, the Australian government would be speaking on behalf of the detained Australian. Today we
have to face up to the reality that, notwithstanding the expressed concerns of the special re-
porter appointed by the Law Council of Australia and the concern expressed by the Interna-
tional Commission of Jurists and many prominent Australian lawyers, the Australian govern-
ment remains mute or even supportive in the face of the continuing detention of David Hicks
under exactly those circumstances.

Why does this matter? It matters because one of the things that we have always been able
to assert that distinguishes us from totalitarian regimes is that, in the Western democratic envi-
ronment, respect for the rule of law is basic—not an optional extra but something fundamen-
tal which not only citizens but any person who becomes subject to the jurisdiction of one of
our governments can take for granted.

It is an underpinning that has been placed under stress on a large number of occasions. The
present security environment is not the first time that Western societies have been tested in
terms of their commitment to the rule of law. I refer to World War I, World War II, the Cold
War, the Vietnam War and various other instances that have occurred where governments
have had to deal with internal dissent, external provocation and even some instances of real
violence directed against state institutions or against innocent civilians. We should not pretend
to be naive. Australia has been the target of acts of terrorism—not in the recent past, where
my concern now arises, but in the not so remote past. Who can forget, for example, the Hilton
bombings and various other instances that occurred in the decades of my relative youth,
where Australia was tested and yet remained firmly committed to the fundamental principle
that the rule of law would be preserved and would prevail?

In our response to the horrors and terrors of World War II, Australia, as part of the interna-
tional community, took a leading role in establishing normative standards that we have spoken
up for from the time that we survived those horrors to the present. We still speak up for them,
but, as I say, I think increasingly we pay them lip service. Take, for example, the objection to
torture. The objection to torture and cruel and degrading punishment ought to be fundamental
in any society that respects the rule of law. When the show trials of Stalin took place, it was
the event which led some of the more perceptive supporters of state socialism of the Stalinist
variety to allow the scales to fall away from their eyes and to see that regime truly as it was—
that is, a regime which was founded on authoritarianism far more than it was on the principles
that it espoused.

We knew that those who were confessing to crimes in the Stalin show trials had suffered
extreme deprivation—sensory deprivation, sometimes actual physical torture. Some had died
as a result of that infliction of torture. We distinguished ourselves entirely from a society that
could act in that way and said, ‘We repudiate that entirely.’ Yet we know that exactly such
conduct has been perpetrated by our principal ally in the so-called war against terror in its
response in Afghanistan and in Iraq. And we remain relatively mute in terms of our condem-
nation of those processes.

We have seen the events of Abu Ghraib, and we might say that those particular extremes
were not authorised, although others who were less charitably disposed might say that there
was too close to a nod and a wink regarding the use of extreme means to obtain information.
But how do we explain, for example, the recently reported statements that the Pentagon is
considering removing the key Geneva convention protection, the ban against degrading and
humiliating treatment, from its army field guide? How do we explain that?
The Australian government needs to answer whether there is any such Australian proposal. Are we looking at taking a similar step? I doubt it. I think that our Australian defence forces have much higher regard for the rule of law and for the international conventions that we have signed up to and adhere to. But if you remove the ban on degrading and humiliating treatment and restrict torture to the narrow events that were described in advice to the President—that is, the application of physical force to such a degree that would create the possibility of major organ failure—you permit physical violence, you permit the kind of hoodings, sensory deprivation and exposure to noise and to various degrading and demeaning events which may relate to sexuality, of the kind that we saw in Abu Ghraib.

If we had known that such events were occurring in the Stalinist Soviet Union, we would have been outraged; we would have been speaking up and saying that a society that is prepared to condone that is intolerable. We cannot continue to operate as if our normative underpinnings simply do not matter very much when they are put to the test, because one of the things that has allowed us to hang together is the knowledge that even if we oppose our governments, even if we disagree with them, even if we act against them and even if we rebel, we are entitled to be treated as persons with dignity, to be treated with respect and to be treated in accordance with existing legal regimes. That in itself has been a significant component of our national solidarity as to why we do hang together, why we do not suffer extremism and why we have not experienced the kind of disintegration that those who would prefer other sets of values to prevail would impose upon us.

If we are in a fight, it is a fight of values. Let us not for a moment believe that even the most determined terrorist, however well resourced and however effective, will bring undone the functioning of the national state. It will not happen. We have the capacity to deal with terrorism and to restrict its impact. We should always resource our security agencies to make certain that any foreseeable act of terrorism is prevented. We should never cease to be on guard but we should not believe that the fundamental structure of a democratic, strong society will be undone by one, two or many acts of terrorism on our shores. We have survived it in the past. They have occurred and they did not undo the fabric of our society. We can survive it in the future. What we cannot survive is any belief amongst this now multicultural and multi-faith society of ours, with persons of many different backgrounds, that we are prepared to sacrifice the rule of law for political expediency.

We cannot survive that, because it underpins the things that hold us together, the glue that sticks us together. It is the glue that Churchill understood stuck together the British Commonwealth as it faced up to Nazi Germany. It is the glue that the citizens of the United States know underpins their great democracy. Remember the words on the Statue of Liberty by Benjamin Franklin: ‘Those who would give up even a little of their liberty for some temporary safety deserve neither their liberty nor safety.’ That sounds like a very hard judgment to make. I do not make it of my fellow Australians, but we have given up some of our liberties. We have been tested and we have walked back from some of our fundamental propositions that we have said matter to us as citizens of this great country.

It is no surprise that on this issue former Prime Minister Fraser speaks bluntly for the values that he sees and recognises we have walked back from. Former Prime Minister Fraser has been at the forefront of those who have said that the way in which Australia has failed to speak up for David Hicks is a blot on us as a nation. Our failure to articulate our criticism of
the United States and the proposal to walk away from rules of war which limit those engaged
to warlike pursuits, to exercise respect for those captured on the field of battle, whether they
be persons captured in civil wars or in uniformed conflicts, do both the United States and our
own society an injustice.

We cannot demand it of others if we do not respect it in ourselves. We cannot expect posi-
tive outcomes for the values we say we are fighting to leave as our legacy in other countries,
or arguing should be respected in other countries, if we show that we are half-hearted our-
selves and walk away from those underpinning values whenever we are tested.

There are issues that we need to speak out on. Our government should make it plain that it
does not support the practice of rendition, which our allies in the war on terror have under-
taken—that is, taking persons captured, not necessarily on the battlefield but brought into cus-
tody, sometimes through the payment of money, taken in secret to third-country locations
where torture is not prohibited and subjected to that torture in order to obtain intelligence in a
manner that would be prohibited were it to have been undertaken by the forces that initially
held those persons hostage or captive.

We should make plain that just as Amnesty International has repudiated those secret rendi-
tions so too does the Australian community, so too does the Australian government. We need
in that regard to examine the allegations that have appeared in the Monthly, which state that
Hicks has been subjected to rendition, to torture, and has been treated like a lab rat. It is not
sufficient to respond, as the Attorney has, that it is not a conventional war and that others are
not observing the Geneva convention, with its implication that, if others do not observe the
Geneva convention, neither do we need to, nor does our ally the United States.

We are the light on the hill in the international world. An argument of that kind—that, if the
Soviet Union exercised cruel and degrading treatment, or the North Vietnamese did so in rela-
tion to our captured soldiers in the Vietnam War, it authorised us to take such measures—
would have been regarded as offensive. Our military would have regarded it as offensive. Our
citizens would have regarded it as offensive. We do not need to stoop to those measures, nor
does our great and powerful ally and it needs our help to point that out. We are not acting in a
way which is unfriendly to a country with whom our fortunes are entwined to make the obvi-
ous point that one of the things that sustains Western democracy is an adherence to a set of
values that endures over time, over circumstances and over temporary setbacks.

We owe it not only to our own citizenry but also to future Australians who will be on the
field of battle dealing with situations where their lives may be in peril to see that there is no
record which anyone can point to and say, ‘We were legitimately treating that captured Aus-
tralian in this crude and barbaric way because we were merely repeating the conduct that Aus-
tralia itself had condoned.’ It would be tragic were that so. We need to always act in a way
which enables us to take the high moral ground, not only simply for the point of doing so but
because it is actually our strongest bulwark in this war against terror. People will stay the
course for democracy, for the values we aspire to, provided we live those values, but if we
walk away from our own values we lessen them in the eyes of others and we make them
doubt the degree to which we hold to them.

These are testing times but no more so than when we made a decision not to ban the Com-
munist Party when it was argued that this nation was in peril. We are under no greater test
than in World War II, when we stood side by side with soldiers from Great Britain and the
United States to resist Nazi Germany. We are no more imperilled than when we allowed our citizens freedom to express their views as they saw fit during those great postwar years when wars of national liberation were occurring in different parts of the world, which we said needed to be conducted according to universal standards and should not permit torture and the kinds of renditions or shortcuts that are occurring now. Sadly, sometimes that advice was not taken, but we stood above that and tried to argue for it.

Some of my best friends have worked for the International Red Cross, urging, even in those terrible conflicts in the former Yugoslavia, that the rule of law be obeyed. The rule of law is enduring and important, and Australia’s respect for the rule of law cannot be traded lightly. For those who are interested in a more detailed and comprehensive assessment of this, I commend the recent speech by Chief Justice Underwood of the Tasmanian Supreme Court on the rule of law and the duties and responsibilities of those who practise the law. I thank the House for this opportunity to make my rather wide-ranging remarks.

Mr SERCOMBE (Maribyrnong) (1.32 pm)—If there was ever a time when we should realise the need to focus our foreign policy and related resources on our own region, it is now. From East Timor eastward, we see on a daily basis the background to why that focus is so important. We need to focus our public diplomacy, our development policy, our intelligence efforts and our security efforts on that region. In an article in the *Canberra Times* on 28 May, Mark Thomson, the head of the budget program for the Australian Strategic Policy Institute, said that overseas deployments to multiple locations put a big strain on logistics and intelligence support from home. He said the demand for timely intelligence on what is happening on the ground in Iraq, Afghanistan, the Solomons and now East Timor is pushing the analytical capabilities of the Defence Intelligence Organisation to the limit. Mark Thomson previously worked in senior positions in Defence. He believes a choice needs to be made between deployments in our own region and further afield. His personal view is that our allies would understand if we withdrew from Iraq now that the burden has increased closer to home where fewer countries are able to help.

I want to quote from a couple of very interesting articles from very good journalists on the situation in East Timor. In an article in the *Age* on 27 March, Hamish McDonald talked about Australia’s role in East Timor. Young Australian men and women are taking a significant risk in East Timor and their efforts are supported by all sides of this parliament. Nonetheless, there are aspects of the history that we need to be aware of. Hamish McDonald said:

But where was Australia’s Foreign Minister, Alexander Downer, when this crisis unfolded over three months? Where were the Australian military advisers who, with Portuguese counterparts, trained the East Timor armed forces through to independence in May 2002?

Why was the Howard Government so strongly opposed to the UN peacekeeping mission continuing when its mandate ran out a year ago, apparently persuading the US to support its view?

East Timor’s Government was keen for a continuing UN security role. A modest UN presence, focused on guiding the young local army and police forces, might have helped nipped this crisis in the bud.

The article goes on:

There are echoes here of the Howard Government’s refusal to send a small body of police to the Solomon Islands in 2000 when requested by its then prime minister. Three years later it had to launch its $2 billion regional assistance mission to revive a collapsed system of government.
In a similar vein, in terms of understanding the failings of Australian policy in this region—failings which I would suggest relate very directly to overloading our foreign policy establishment with deployments in parts of the world where, with the greatest respect to all those involved in those interventions, we have very limited and very much fringe effects, to the detriment of our own immediate region, where we can have a significant effect—it is worth continuing this theme of looking at the government’s failings.

In an article in the *Australian* on 31 May, Allan Behm, a former head of the international policy and strategy divisions of the defence department, says:

> Australia compounded this tactical misjudgment—in relation to Timor—in four crucial ways: in a “beggar thy neighbour” ploy, it sought to drive the toughest possible deal on undersea resource development; it supported the creation of a freestanding East Timorese defence force, powerless in any serious defence role but a natural and armed alternative to an elected government; it withdrew Australian security personnel from East Timor as soon as it could following the Interfet deployment; and it encouraged the UN to do the same. A security vacuum ensued, which the events of the past few weeks have exploited.

Once again I would suggest that this analysis very much reflects the laziness on the part of the Australian government in focusing on our own immediate strategic environment, but it also reflects the fact that it is simply overloaded in its analytical capability.

A bit further eastward we move to the largest country in the region and potentially the most challenging for our nation and for the region, and that is Papua New Guinea. Having visited Papua New Guinea on a number of occasions I take a somewhat more optimistic view about the current state of affairs there than seems to be conventionally popular. You sometimes see stories in the media about New Guinea being a failing state or falling to bits. That is certainly a possible scenario—and a catastrophic scenario—for this country, but there are a number of very positive things about PNG at the moment, most of which do not have anything to do with support from Australia.

Democracy in Papua New Guinea is robust. There are extraordinarily high levels of participation in the operation of the Papua New Guinea government. The present government is, on an unprecedented basis in PNG history, about to serve a full parliamentary term of five years. Papua New Guinea is blessed with some outstanding national figures: Treasurer Bart Philemon and people like Rabbie Namaliu and the present justice minister, Bire Kimisopa—who is visiting Canberra—are outstanding leaders.

Papua New Guinea has a fiercely independent and very competent judiciary and some aspects of its economic future are looking very promising indeed. The PNG-Queensland gas pipeline which will emerge over the next few years and will deliver gas to Queensland and elsewhere in Australia is an extremely positive signal. But that is not to underestimate the problems, which include a very heavy-handed and patronising attitude that often emanates from this town of Canberra towards Papua New Guinea.

Further, I think there is a problem in relation to ignoring Papua New Guinea. I recently had the pleasure of attending the Australia Papua New Guinea Business Council forum—an annual forum—in Cairns. At that forum there were five Papua New Guinean ministers present and all the relevant important business leaders from Papua New Guinea and the Australian businesses that are engaged there. The Papua New Guinean government had five ministers—
from the Deputy Prime Minister down, including the foreign minister. There was not a single Australian minister present at that forum.

To her great credit, the Parliamentary Secretary to the Minister for Foreign Affairs, Ms Gambaro, turned up on the second day—I think it was a fairly rushed trip—and good luck to her. But it sent all the wrong messages and reinforced this perception that is very deep seated in Papua New Guinea that, frankly, Australia is not particularly engaged. Papua New Guinea, as I said, is our nearest neighbour and probably our most important immediate neighbour, certainly in the Pacific region. One of the implications of a possible lack of success would be that the foreign policy and security challenges that it would pose for Australia would be catastrophic, yet none of our ministers could be bothered going to a very important meeting relevant to its economic future.

As time permits, I will talk a bit more about the aid budget. Aid to Papua New Guinea has been substantially scaled down in this year’s budget. We are providing less in our budget appropriations for Papua New Guinea this year than we are for debt forgiveness in Iraq. I think that, once again, sends all the wrong messages. Moving a little further east—and we are still in Papua New Guinea—we go to the autonomous region of Bougainville. Bougainville of course was a site of dramatic civil war and civil conflict up until recently. There are still significant challenges there—the activities of Noel Musingku and his group of thugs, and the concerning presence, apparently, of ex-Fijian soldiers there—and they simply cannot be ignored by this country, but too often, tragically, they are.

I spoke briefly before about the Solomon Islands and the failure of Australian policy. In 2000, at the invitation of the then Solomon Islands government, we were invited to intervene to stem the crisis that was enveloping that country. Our failure made the task extraordinarily more complex in 2003, when at long last the intervention occurred. But we saw just recently, tragically, the rioting in Honiara. In an article also in the Australian on 27 May, Mary Louise O’Callaghan—who is singularly well informed on Solomon Islands matters; she lives there—amongst other things, said this:

RAMSI also must get better, smarter and faster at getting its message out. Right now the mission still has enormous support from the broad mass of Solomon islanders, but there is never an exhaustible supply of goodwill towards an intervention force.

Ms O’Callaghan makes a number of very important suggestions as to how the quality of our role there—it is a regional role, but it is an Australian led role—can be enhanced, if the energy and the focus of Australian foreign policy goes on our region rather than on bit roles on supporting adventures from our great and powerful friend. She talks, for example, about the need for a common language. She says, amongst other things:

The absence of all but a few pidgin speakers is a major weakness of the mission. Learning even cursory pidgin should be compulsory for all new starters.

Certainly, there are going to be continuing and deeper problems in the Solomon Islands. The Solomon Islands economy in terms of foreign exchange depends overwhelmingly on the logging industry. The tragedy is that the place is nearly logged out and within the next decade the Solomon Islands’ largest source of foreign exchange will evaporate. To the best of my observation, having been in the Solomon Islands a couple of months ago in the context of the election, it seems to me that Australia, in effect as the regional leader, is not providing the focus needed to lay the foundations for a sustainable future for the Solomon Islands, so the prob-
lems will continue. One could go on to talk about Fiji, Vanuatu and other places but time pre-
vents that.

A great deal of hoopla and self-congratulation from the government has occurred in the
context of the 2006-07 budget, but the peak body of non-government aid organisations,
ACFID, in its press release, stated: ‘The aid budget is disappointing.’ Despite all the spin,
there has only been a 2.4 per cent increase in it, when you exclude the one-off debt cancella-
tion for Iraq of $343 million.

I do not have any particular problems in supporting economic restructuring in Iraq but Iraq,
by international standards, is not a particularly poor country. It is a deeply troubled country,
but it ought not to be receiving—as a single item, the largest amount of Australian develop-
ment assistance in this year’s budget; that is precisely what it has achieved—much more than
what has been going to Papua New Guinea.

Even including the debt forgiveness for Iraq, Australia’s ratio of gross national income to
development assistance only rises from 0.25 per cent of GNI to 0.3 per cent. Compare that
with the rates of other developed countries: Canada, 0.34 per cent; the United Kingdom, 0.48
per cent; the Netherlands, 0.82 per cent; and Norway, 0.93 per cent. This failure of the gov-
ernment to take seriously the need for commitment to our geopolitical region in this budget—
not to bells and whistles and self-congratulation about aid but to actually addressing the needs
here—I think is very noteworthy when you compare Australia’s very poor performance with
that of comparable developed countries.

The aid budget position is made even worse when you look at some of the rorts that are in-
cluded in it. It does not seem to me, frankly, to be a legitimate charge on the aid budget to pay
for keeping asylum seekers on Nauru or on Manus Island as part of the government’s Pacific
solution, but that is precisely where it is funded from. Of course, Trevor Flugge traipsing off
to Iraq with $1 million worth of outlays was also charged to the aid budget. It has nothing to
do with aid, but the government seeks, off an inadequate basis in itself, to then rort the system
by making all sorts of other charges on the aid budget. An article in the Age on 29 May says
this:

The harsh reality is that the poor in our region are being denied more than $660 million in grassroots
development projects because the Government chooses to use aid to paper over this commercial incom-
petence. It is certainly a slick accounting move, paying off export debt and calling it aid. It seems
grossly unfair that the poor should have to pay for AWB’s mismanagement.

I think that point is extraordinarily well made.

As far as aid is concerned, the budget also has other significant missed opportunities in it.
One of the very great achievements in aid and getting it to where people most need it, particu-
larly in the Indian subcontinent, relates to microcredit. Last year was the United Nations In-
ternational Year of Microcredit. In fact, in a recent discussion paper that I released on behalf
of the opposition I proposed as part of our aid program the establishment of a Pacific devel-
opment trust that would enable very small amounts of capital to go to communities, individu-
als and families to set up small businesses, to commercialise crops, to enable real benefits to
flow very much to local communities.

To its great credit, one of the Australian banks—the ANZ bank, which is very prominent in
the Pacific—is doing some interesting things on a commercial basis in relation to banking
facilities, but more needs to be done. What we need in the Pacific particularly, as has been
found in parts of Asia, are opportunities for poor people to set themselves up in small business—with cash to seed a crop, for example. The thing that is always surprising in the literature I receive on this subject is that the credit risks are extraordinarily low. People tend to repay their debt. Really, I would have thought this was consistent with a more conservative political party philosophy—actually encouraging a bit of entrepreneurship in poor communities—but this is a singularly great gap in the Australian aid program and one that I would be urging this government to seriously address.

Similarly, one of the things we need to be doing in the Pacific is substantially building the people-to-people links between Australian communities and Pacific communities so that mentoring can occur and so that service clubs, churches, schools and local governments in many parts of Australia—and I think in provincial Australia particularly this would be appropriate—can form sister links and sister relationships with communities in particular parts of the Pacific and engage in deep and meaningful people-to-people connections. There is no support from the government for that sort of initiative. In fact, the budget cuts back assistance for the efforts of non-government organisations. The government provides top-down support for Pacific countries, Asian countries and other development recipients but does nothing about mobilising the generosity of the Australian people in these areas.

Mr Deputy Speaker, because of the time I will look for another occasion to develop some of these themes. Thank you for your forbearance—I think we might have run over time a little bit—but I would certainly urge the Australian government to focus on where we can achieve significant bang for our buck and in our own region, which is sometimes perhaps a little over-colourfully described as an ‘arc of instability’. We really need to be focusing our resources there and we need to be ensuring that our aid program reflects genuine community priorities and not flights of fantasy by the government.

Debate interrupted.

Sitting suspended from 1.51 pm to 4.00 pm

STATEMENTS BY MEMBERS

Human Cloning

Dr EMERSON (Rankin) (4.00 pm)—I wish to express concerns regarding the key recommendations of the Lockhart review on the prohibition of human cloning. The report was provided to the government towards the end of last year and yet we still have no response from the government on the recommendations contained in that report. The report gives the appearance of confirming a ban on human cloning. Members would recall that we as a parliament voted to install a ban on human cloning. A reading of the report would give the impression that nothing of any consequence would change in that regard if the recommendations of the report were adopted. However, in truth, the recommendations change the definition of human cloning to allow the practice of human cloning in particular circumstances.

The recommendations would allow cloning of humans for research training and clinical application for a life span of up to 14 days. In effect, the report redefines a human embryo so as to allow research that at present is prohibited. If implemented, the recommendations would also allow in particular circumstances the crossing of humans and animals, the cloning of hu-
man genetic material and animal eggs, and the combining of genetic material of more than two people.

Parliament will move into very dangerous territory if it seeks to redefine what constitutes human life. The Lockhart review appears to do so for scientific purposes. The argument is that other countries have undertaken this research and that Australia should not be left behind in the race to do research in these areas. But on so many matters of life and death, Australia has taken a stand. Australia, for example, is an opponent of capital punishment. Australia should not allow itself to corrode ethical standards as a basis for participation in a global competition in stem cell research. That is why I express very grave concerns about the key recommendations contained in the Lockhart review.

Hinkler Electorate: Legal Services

Mr NEVILLE (Hinkler) (4.02 pm)—The shadow Attorney-General recently targeted Bundaberg as needing a community legal service and criticised me as the local MP for not fighting hard enough for one in our region. I am happy to say that I have already got the ball rolling on this matter after it was raised with me by Tom Quinn. Tom, by the way, is someone I have spoken of in the parliament. In his late sixties he achieved a law degree by going to the University of New England. Having completed his law degree and his professional year in Brisbane, now well into his 70s he is undertaking pro bono legal work in Bundaberg. In the last two years he has done over 400 cases. Tom suggested to me some model similar to a family relationship centre and a legal centre, and I have been quite active in pursuing that. In fact, Bundaberg is listed for one of the new family relationship centres in 2008.

I challenge the shadow Attorney-General to support my efforts by calling on the Queensland government to increase its own funding of the other side of the program, the community legal service. The Commonwealth will provide $23.5 million this financial year for the Commonwealth Community Legal Services Program, the CCLSP, which will be used to fund 127 community legal centres across Australia. However—and this is worth noting for my opposition colleagues—the Queensland state Labor government is contributing only 32 per cent of the funding for community legal services, which makes the shadow Attorney-General’s claim that Labor is so keen on these things somewhat hollow. If the opposition is serious about getting these legal centres—including one in Bundaberg—it could start by pressuring its state Labor counterparts to increase the pool of funding available for Queensland centres.

There is growing demand for a community legal service in Bundaberg. It is the key centre for the Isis, Kolan, Perry and Burnett shires and has a catchment of about 80,000 people. Far from not being active in this matter, I have some very strong views on it and I have made those views known to a succession of attorneys-general. In comparison, our state Labor colleagues have done very little about Bundaberg. It will be interesting to see, with a state election on the horizon and a new candidate, whether they alter their position and locate a community legal service somewhere between Hervey Bay and Rockhampton. In the meantime, the Commonwealth will be providing a family relationship centre in 2008.

Mrs Amanda Stapleton

Mr BYRNE (Holt) (4.05 pm)—I rise to speak about an extraordinary woman named Amanda Stapleton. Amanda is the parent of a child named Pete, who is 13 years of age. Pete has multiple disabilities, including autism, and consequently has challenging behaviour which
has isolated him from almost every kind of social activity. When Pete comes home from school, he retreats to his bedroom and, unless the carer knows how to engage him, he will stay there until Amanda gets home.

I note that the member for Canning is in the chamber; he has raised this issue as well. Amanda is someone who, as a single parent, struggles with the responsibilities of work as well as looking after a child aged 13 with challenging behaviour. That can be very difficult. Amanda has been a consistent, strong and passionate advocate for the needs of those with intellectual disabilities and for their carers. In the city of Casey, it is a particularly moot point, because there are a very large number of young families shifting into the area, and therefore a disproportionate number of young families will be experiencing this particular difficulty. They find that there is a lack of access to particular support services. As I said, Amanda works. Many workplaces do not provide the flexibility for a working mum or dad to drop their child off at a special school. And what do they do between the hours of three o’clock and six o’clock? In a number of instances, the schools close at about three o’clock.

I am pleased to advise the House of an incredible pilot program which has come about through the combined vision of the Bunurong Community Care Centre, Cranbourne Action on Disability, Resicare and Amanda Stapleton. This program, which has been secured by a donation of a substantial amount of money, runs for five days a week, so that when Pete finishes his school day he is then looked after by qualified carers between the hours of 3 pm and 6 pm. For someone like Amanda, that is an incredible relief. She does not have to charge home from work as she knows that Pete is being looked after by qualified carers.

There are three carers and five students involved in this program. It is a pilot program that is not being run anywhere else in Victoria. The problem is that, by the end of June, in another couple of weeks time, this program will run out of funding. It has not been funded by the state government; it has not been funded by the federal government. Both have acknowledged that they have some level of responsibility for this particular issue, but no-one has taken the plunge to fund this program. It does not matter what side of the political divide you are on; this is a program that works. If you listen to Amanda—and I have been down to the centre and have seen the program at work—you will find that it clearly benefits the child. We should be about providing relief for carers, and I call upon both the state and the federal governments to fund this program and continue this remarkable program.

**Pacific Highway**

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.09 pm)—I rise to speak on a very important issue in my electorate—that is, the upgrading of the Pacific Highway. As work continues to roll out, upgrading the road between Karuah and Bulahdelah, the state Labor government in New South Wales continues to ignore the requests from residents of the Tea Gardens and Hawks Nest community for a flyover to be built from the Myall Way turn-off.

An enormous amount of work is already being done at this intersection and, despite the fact that the land for a flyover is available and the ramp-up banks have already been built, the New South Wales government is still refusing to construct a flyover. Instead, the New South Wales Labor government is happy to wait a further 10 or 15 years, or even more, before it will start construction. Inevitably this means that the project will cost far more in future than taxpayers had anticipated. The community knows that building a flyover is commonsense. The commu-
nity knows that not putting in the flyover at the intersection now will put at risk the lives of fellow Australians. The Australian government knows that building a flyover is common-sense.

Last year the then roads minister, Michael Costa, had a meeting with the state member for Myall Lakes, John Turner, and it was reported back to me that Minister Costa said, ‘If the federal government want it, the federal government can pay for it.’ The budget handed down in May provided an additional $160 million in payments before 30 June. Of course, that has to be matched by the New South Wales government. So there was the money to pay for the flyover. The additional funding is there, but they have reneged on the agreement.

I have had representatives from the Tea Gardens-Hawks Nest community—Patricia Michell, Juergen Seil and Ed Bolehala—attend a meeting with Minister Lloyd. At the meeting with Minister Lloyd they put forward the importance of having a flyover built at this intersection. Minister Lloyd agreed to write to Eric Roozendaal, the new roads minister in New South Wales, in support of this project being funded from the additional $160 million. I say to the state Labor government in New South Wales: listen to the people in the community; let us put forward a priority program that allocates funding out of the $160 million additional funding that they did not anticipate receiving in the first place. When the Pacific Highway is upgraded and has safe access and egress, it will be a world-class road. But at the moment we are going to have a high-speed road passing Tea Gardens without proper access. This puts fellow Australians in danger.

Badgerys Creek Airport

Mr BOWEN (Prospect) (4.12 pm)—Today I want to address the House on a matter of key policy difference between the government and the opposition—that is, the importance of Badgerys Creek airport. This is a particularly important issue for my electorate and for those who live in Kemps Creek, Horsley Park, Mount Vernon, St Clair, Erskine Park, Greystanes and Bossley Park. Over the past several years people in these areas have expressed their concerns about the prospect of aircraft noise and the significant disruption that an airport in Western Sydney would cause.

The government has broken its promise on Badgerys Creek airport. It promised to make a definitive announcement on the future of the site by 2005. It is now June 2006 and there has been no announcement. On 10 May 2005, I asked the then Minister for Transport and Regional Services two simple questions:

(1) When will he be making an announcement on the future of Badgerys Creek Airport.

(2) What further studies, reports or reviews are necessary before he makes a definitive announcement on the future of the proposed Badgerys Creek Airport.

Twelve months later I have now received a reply from the new minister for transport which does not answer the question. The answer states:

The government has previously made it clear that it does not believe that a second Sydney airport will be needed in the foreseeable future. The position has not changed.

That is not a guarantee.

Mr Slipper—That’s an answer.

Mr BOWEN—What would you know about Badgerys Creek airport? That is not a guarantee; that is not an answer to the question. The government promised a decision by 2005 but,
instead, what we have is a review of the reviews and a promise of further reviews. The people who live in the areas affected by the airport have to live with the proposed Badgerys Creek airport being noted on section 194 certificates when they sell their houses. Some of them have to take action to ensure that their houses are noise-proof. Because of the proposed airport they have to install insulation, new windows and so on. This imposes a significant cost on residents in my electorate.

All we get from the government are weasel words, squibbing and a refusal to make a decision. If the government says that the airport is off, it should either sell the land or do something else with it. I have been out to the site. It is still fenced off and there are still signs on it saying, ‘Keep out: Commonwealth land’. The government is reserving the land for an airport.

The people of Western Sydney deserve policy certainty, and they deserve some of their representatives—like the honourable members for Lindsay, Greenway, Macquarie and Macarthur—to stand up for them. Instead we get weasel words from the government and we get squibbing from government MPs, like the honourable member for Lindsay. All she has been able to say is, ‘No new airport is being planned at this time.’ It is simply not good enough for a government member to be saying that—‘No new airport is being planned at this time.’ What about next year or the year after?

**Veterans**

Mr SLIPPER (Fisher) (4.15 pm)—I want to stand publicly in the Main Committee today to acknowledge the acts of dedication to Australia of members of our veteran community. These men and women have dedicated significant portions of their most productive and healthy years in the service of Australia in times of international conflict. Many of them made these considerable sacrifices without any thought for a moment of the cost to them. They had their minds set on filling the need of their country. It could be said that many of these fighting men and women were unaware of exactly how big a sacrifice they were making when they set off to battle wearing the uniform of Australia.

My electorate on the Sunshine Coast of Queensland is home to a great number of veterans. It is interesting to see that the latest figures, as at July 2005, show that there were 2,646 veterans living in Fisher receiving a pension from the government. It is no wonder that there is such a large number of former service personnel living in my region—it is clearly a wonderful place to live. It is home to a growing number of families as well as to retirees and war veterans. It is little wonder that some of these groups are actually increasing in number. An increasing number of ex-service men and women are relocating to Queensland’s Sunshine Coast. We have a number of active RSL branches in the region, support services are good, a Department of Veterans’ Affairs office is located in an easily accessible location in the Maroochydore CBD, not far from my electorate office, and the weather in my region is comfortable and the lifestyle good.

In mid-2005, of the total veterans in Fisher, there were 269 who had served in Korea, Malaysia and the Far East, up from 262 in mid-2004; there were 508 Vietnam veterans, up from 487 in mid-2004; and there were 523 serving members of the ADF, peacekeepers and those who served in other conflicts. That figure had risen slightly from 513 in 2004. The quoted figure also includes 1,362 World War II veterans. Sadly, this figure is decreasing—down from 1,477 in mid-2004. These veterans are now reaching significant milestones in years and succumbing to old age and health afflictions.
While they may be decreasing in number, our thanks to them does not dwindle. I had the fortune to join in public demonstrations of gratitude at a number of Anzac Day ceremonies this year. I had a large number of services in my electorate, as did many other honourable members, and the increase in crowds, particularly of young people, attending Anzac Day services should be an inspiration to all of us. I want to take this opportunity in the parliament to thank once again Australia’s war veterans, particularly those living on the Sunshine Coast.

(Time expired)

Veterans

Mr Griffin (Bruce) (4.18 pm)—In a similar vein to the previous speaker, the member for Fisher, I would like to take up issues relating to veterans, particularly the families of veterans and, most particularly, the children of veterans, and the recent feasibility study into the health of children of veterans. There have been a number of studies on the sorts of problems faced by our veterans and their families. There is a lot of evidence on the sorts of problems faced by the families of veterans, particularly the children, with respect to dealing with a veteran coming back from a conflict, the difficulties that they often bring back with them and the range of conditions that can be passed on to their children—for example, increased levels of leukaemia, cancer, spina bifida or cleft pallet. The number of conditions is endless. There is a lot to be worried about if you are part of a veteran’s family. There have also been studies done which have shown that the suicide rate for the children of veterans is three times the expected rate, and death from other causes, including accidents, is double. Those figures came from the Australian Institute of Health and Welfare study of 1998.

There is no doubt that there is a problem and there is no doubt that it needs to be looked at. At the last election, Labor committed to funding a study. The government committed to funding a feasibility study only. That feasibility study has now been completed. The study is with the Minister for Veterans’ Affairs, and the minister is currently considering where it will go from here. I note the minister’s press release with respect to the budget said:

The health of Vietnam veterans’ children will also be addressed now that a feasibility study has been completed and a scientific advisory committee’s recommendations are being considered by the Government.

Although the report proposes a pilot study that will take some years to complete, I am keen to pursue a staged approach to see work commence this year over a much shorter research period. My goal is to gain meaningful results sooner to help improve and better target health support and services available for the children of our Vietnam veterans.

I welcome the commitment from the minister to move down that track, but I want to put it on the public record that we need more detail as to what in fact is being committed to. This is a complex area. It is an area where Labor stands with the government, committed to ensuring that real action is taken. I do not underestimate the size of the task involved. What we need is more information from the minister about what in fact is planned to be done, over what period of time and at what cost.

I want to assure all members that the opposition will support the government’s actions in this area, but we need to know what those actions will be. We will be watching very closely to see what comes out from the minister about the future. In estimates, we had difficulty getting evidence of much of the detail of where we are going to from here. The minister has to come clean with that detail as soon as it is available so that we can move forward in this area. It is

MAIN COMMITTEE
an area that requires urgent attention. The opposition will support the government with respect to what can be done.

Sri Lanka: Tamil Tigers

Mr RANDALL (Canning) (4.21 pm)—In this place on 1 June I believe I may well have unintentionally misled the House with certain information I gave in my speech on the appropriation bills. I was talking about the Liberation Tigers of Tamil Eelam—the LTTE—which is the terrorist organisation in northern Sri Lanka. I said:

... I understand that this weekend in Britain the Tamil terrorist leader Prabhakaran will be in London celebrating his daughter’s 20th birthday.

I had been given that information by a Mr da Silva, and I checked it twice. Unfortunately, although I endeavoured to check the accuracy of the claim with the foreign affairs department through Mr Phillip Stonehouse, that information did not come back to me soon enough. After much email and return comment, I cannot with any certainty say that that information is correct. If I was wrong, I apologise and I withdraw that statement.

However, what has been told to me by Mr Phillip Stonehouse and by other email contacts is that the person being referred to was probably not Prabhakaran, the leader of the LTTE terrorists, but Balasingham, the LTTE’s international spokesman, who lives in the UK under some sort of refugee status—which I find a bit strange in any case. The inference was that this spokesman was travelling freely outside of Sri Lanka because of his role in the peace talks in Norway. That seems quite fanciful, because Britain proscribes the LTTE as a terrorist group. He would probably be picked up by Interpol or some other organisation in any case.

If I have inadvertently misled the House, I would like to correct the record. But I still stand by every other statement about the LTTE in my appropriation bills speech. The LTTE are a terrorist organisation. Subsequent to my speech, I wrote to the Attorney-General and to the foreign affairs minister asking that Australia do as the European Union—including Britain—the United States and other countries such as Canada have done in proscribing the LTTE as a terrorist organisation. I will continue to make sure that this Australian government that I represent heads down that path because the LTTE are a disgraceful organisation and they brutally kill, maim and terrorise the normal population of their country.

Broadband Services

Ms GRIERSON (Newcastle) (4.24 pm)—I rise to draw the attention of the House to the state of telephone and internet services in the electorate of Newcastle and the wider Hunter region. Today it has been revealed that complaints from the Hunter region to the Telecommunications Industry Ombudsman have doubled in the past 12 months. That comes as no surprise to me. Hundreds of people have contacted my office in the past year to ask for help to access broadband. Since 2001, the residents of suburbs like Fletcher, Maryland, Birmingham Gardens and Shortland have been working together to convince the Howard government to provide them with access. We have had some victories, yet even when we convince the government of the need to upgrade Telstra’s equipment, there are always strings attached.

Last year a new exchange was installed in Fletcher which did not have the capacity to meet the current demand, meaning that many residents missed out. This year, an upgrade of equipment in Shortland has allowed people in some streets to access broadband while others literally around the corner inexplicably missed out. It is a further frustration for residents when the
presence of pair gain phone lines preclude broadband access and telemarketers from Telstra and other service providers ring up to offer broadband services when broadband is actually unavailable. I received an email from a constituent just last month which said:

We are still no closer to broadband services here in Shortland. Telstra promised us ADSL by 23 March, then it was May, now it’s mid-June. Are they just saying it to keep us quiet? I can’t believe we only live 15 minutes from the Newcastle CBD and can’t get ADSL. I really need ADSL for my computer business and it’s forcing me to relocate to another suburb.

It is not just residents and families who rely on decent broadband services. Broadband is also vital for business growth and regional development. When Kim Beazley visited Newcastle last week and met with some of our region’s leaders, telecommunications services were high on the agenda. Good quality telecommunications, just like transport and other infrastructure, are vital for regions such as ours if we are to be competitive in a global economy. It is unacceptable that the Howard government has allowed the sixth largest city in Australia and the fastest growing region in Australia to become, in the words of an independent expert, Paul Budde, a ‘telecommunications backwater’. Novocastrians will be happy to hear that when Labor win office we are going to change all that.

In his budget reply in May, Kim Beazley announced that a Labor government will build a national fibre-to-the-node network, which will give regional Australia access to broadband speeds at least 25 times faster than the current benchmark speed. This will guarantee access for all Newcastle families and businesses to the full range of benefits of high-speed broadband internet—education, information, entertainment, as well as assuring economic productivity and competitiveness. Newcastle and the Hunter deserve nothing less. Certainly we deserve more than the government’s current proposal to restrict high-speed broadband access to the capital cities only. It is about time the Howard government gave regional Australia a fair go.

National Schools Chaplaincy Program

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (4.27 pm)—I wish to put to the House today a proposal for a national schools chaplaincy program. In doing so, I want to examine three components: firstly, existing practice; secondly, the purpose of such a program; and, thirdly, the proposal itself for a national schools chaplaincy program. When I look at existing practice, I see schools in my electorate which currently have a chaplaincy program provided through the voluntary donations of residents and people within the community. Rosebud Secondary College, Dromana Secondary College, Mornington Secondary College, which in fact is in the electorate of Dunkley, and then Crib Point and Hastings primary schools, between them, share four chaplains.

Experience to date has been of an extraordinary engagement with students. These programs have come at the behest of the schools, the school communities and the parents. They have not been imposed by anybody; they are entirely voluntary but have involved the school communities and the Mornington Peninsular chaplaincy committee raising sufficient funds to provide the salaries of the four chaplains in question. It is an onerous task but they have done it willingly and have benefited from the educational outcomes.

How does it work in practice? What is the purpose behind these chaplaincy programs? There are four: firstly, the chaplains work to provide mentoring; secondly, they provide counselling in times of family crisis or personal crisis; thirdly, they provide a base for values edu-
cation; and, fourthly, where the schools and the individual students so wish, they contribute to religious education. It is a broad purpose across four different fronts.

How does this proposal, which I as well as other members of this House have put to the Prime Minister, operate? The proposal works on the basis of voluntary participation. There should be no imposition, nor should anybody be prevented from participating. It should be entirely a matter for the schools, the principals, the staff, the students and the school community comprising parents and friends. If they wish to bring on board a chaplain and if they are willing to undertake the task of raising the first portion of the funds, our proposal is that, at a national level—because of the paucity of funding at the state level, although there is some small amount—the Commonwealth should contribute on a dollar-for-dollar basis. I believe this is a proposal worth supporting. I congratulate the initial authors—Peter Rawlings, Dr David Price and Dale Stephenson. I thank the House for its consideration.

APPROPRIATION BILL (No. 1) 2006-2007

Cognate bills:

APPROPRIATION BILL (No. 2) 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.

Ms PLIBERSEK (Sydney) (4.31 pm)—In the lead-up to this year’s budget, the Treasurer conned Australian women into thinking that the government might address some of the issues facing them both at home and in the workplace—perhaps by starting to address the child-care shambles that they have created or introducing tax rates or other incentives that would make it easier for parents to balance their work and family responsibilities. The Treasurer said to the Press Club on 1 March 2006:

I think that we ought to be looking at making this the most female friendly place on earth.

He is very happy to talk about being family friendly and female friendly, but this budget is the exact opposite. This budget offers no solutions to some of the key problems facing Australian women. Of course, the tax cuts were welcome. Labor welcomed the tax cuts. But it is worth saying that those tax cuts were very quickly spent on higher mortgage repayments and higher petrol costs. With the insecurity and cuts to wages that people are facing with the new Work Choices legislation, those few extra dollars certainly evaporated very quickly. It is interesting to note that, when you look at the massive superannuation tax cut, most of that money will in fact go to men because men are generally higher paid than women and have higher overall superannuation payouts. They are not as likely to have disrupted work patterns as women are.

I have spoken in the past at some length about the issues facing the child-care system. I do not propose to dwell on that today except to say that there were such very high expectations of this budget. The minister responsible, the Minister for Families, Community Services and Indigenous Affairs, Mr Mal Brough, had been out there hyping this budget as the solution to the child-care crisis in this country. We have had statements from the Treasurer. Can I say: what a disappointment this budget was! I think that Australian parents who are holding their
breath for some relief from the very high expense of child care or who are looking for a place and cannot find one or who are worried about the quality of the child care were extremely disappointed by this budget.

This budget also does nothing for skills. There are shortages in a number of traditional female employment areas as well. The budget does nothing for any of those traditional trades. Look at the disgraceful situation with the private TAFEs that the government was trumpeting at the last election. One of them has one student! That is a terrific contribution to improving Australia’s skills base.

However, there were a couple of issues that were startlingly absent from the budget that I want to focus on today. The first is a complete lack of interest in initiatives to tackle violence against women and particularly violence against Indigenous women and children. We had Minister Mal Brough and other members of the government out in public in recent weeks saying that this is a national disgrace. We have known for some time that this is a national disgrace. Indigenous leaders have been telling us for some time that it is a national disgrace and that they need help to address these serious problems. There was nothing in this budget in that respect.

There is also a serious lack of funding for community legal centres. I want to address that because one of the best things that we can do to actually provide justice for excluded and marginalised people in Australia is to give them equal access to the law. That is what community legal centres are set up to do, and that is what they do. They have received little or no support from the government over the years.

I turn to the issue of violence against Indigenous women and children. An international survey conducted in 2003 on violence against women found that 57 per cent of the women surveyed had experienced at least one instance of physical or sexual violence over their lifetime. That is a staggering figure in itself. The picture is even worse for Aboriginal women, who are 12 times more likely to be victims of assault than non-Indigenous women. A number of quite shocking cases have been focused on in the media recently. It is important for us to say two things: firstly, in many Indigenous communities it is indeed the Indigenous leaders, particularly the older women, who are leading the fight against this abuse; and, secondly, when we talk about the causes and the background of this sort of abuse, we are not making excuses—you need to understand a problem to be able to fight it properly.

A couple of weeks ago, the Queensland Centre for Domestic and Family Violence Research at Central Queensland University hosted an Indigenous family violence prevention forum titled ‘Men, Women and Community—Partners’. The forum was attended by 110 people from urban, rural and remote Queensland communities. Most of them came from Aboriginal or Torres Strait Islander communities and a lot of the participants were men. A unique part of this year’s program was the yarning circles, where people were able to discuss the issue of violence in a less structured way. There were a lot of important addresses from Aboriginal people who work in Aboriginal communities in Northern Queensland and the Northern Territory, as well as Torres Strait Islanders.

They talked about examples that were working in their communities, such as: increasing the numbers of domestic and family violence units and liaison officers; setting up an integrated government approach to violence; employing Indigenous court workers to coordinate services to address offender needs and behaviour and not relying on community volunteers;
mandating programs for offenders in custody, including parenting, healing, cultural and Indigenous art programs; and setting up alternative sentencing and periodic detention programs—for example, work on outstations for adolescents to provide them with real life skills and to discourage recidivism. Those are some of the things that leaders in those communities argue are needed in their own communities. I hope that people who are interested in this issue, as the government have claimed to be in recent weeks, will take some notice of what Indigenous communities themselves are calling for.

In the past 15 years there have been about 50 reports on violence in Indigenous communities and related issues. I do not think that we need another report or summit. We need to start taking notice of the recommendations that are made in those reports and meetings by people who know what works in their own communities and actually backing some of those success stories. I have come across examples myself, such as: a community where men are dropped from a very popular and successful local cricket team if they get an apprehended violence order made against them; tiny country towns where they have a rally against child sexual abuse—something that was previously a taboo issue that nobody talked about—and where the community stand together and say, ‘This is not acceptable in our community’; and night patrols where older women patrol, often on foot, and diffuse potentially violent or dangerous situations before they escalate. Those are all things that we should be looking at.

We also have to look at what is happening when it comes to legal support for the people who have the bravery to come forward and say that they have been victims of sexual assault or child sexual abuse. Sexual assault and child sexual abuse in particular have notoriously low conviction rates. It is impossible to imagine even the most articulate and confident person going through the legal system and braving the questioning of defence lawyers and so on without proper legal support. Without proper legal support it is just impossible. Police services are important, of course; but police are only part of the equation when it comes to dealing with the unfortunate end of abuse and sexual violence against women and children.

When you look at the work done by Indigenous women’s legal services—there is one office in each state, and between them they share $1 million in funding—you see how important it is to have accessible and culturally appropriate services that not only look at criminal behaviour but also support Indigenous people in dealing with some of the surrounding issues. When you look at the shocking lack of support for community legal centres in general in this year’s budget, you see that it is another glaring omission that deserves to have the attention of the public brought to it. A number of state-wide services operate from my electorate, so I am fortunate enough to have 19 community legal centres operating from my electorate. They operate on a number of different issues, such as credit and debt, disability discrimination, arts and entertainment law, and welfare issues.

Community legal centres have not received a service funding increase in any budget since 1996. In some budgets, they have not even received the CPI increase. In this year’s budget, the government has allocated a tiny $22.2 million to the national community legal centres program. That is an increase of only two per cent on last year; again, that is less than the CPI increase. That means that community legal centres are, effectively, going backwards. I know that many of them are struggling to remain viable even though the service they provide is of a high quality and done with an absolute minimum of overheads. Community legal centres have told me that over the last few years they have been forced to slowly reduce their services, and
that is a very disappointing outcome. Many solicitor positions are now only four days a week, not five, and many community legal centres have cut their administrative staff. That means that centres are operating less efficiently because solicitors, instead of seeing clients, are doing administrative work.

More importantly, with less money and fewer staff, operating hours of centres are being cut back. Of course, fewer hours open means that fewer clients are getting the help they need with their legal problems. Research conducted by the Institute for Sustainable Futures shows that for every dollar spent on community legal centres $100 is saved in avoidable costs to other government departments. Of course, the Treasurer and the Attorney-General do not see the economic sense in making that sort of investment. Indeed, the Attorney-General is not prepared to defend community legal centres, because he blames them for spending their time on political campaigns and ideological causes. I can tell the Attorney-General that community legal centres see a great number of clients and do very important work. When they get involved in a political campaign it is because they see the vast majority of their clients being disadvantaged by something that the government is doing. If the Attorney-General visited the centres occasionally he would see the real story. He would see what a good job community legal centres are doing, what long hours their lawyers are working and what low pay they are receiving to provide vital legal services for the issues that Australians face day to day. They deal with things like family law, credit card debt, medical negligence, disputes with banks, employment issues, being ripped off by companies, tenancy disputes and unscrupulous landlords.

There are people who cannot afford high legal fees. The government are spending $174 million in legal fees this year to pay law firms for their own legal advice, but they are not prepared to help low-income Australians to afford legal advice themselves. One firm alone is due to get $19 million. That is almost the whole budget of community legal centres in this country.

It is worth noting too that many of the disputes that people go to community legal centres to solve are caused by changes that the government has made to family law, industrial relations, and other recent legislative changes. The government is terrific at creating the disputes that send people to community legal centres but no good at all at funding the work done by those community legal centres.

Mr ROBB (Goldstein—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs) (4.45 pm)—I rise to support the Appropriation Bill (No. 1) 2006-2007 and related budget bills. As Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs, I would like to focus my comments on those areas that are a particular responsibility of mine, namely multicultural affairs, citizenship and the upgrade of the technology system within the Department of Immigration and Multicultural Affairs. I would like to discuss some of these responsibilities relating to the broader budget.

In debating budget measures I think that it is important to reflect on the contribution of these measures to sustaining Australia’s economic prosperity and to consider the broad challenges that Australia faces and the role the budget plays in meeting those challenges. In a broader sense the 2006-07 budget includes a number of major initiatives which are critical to sustaining Australia’s economic prosperity. Firstly, the budget provides for an underlying cash surplus of $10.8 billion, the government’s ninth surplus since taking office and a very signifi-
cant part of the underlying business and investment confidence and the general performance of the economy for so many years now. Ten years of sound economic management has seen the $96 billion of debt inherited by this government in 1996 eliminated, and in a very material way that is providing, year on year, in excess of $8 billion which is now available to fund community services and infrastructure and other important components of the budget.

The budget includes major tax reforms in superannuation, personal income tax and business tax, and is supported by measures to improve the integrity of the tax system. The budget also invests significantly in our roads and rail and water infrastructure. It invests significantly in skills training. It improves support for mental health services and it continues Australia’s leadership in medical research through very significant additional funding, close to $1 billion.

These 10 years of sound economic management mean that prospects for the Australian economy remain sound, with economic growth forecast to be 3¼ per cent in 2006-07, and already we are seeing the results of that with strong job market performance. Last week there was the announcement of a 4.9 per cent rate of unemployment, the lowest in over 30 years, and that is despite a corresponding increase in the participation rate during the period in which that unemployment figure was registered.

This is a remarkable achievement but one that needs to be built on. It shows what can be done. This budget needs to be measured in terms of its capacity to prolong for a long period of time the prosperity that we have enjoyed as a country. These budget measures and other changes embodied in legislation over the last 12 months—such as the Work Choices legislation—are critical to seeking to set Australia up for another 10 or 20 years of prosperity. This prosperity cannot be taken for granted, and it cannot be squandered and frittered away. We have to keep confronting the new challenges that come our way if we are to maintain the prosperity that we have now enjoyed as a country for some time.

Simply wanting to spend the proceeds of prosperity—as is being suggested on the other side of the House—and rolling back important initiatives without a view to the future shows our opponents are running true to form. We are starting to see it now at a state level, with many Labor governments that inherited strong positions and have had the benefit at a federal level of a very high level of economic performance for many years finding themselves in quite difficult circumstances, such as the New South Wales government and the ACT government. Labor are running true to form, and we are starting to see it in the policies that are being unfolded at a federal level, where they are taking this prosperity for granted. They are taking all the hard work for granted, they are taking the challenges of the future for granted, and they are not putting their efforts into policies that will deal with the problems and the challenges that Australia faces. Australia faces serious challenges, particularly the implications of an ageing population. It is expected that, in five years time, we will have 200,000 more jobs than people to fill them. That is with current, very high levels of immigration, a strong economic performance and significantly more money spent on skills training than ever in our history—200,000 more jobs than people to fill them.

In the OECD in the next 20 years, it is expected that nearly 70 million people will be in the retirement age cohort. In the same period of time, five million people across the whole OECD will enter the working age bracket. In Australia and across the developed world, we have a very significant and serious challenge that we must confront in terms of the ageing population and the implications that has for us in maintaining our quality of life, our productivity, our
prosperity and our growth. This budget and many other policy initiatives are designed to con-
front these challenges and the challenges presented by an increasingly globalised world. The 
emergence of India and China as rapidly expanding nations in our region presents both threats 
and opportunities. To head off these threats and to take advantage of the opportunities requires 
continuing strong policy actions on many fronts.

The effective integration of the waves of immigration over the last 60 years have been a 
major contributor to the prosperity and the cultural richness of our great Australian family. We 
have moulded over many decades a dynamic and stable community from a very wide diver-
sity of cultures with the benefit of a strong Australian democratic condition. There have been 
six million migrants since the fifties. We have also had many refugees, humanitarian entrants 
and many other migrants in those 55 years. While it has been our priority to maintain the 
strength of our economy, we also have a priority to maintain our ability to integrate people 
from so many different parts of the world. Today, 43 per cent of our population is made up of 
first or second generation Australians. Keeping our economy strong is critical to our proud 
record of taking in and integrating refugees and humanitarian entrants.

It is an expensive process. Australia is one of only three countries in the world that have 
consistently and without hesitation, year on year, taken in refugees from around the world. We 
have done this with a very strong program, but it is expensive. Some quarter of a billion dol-

lars is spent on settlement programs each year in Australia. We have been very good at inte-
grating people from the four corners of the world into our Australian family but, given the 
increasingly globalised nature of the world and the challenges of an ageing population, we 
need to become even better at integration.

It has not been their skills, perspectives and hard work alone that have contributed to the 
achievement that is modern Australia. We have received other great benefits from the many 
waves of migrants. As is being seen in Europe and other parts of the world, a longstanding, 
deliberate migration program, which we have in place in Australia and which has not been in 
existence in many other parts of the world, has been the secret of our success. Along with 
supporting integration and settlement programs, it has been fundamental to our success as a 
country. It is one of the many factors that underpin and support the prosperity that we have 
enjoyed over the last 10 to 15 years.

This budget seeks to build further on Australia’s very successful history. In the area of mul-
ticultural affairs, this budget seeks to further assist the effective integration of migrants from 
so many parts of the world. With an ageing population, and with the threats posed and oppor-
tunities presented by an increasingly globalised world, we have to focus strongly on our abil-
ity to integrate people from other cultures quickly and effectively. In this budget the govern-
ment has allocated $32.8 million over the next four years to further enhance our cultural di-
versity programs, to assist with understanding, integration, English teaching and other factors 
in the programs. Of this funding, $20.5 million is allocated to the Living in Harmony initia-
tive, $10.2 million to the implementation of cultural diversity policy and programs, $1.6 mil-

lion to assist the Federation of Ethnic Communities Councils of Australia, and $0.5 million to 
the Surf Life Saving Australia/Sutherland partnership to help with problems with integration 
in some parts of Sydney.

As well, there will be an increase of $4 million over four years to promote Australian citi-
zenship. In the area of information technology, we are spending close to half a billion dollars
within the Department of Immigration and Multicultural Affairs to assist the effective management of literally thousands of databases across the world and around Australia which are an essential part of a smooth and effective immigration program.

Funding for the Living in Harmony initiative has increased from $14 million over four years to $20.5 million over four years, which represents an increase of $6.5 million. We have had a very successful program, with nearly 5,000 different initiatives taking place during Harmony Day. Close to 3,000 of those were school initiatives. Young people across the primary and secondary school system have embarked on programs to gain an understanding of different cultures, to assist those who have joined our country in recent years or who are second generation migrants, who are going to play a very important part in the future prosperity of our country. They play a very important part in building the richness of our culture and in Australia being able to tap in to the new cultural perspectives that their parents have brought with them from the countries from which they have emigrated. The Living in Harmony initiative, and especially those components which relate to our school community, has been extremely effective in this regard.

There has been an increase from $4.4 million over four years to $10.2 million over four years for the implementation of cultural diversity policy and programs, including the important appointment of 10 full-time dedicated community liaison officers, in order to build our network across the country and to support community outreach programs, especially in regional areas. A lot of regional migration is now taking place. It is an important part of dealing with the ageing population and the skills shortage. We heard today during question time about the importance of overseas doctors, nurses and others coming into many parts of regional Australia, along with their families. The community liaison officers within my department have the capacity to greatly assist in the effective integration of these people into local communities and to monitor and respond quickly to problems. They will also create stronger links with new refugees, many of whom have been settled in areas where there are jobs—for example, on the harvest trail and in abattoirs. There are also other places where we can get these people quickly and effectively into jobs. We need people who are dedicated and who are on the ground so that they can ensure that problems are identified and dealt with quickly.

The ethnic diversity program and other initiatives are very important. We also have an important commitment to citizenship. Over the next four years we will spend some $8 million on promoting Australian citizenship, again to properly and effectively integrate people from so many parts of the world. We need to reinforce the privilege of citizenship to ensure that citizens and noncitizens alike value it. It is at the heart of our success as a diverse society. Australia’s ability to get people committed to a core set of values is the glue to our Australian family, while drawing on the rich diversity of people who come from many parts of the world.

Finally, an important initiative that has been funded and committed to in the budget is the Systems for People initiative—the improvement of the systems which fundamentally underpin the running of our technology within the Department of Immigration and Multicultural Affairs. One of the problems in our area in the last two or three years has been the failure of many of our databases to communicate with one another. That has created a problem in the effective administration of many of our migration programs. We have embarked on a very sophisticated and significant program of reform in that area so that we can, in the years ahead, continue the proud reputation we have as a country with a very strong immigration program.
and as a country that has a network of bureaucrats and officials to run those programs and with the wherewithal to do the most effective job possible.

The strength of a culturally diverse community, united by an overriding and unifying commitment to Australia, is a proud achievement. It is one of the main things which has helped Australia to be in the strong position it is in today in having such a diverse, flexible, committed and effective workforce and community. The cohesion we have in our community and our commitment to Australia has been an important part of our success as a country. This budget in many ways seeks to build on that reputation and strength that we have as a country.

Mrs GASH (Gilmore) (5.02 pm)—I rise to comment on the budget for 2006-07 and, more particularly, to give credit where credit is due, for this budget is the 11th successful budget delivered by a successful team that has overseen the prospering of Australia after inheriting a huge millstone from the previous government—a millstone worth $96 billion which has finally been put to bed, releasing us from the economic shackles by which we were bound. In fact, we have saved $8 billion each year in interest payments alone. This year also we celebrated the 10th anniversary of a coalition government that has delivered us from the threat of a ‘banana republic’.

Having arrived in parliament at the 1996 election, I ponder the many successes that have been realised and cast my mind back to my appropriation debate speech in 2001 which marked the half-way mark to today. It is appropriate for me to reflect now on what was said, because more often than not we tend to focus on the present rather than looking at the journey that led us here. At the time I said it was a fact that the previous government totally ignored the basic infrastructure of regional development, particularly in Gilmore, dividing families and creating a sense of dependency on government, rather than opening the doors to allow Australians to become competitive, generating needed investment and providing much-needed employment.

In the election of 1996, the people entrusted me with the job of making Gilmore a better place to do business in and to live in, creating those much-needed jobs and educational opportunities. It has also provided enormous challenges to expand our tourist industry, our manufacturing, agricultural and commercial base, not to forget one of our largest industries and employment bases and what our electorate is based on—that being defence—HMAS Albatross.

Today, Gilmore really is on the move as we, the government and the community, have certainly been getting the job done. As I look back over those years, I am impressed by what has actually been achieved: just on $2 billion worth of funding for projects in Gilmore. Some of the more notable and significant projects include: schools and education, almost $280 million; University of Wollongong school of medicine, $10 million; Main Road 92, $34 million; Princes Highway Kiama bypass, $34 million; roads and infrastructure, $250 million; Shoalhaven Cultural Convention Centre, $3.3 million; Shoalhaven City Arts Centre upgrade, $440,000; Shoalhaven Youth Volunteering Initiative, $133,000; Currarong boat ramp, $100,000; the Gilmore Youth Leadership Forum; child-care upgrades; community water grants; University of Wollongong Shoalhaven Marine and Freshwater Centre for research; Nowra rugby park upgrade; HMAS Albatross upgrade; defence projects in general, including cadets, $820 million; aged care; environment; and much more.
Many of these are significant, not so much for the quantum of money they attracted but as a catalyst to build upon. For instance, the Gilmore Youth Leadership Forum brought together many future and potential leaders from 10 schools, both private and public, from across the electorate. This tied in with the Shoalhaven Youth Volunteering Initiative, with both projects creating a base from which we can build an environment to encourage a future engagement with the community by our youth. Two hundred young people each year, in cooperation with local schools, participate with the SES, bushfire brigades, National Parks and Wildlife, police, surf lifesaving clubs and other agencies.

Our role ultimately is to ensure that the generations that follow are not fettered the way we were when we took over government in 1996. That is why I have been such an ardent supporter of constructing a highway from Nowra to Canberra. I and many of my constituents could see that, unless we took steps to ensure better access to other commercial markets, we faced the danger of languishing far behind other regional centres. It has been a frustrating process, and the original deadlines have been compromised by a state government which really was not concerned with the welfare of Gilmore residents. However, I am pleased to inform the House that the Prime Minister turned the first sod to mark the beginning of the state government’s contribution to the construction of the Shoalhaven Highway. Six years it took for the New South Wales government to match funding, endangering the project owing to the depreciation effect on the original sum over that period.

I am also grateful to the Australian government for supporting educational initiatives by contributing funds for the development of the University of Wollongong Nowra campus, the medical school and the Sealab and for other contributions towards education, making this particular campus a centre of excellence. We will be working towards seeing some form of nursing training developed at the campus. Whatever contribution is made—and it has been generous—is essentially a work in progress as we continue to build on these achievements.

I would like to describe to the House some of the other projects we have running in Gilmore at this time. Firstly, there is the constant criticism over the Princes Highway. Finally the facts seem to be sinking in. People are starting to understand that the Princes Highway is a state road and it is up to the state of New South Wales to look after it. We have put millions into the road through the black spots program. It comes down to this: the state needs to have the plans in place when it approaches the Australian government for money. This is where the process has fallen down. The Southern Councils Group has a plan. The state government needs to support its plan, meet the dollar-for-dollar requirements of the program and put its money where its mouth is.

We cannot continue to be criticised for not funding a road that is not even a federal road when there is money available to the New South Wales state government and the RTA but they will not support proposed projects. On this issue, quite simply, enough is enough, and we are not going to take it any more. I will continue to fight for whatever Australian government money is available for the road, but it needs to be done knowing that the state government is prepared to meet its responsibilities.

Next, the old Anglicare Chesalon nursing home is on the market in Nowra. I believe it is the perfect facility to meet a multitude of needs in Gilmore. Under the right leaders, the facility could house respite for carers of the disabled, expanded special child-care facilities and potentially an expansion of Noah’s Ark services—and I believe it is the ideal location for the
family relationship centre to be developed in Nowra. It is a large centre and one we believe can be adapted to meet the needs of such occupants. We are speaking with Anglicare to see what can be done. The early signs are positive on what shapes to be a long road, but a road well worth travelling. The Australian government has committed to improved mental health services and respite for the carers of the disabled, and the Chesalon centre looms as a logical choice.

One of the more significant initiatives, launched in March this year, is Blueprint Shoalhaven, which has been a series of minisummits addressing key sectors in the Shoalhaven economy. This local initiative came about as a result of confronting the prospect of a number of job losses that had to be faced earlier this year—job losses that came about as a result of businesses winding up or reducing their operations. Gates Rubber closed, Manildra had to cut jobs because of the anti-ethanol campaign that was being waged, the paper mill rationalised its operations, and the local Dairy Farmers milk factory ceased operations.

Then there has been the predictable downstream effect of supporting industries—reducing their participation as a result of their dependency on these large local enterprises. The effect is quite profound, so I needed to ensure that other initiatives were available to fill the gap. Blueprint Shoalhaven is an independent and bipartisan forum made up of industry and community leaders. They are working towards a solution—a practical and non-political solution—and I commend them for their dedication to breathing life into the local economy, upon which so many people rely. Tourism, health and ageing, public service, general industry and defence have all been addressed. Under the chairmanship of Noel Rosskelly, from Tyco flow systems in Nowra, Blueprint has brought together a team of professionals and people from across the region to put together action plans to build on the region’s successes and identify the success stories of the future.

The final plans will be presented on 26 June at a major function at the Nowra Anglican College. It will be the culmination of the first stage of Blueprint Shoalhaven, and once the plans are delivered they need to be acted upon. The project has won the support of the three levels of government, and those three levels of government will look closely at the plans to see where assistance can be offered. From the start, Blueprint Shoalhaven was a project for the people and by the people. It has been embraced and each of the minisummits has been a great success. I look forward to seeing the action plans produced and to doing all I can to assist in the next exciting stage.

Among the more successful programs introduced by this government is the Regional Partnerships program. At this point, I want to acknowledge the work of the Shoalhaven Area Consultative Committee and its chief executive officer, Milton Lay. Milton and his colleague Alan Mulley have been instrumental in delivering many projects, two of which I have already mentioned. The committee broke new ground in a number of projects, particularly the civilian cadets. The spin-off was a successful first-aid course, which was offered not only to the cadets but also to senior high school students from the region. It was a weekend program, and over 775 students and teachers participated. The net result is that there are another 775 individuals in the electorate who can render effective first aid if called upon.

Another issue of immense interest to the Gilmore electorate is the matter of biofuels and, more specifically, ethanol production. One of the largest ethanol producers in Australia is Manildra, which has a plant in Bomaderry, in the Gilmore electorate. The need to support
such an industry has not been made any clearer than by today’s skyrocketing price of fuel, yet consumers continue to shy away from taking up ethanol-supplemented fuel. The Prime Minister’s recent intervention with the oil companies was a timely and necessary initiative, but the reality is that, until such a time as more outlets selling ethanol come into the market, the take-up rate will continue to lag.

I am of the view that the times are right to now pursue and develop alternative technologies rather than just talk about them. Federal members have fuel cards, which are able to be used to source ethanol based fuel. While that might be a token gesture, at least it is an action that sets an example. If the oil companies do not become more committed to promoting ethanol based fuel fairly soon, I will again be pushing to have ethanol mandated.

The Prime Minister has raised the issue of considering nuclear energy as part of the debate, and he is correct in putting it on the table. Even before the sun had gone down, there were people saying that they did not want a nuclear reactor in their backyard. There is no shortage of nimby — those who say, ‘Not in my backyard’ — and so passionate are they in protecting their self-interests that they lose sight of the big picture. In some way that reflects the response to ethanol. Who remembers the campaign to discredit the uptake of ethanol and Labor’s pathetic role in promoting a fear campaign? It was based largely, I would suggest, on their animosity towards Manildra’s owner. The prime fear tactic was the claim that ethanol would burn your engine out; many people were convinced without even bothering to check the facts. They neglected to say that it was in fact kerosene that was the culprit.

Suddenly, with the price of fuel escalating dramatically, ethanol is now more acceptable — exactly the proposition we were advocating based on overseas experiences. Even state Labor has come to the party, with the state government saying it will be putting ethanol in its fleet vehicles. The Labor aspirant for the seat of Kiama, the new boundaries of which will take in Manildra, has had an epiphany. He was always an ardent supporter of ethanol, or so he says, yet just recently he voted against the bill that would have mandated the use of ethanol in New South Wales. And why should I be surprised, particularly when the state government’s approach to water resources, as an example, sees them simply robbing the regional areas of the Shoalhaven and the Southern Highlands of their water? The only initiatives that they have come up with are water restrictions on domestic use in the Sydney metropolitan area, which affects a miniscule two per cent of water usage in the Sydney region, and plans for a desalination plant, which have now been shelved. The point I am trying to make is that, in preparing for future contingencies, planning has to start earlier rather than later, and short-term benefits may have to be compromised for long-term gain. It might be expedient to put aside the politically unpalatable, but that is not a responsible approach to governing.

This government has made a lot of tough decisions, often against the tide of prevailing opinion, but in persisting and standing firm in its resolve, we can now point to the benefits that eventually flowed. Good economic management has given us the wherewithal to build a strong foundation for future prosperity. In the future, I can envisage a modern boat harbour for the region, one that will attract businesses to it and that can capitalise on a new tourist market. I envisage a dedicated respite centre for the disabled and not just extra beds in an aged care home. I envisage an Australian technical college to train our young people so that they can look forward to better job prospects and, so that they can take advantage of what information technology has to offer, a complete broadband service throughout the Gilmore electorate. I
can also envisage a school of nursing, much needed by our older Australians. These are my dreams for the next term, and I will be working hard with the assistance of government to realise them for the people of Gilmore.

Mr JOHN COBB (Parkes—Minister for Community Services) (5.15 pm)—My electorate is the most drought affected electorate in Australia, so I want to refer to the government’s ongoing commitment to helping farmers as much as possible through what is without doubt the worst drought in my lifetime. Having regard to the budget that was recently handed down, it is an appropriate time to recap on just what our farmers are facing, particularly in western New South Wales.

This is now the fifth year of drought. While the drought in 1982-83 might have been as bad as ever existed, this one is certainly the longest in living memory. I probably do not need to remind the House of the actual effect it is having out there, but we should note the financial hardship being faced by people. Admittedly, there have been times in the last five years when there has been rain and people have had the promise of a start; there has been a crop here and a crop there. But nobody, in that five years, has been able to build on two successive crops or on the continuation of a season. They have started; they have never been able to continue.

At this time, it is very relevant to reflect on the Prime Minister’s recent announcement, reiterated in the budget, that we have put aside $1.9 billion to deal with mental health issues. I have to say that, while the drought in western New South Wales in particular involves financial issues of extraordinary proportions, it involves mental health issues of even bigger proportions. The effect on families, businesses and towns goes beyond anything in my experience.

I have spoken repeatedly in recent times to the Minister for Agriculture, Fisheries and Forestry about this matter. The fact is that EC is not something that the government has capped; it is something that the government will continue. The federal government will continue to support those areas of Australia that are suffering from this drought. Certainly, the electorate of Parkes is at the forefront in this regard. As I said, I have brought this matter to the minister’s attention, particularly in recent times, as we approach the end of the current funding cycle.

I am somewhat surprised that in one minute New South Wales is withdrawing transport subsidies; in the next minute it puts them on. I think I am right in saying—I am not clear on this; it has certainly changed its position on numerous occasions—that at the moment it has decided to continue freight subsidies for those seriously affected by drought, as indeed it should. New South Wales, in a year’s budget, spends approximately what the Commonwealth would spend in a fortnight on drought in Australia.

I have had enormous trouble working out where our opponents are on some of these issues. The only member of the Labor Party who I have seen show serious interest in what is happening in terms of drought, and particularly in terms of regional issues, is Gavan O’Connor. He has been put to one side by Bill Shorten and his cohorts in Victoria, which I find surprising and very sad, from the point of view of regional Australia.

One of the issues which again was underlined in the budget was our commitment to what I call ‘commonsense conservation’ by way of the Envirofund. In the current rounds in the electorate of Parkes I am very happy to say that we have people putting in for commonsense pro-
grams such as to fence off areas which have trouble with erosion and that need to regenerate. We continue to help people to do that on a case-by-case, individual or collective basis.

At the same time, I have to look at what our opponents say. Instead of funding people to take commonsense, practical measures, such as using fencing to protect waterways and other measures to protect the environment, they want to fund green groups who simply want to become lobby groups at the expense of the taxpayer. Mostly they put out not scientifically proven issues but issues which they get carried away with. Because they do nothing themselves, they seem to find great delight in trying to have a go at those people who are involved in production and helping Australian people.

The other issue which was so incredibly important in the current budget—and I have to say it was very important to the electorate of Parkes—was the fact that a few things happened with water. One was a $500 million—half a billion dollars—commitment to the Murray-Darling Basin. For an electorate that is totally within that area, one that has the Darling River and places like Broken Hill, which has suffered so badly with some of the current policies at a state level, the water issue is important. I find it incredible that New South Wales are still to truly come out and say how they are going to cooperate with the Commonwealth on the water sharing agreement. We have already got the $2 billion which we are putting towards the three programs involved: $1.6 billion for Water Smart Australia, $200 million for Raising National Water Standards and $200 million for community water grants. When you combine that with the half a billion dollars that we are putting into the Murray-Darling Basin and all the other money that has gone into the Murray-Darling, you find that no government has ever shown such a commitment to Australia’s water issues and probably will not in the future. However, we do have to keep showing the lead and taking our states along with us.

The Water Smart Australia program—$1.6 billion—is there to accelerate the development and uptake of technologies which make us use our water in a way which helps people achieve greater water savings and efficiencies right across Australia. Then we have $200 million for the Raising National Water Standards program which is, in effect, about experimentation or showing technologies that will lead to better water usage. Finally, there is the community water grants program, which provides a culture of water-wise usage through the community, and that could be in commercial usage, urban usage or agricultural usage. It is to encourage and promote far better uses of water right across Australia.

In my electorate, the electorate of Parkes, where water is always at a premium—let alone at a time of drought like this—we have bowling clubs that are able to have far more efficient usage of water, whether it be putting in water systems which are computer driven, which are automatic and which make you spray rather than flood. Right around my electorate groups are putting in for what I have to say is one of the easier and less complex grants which schools and other community groups have been able to apply for.

While water is a big issue for inland Australia, and it certainly is for my electorate, there is also rural health. I have often said that it does not really matter how wealthy you are or what your lifestyle is—none of it matters very much without health. Nowhere is that more true than in the electorate of Parkes, in the far west and the central west of New South Wales. Health has always been a big issue and it is certainly a big issue now.

Under our government, there are more doctors and better service initiatives. Over half a billion dollars in an integrated package of measures provides for more doctors and better health
services in our country areas. Ever since that package was introduced, and it is still current, we have continued to build on measures to assist rural communities. We have put in the specialist outreach program, bonded scholarships, the John Flynn scholarships and rural and remote nursing scholarships to assist country children to study and become registered nurses, which is a huge thing. Since we established the university at Dubbo, which is run by CSU in Bathurst, it is so much easier for kids in the bush. They only have to go to places like Dubbo or Bathurst rather than Sydney. It is such an advantage. It is so much cheaper, so much easier and they do not have to remove themselves mentally from the areas where they feel at home.

The Rural Australia Medical Undergraduate Scholarship scheme is run at the Dubbo Rural Clinical School. We now have city students spending up to six months in Dubbo and, from there, going to Broken Hill, Parkes, Lake Cargelligo and towns like that. We are finding that the more they come to the rural medical schools the more they find that it is not such a terrifying thing at all to go to the left of the Blue Mountains. It has been a huge success. I congratulate the health ministers who have made this is a reality. Apart from that, we have put the University of Sydney’s Department of Rural Health into Broken Hill and a similar program is being run there. It allows doctors who do not necessarily come out of regional Australia to realise that in today’s era of communications you can practise in the bush without a feeling of isolation and that if you need further guidance or help it is at hand.

One of the biggest things that we have done, which my colleague the member for Gwydir, the former Deputy Prime Minister, initiated—and he initiated a lot of things in his time, not only as Deputy Prime Minister but as Minister for Transport and Regional Services—is to give country kids the opportunities. I have to give credit to the University of Newcastle, the University of Sydney and others for assisting country and regional kids to do medicine. Over the last eight or nine years, entries from rural areas into medical schools have gone from around eight per cent up to around 26 per cent. Obviously, that makes it far more likely that we will have doctors in the bush in the future. But these things take time. There is a long time—probably nine years—of study before somebody is a doctor, free to practise where they will. It is only in the next few years that we will see the fruits of those efforts, but it will happen and I think it is currently happening.

Since the budget, one of the other things recently announced by the Treasurer in Broken Hill was that the Commonwealth is putting another $5 million towards the Royal Flying Doctor Service in Broken Hill to help them buy new aeroplanes. That is an enormous thing for Broken Hill and the whole of western New South Wales and south-west Queensland—a huge area that is serviced by the Broken Hill Royal Flying Doctor Service. Not so long ago, we put $5 million towards helping St Anne’s to update its aged care facility and to put two facilities together. Health-wise, that is an enormous thing to do for Broken Hill. Over the last couple of years, we have put $10 million into improving aged care and health services that are run out of that region.

At the same time, I should mention that the Royal Flying Doctor Service not only does emergency services in the region; it contracts to the New South Wales health service. It flies doctors to places like Tibooburra, Menindee, White Cliffs and Wilcannia on a regular basis every week—in other words, it provides fly-in doctor service clinics 52 weeks of the year. I am very proud to say that, in actual fact, most of those services in the outback are run by Aboriginal health services on behalf of New South Wales Health, and they do an excellent job.
They are not just for Aboriginal people or white people; everybody uses those services. It is probably a model that could be looked at right around Australia. It works very well.

I have talked about some of the services that have been underlined by this budget. I talked about aged care a minute ago and the fact that the Southern Cross St Anne’s nursing home at Broken Hill got $5 million to build a new aged care facility in Broken Hill. I had a look at it a couple of months ago and have been led to believe that it should be ready to receive people in the next couple of months. As well, Condobolin, very close to my home, got $2 million to put in a dementia unit. That is very big funding for some smaller towns. Condobolin has no more than 3½ thousand people, and for a town that size that funding aids the council, which currently funds and looks after the very large aged population. The funding for all these services comes out of the capital grants program. For our aged care programs, especially after what has happened over the last five or six years, it has meant that not only do we have far better facilities and set standards which have to be met but we can be confident that people are being very well looked after in those situations, even in the far west, in the outback.

Talking about health and the need for doctors and nurses in New South Wales, particularly in country areas, one of the most astounding things I have heard is the announcement by the Leader of the Opposition that he was going to scrap skilled migration where it relates to section 457. This is the most incredible thing I have heard since I became a member of parliament. I was very involved in getting foreign doctors out to country areas when I was with the New South Wales Farmers Association. We had to work with state, federal and other governments to make that happen. The member for Brand clearly stated that he was going to scrap that and get rid of some 2½ thousand registered nurses who have come from overseas and who are working in Australia, particularly in country areas, and about 230 or 240 doctors—doctors who have made a difference. As a government we instigated changes to get more doctors out into country areas by way of education, and he has said that he is going to get rid of this opportunity for states. The New South Wales government would be the biggest user of section 457 to prop up their health service, but the fact is he wants to get rid of it. What is he saying to New South Wales and other country areas in Australia? He is saying, ‘It doesn’t matter what your health situation is like; you can go without a lot of the doctors and nurses you currently have.’

A lot of things have happened in recent times; Regional Partnerships and Roads to Recovery are doing marvellous things. The extra money to Roads to Recovery in my electorate is marvellous. Places like Lake Cargelligo and the shires of Lachlan and Bland are going to get over $1 million extra, and that makes a huge difference to the local road systems. When you have roads like the Hillston to Lake Cargelligo road, the Hillston to Rankins Springs road and the Tullamore to Narromine road, it allows the councils in those areas to do things they just could not otherwise do. The greatest thing that John Anderson ever did was to make that money go straight to those councils rather than having to go through the state government.

Mr WILKIE (Swan) (5.35 pm)—I rise to speak in the debate on the Appropriation Bill (No. 1) 2006-2007 and cognate bills. Before I do, I would like to comment on one of the areas that the member for Parkes talked about. That is in relation to the money available for water for the Murray-Darling Basin. It is my understanding that, while the government might have allocated almost $2 billion for this project, none of that money has actually been spent. So it is another case of smoke and mirrors by this government in the Murray-Darling Basin, where
it has said this money is there but there is such conflict between the man who chairs the committee that oversees the allocation of the money and the minister that no-one can agree on where that money should be spent. To come into this place and say that you are allocating money to deal with the Murray-Darling Basin and associated water problems is an absolute furphy. It is just another case of the sort of smoke and mirrors that goes on whenever you hear this government talk.

I would like to take the opportunity of this debate to speak about some important economic issues that are pertinent to the state of the Australian economy and also my electorate of Swan. Let me start by commenting in an overall sense on the budget. While this budget gives long-overdue and much needed tax cuts together with some additional support to Australian families, and while it also reduces tax on superannuation, it fails to address Australia’s longer term economic challenges by insuring us against the day when the Chinese boom ends and we can no longer depend on our resources sector to the same extent we have over the past several years. As a former pig farmer, I was particularly struck by the editorial in the Australian that appeared the day after the Treasurer presented his budget to the parliament. The editorial states:

This budget brings home some taxcut bacon, but it also hocks the pig on the assumption that the Australian and world economies will continue to benignly suit Peter Costello’s political ambitions.

While the budget includes tax relief, there is no real income tax reform. Taxpayers are simply getting back the increased taxes they have paid through bracket creep, and for this our arrogant Treasurer expects them to be grateful. The truth is these tax cuts are quickly being eroded by spiralling petrol prices and rising interest rates. Added together, the impact of the hikes in petrol prices and increasing interest rates is quickly eating away any benefits of the tax cuts for the people in my electorate and for families across the country.

While the Treasurer makes much of his generosity in giving us tax cuts, the fact remains that the taxpayers of Swan are paying for his policy failures elsewhere. It is clear from the Reserve Bank’s recent statements that the bank remains concerned about the capacity constraints confronting Australian industry, in particular in terms of infrastructure and training policies. Whatever happened to the reforms that are necessary to ensure that in the longer term our economy’s capacity is maximised so that we can better withstand any downturns in international markets? Is there evidence in this budget of the government’s commitment to reform beyond its next parliamentary term? Apart from the superannuation tax relief, you would have to say this budget is very light on in terms of reform.

There is scant regard for the urgent need to fix Australia’s transport infrastructure. Last year the Prime Minister commissioned a task force chaired by Brian Fisher of the Australian Bureau of Agriculture and Resource Economics to advise him on the necessary changes to infrastructure policy to improve the competitiveness of Australian exports. The task force report was released last May. Aside from regulatory issues, one of the major constraints to efficiency identified by the task force was the lack of long-term planning and coordination in land transport policy. According to that report, it is quite clear that considerable efficiencies could be gained from the establishment of a national coordinating planning agency for infrastructure.

Of course, the Australian Labor Party has recognised this deficiency in current transport policy and has announced that when elected a Beazley government will establish Infrastruc-
ture Australia as an independent statutory authority to report to the minister for infrastructure. Infrastructure Australia would develop a strategic blueprint for Australian infrastructure and facilitate its implementation with state and territory governments. Infrastructure Australia would ensure that our nation’s infrastructure networks are developed to enhance and improve the competitiveness of our industries. The efficiency cost to all of our industries and our exports in the absence of national coordination and planning are substantial. This means that investment and work opportunities are being impeded. The current transport and energy networks are simply not working to their potential, and this failure is not doing the right thing by businesses and workers throughout Australia.

Why won’t the government implement a national framework for infrastructure? It seems eminently reasonable and sensible to acknowledge the problem, which the Prime Minister’s task force has done, and then to develop policy responses to fix it. But no—this government has once again squibbed this issue. We have had the Reserve Bank, the OECD and the Business Council of Australia calling for urgent responses from this government to our infrastructure crisis. But their calls fall on deaf ears. It seems that this misguided government is willing to attack the wages and working conditions of Australian workers, all the time claiming that these changes are necessary reforms, and yet, when it comes to a policy response as beneficial as establishing national coordination and clear criteria for infrastructure projects, this government will simply not deliver.

We know that the Prime Minister can be pragmatic when it suits him. He can quite happily reverse government decisions, even if it means humiliating his ministers, as he did on the Snowy project. So why won’t he address infrastructure concerns and implement the reforms that have been identified by the opposition, business, the OECD and the Reserve Bank? The answer, sadly, is that when it comes to transport funding the Prime Minister knows that he can buy peace with his coalition partners as long as they have a nice big fund from which to allocate funds to their road and rail projects.

Let me be very clear about my position on this: there are many road and rail projects which have been funded under AusLink that help to improve the efficiency and quality of our national infrastructure. But there are many potentially more beneficial projects which have not been approved. Unfortunately, because transport policy is a fiefdom of the National Party, expenditure has often been hijacked to fund some infrastructure projects which frankly would not be funded if rigorous cost-benefit analysis had been applied. As a result, these other potentially more beneficial projects have been given a lower priority.

Just before the Treasurer brought down the budget, there was a leak in the press about the additional $1 billion road-funding package. It was important to the hapless leader of the National Party, particularly following his abysmal performance before the Cole commission and his betrayal by Senator McGauran, that he and his colleagues were seen to have had a win in the budget, and this was it. Unfortunately, this means that the increased transport spending in this budget will not be allocated entirely on a merit basis. That means that good old National Party pork-barrelling will have undue influence in the determination of priorities for this funding.

In my home state of Western Australia, the problem is further exacerbated by the fact that we have no National Party members or senators to give our rural residents as much of a share in the pork barrel as those in the east. We have instead the member for O’Connor, and he goes

MAIN COMMITTEE
against the express desires and wishes of his own electorate in advocating the dismantling of the single desk for wheat marketing. We have the member for Tangney, who is so enamoured of the nuclear industry that he embraces the idea of a nuclear plant in his own electorate. These are the types of coalition members we have in Western Australia: no National MPs to place their noses in the trough or in National Party slush funds but Liberal members who are completely out of touch with the wishes of their own electorates.

Given the extraordinary revenues the government is receiving from the resources boom, this budget was a golden opportunity to ensure that significant funding was dedicated to building up our industries’ competitiveness so that we can better weather any storms ahead. In particular, from the perspective of my electorate, my home state of Western Australia is putting $28 billion into federal coffers in the form of tax revenue and from the resources boom while we get back $24 billion in transfers. I call on the Western Australian members of the Liberal Party to get in there and start fighting for WA so that we can get that $4 billion back and put it into much needed projects in Western Australia. On any person’s arithmetic, WA is missing out. We are subsidising the states on the eastern seaboard. How is it fair that the state which is generating the export income and flooding Canberra with funds does not receive sufficient funds to finance much needed economic and social infrastructure?

In Western Australia, the Great Eastern Highway, for example, is the major arterial road linking Perth to the eastern states and the major thoroughfare linking Perth airport with the city. It is the lifeblood of Perth’s transport industry. In my electorate, the section of highway that causes the greatest concern is between Redcliffe and Rivervale and this is in urgent need of road widening for efficiency and safety reasons. But this government has unilaterally deemed that this section not be part of the AusLink national network.

The Southern Gazette community newspaper has been at the vanguard of calls for the need for the Belmont section of the Great Eastern Highway to be widened. Local residents are justifiably angry that their calls for funding to be made available have fallen on deaf ears in the federal government. The state government has commenced an assessment of the full cost of the works. I intend to pursue the federal government for a commitment to this project as soon as the cost study is completed. It seems to me that the residents of the city of Belmont, who are affected by the safety problems, congestion and time delays occurring in the absence of the widening of this vital road, are being treated as second-class citizens by the federal government. They are suffering the social and economic costs of a substandard road and this situation should not be allowed to continue.

Apart from infrastructure, the other fundamental flaw in this budget is the fact that it ignores skills and training. Instead of spending more on vocational education in the 2006 budget to address the skills crisis, the Howard government has actually reduced the percentage of the budget spent on skills and training. Peter Costello only mentioned skills funding once in his budget speech. Unfortunately for the nation, it was to reannounce the same money he promised in the last budget.

When the Reserve Bank lifted interest rates the week before the budget, it identified the shortage of skilled workers as one of the most significant constraints to our economy that is putting pressure on inflation and upward pressure on interest rates. According to the budget papers, spending on training has declined as a percentage of government budget expenditure to 0.73 per cent in 2006-07. In 2005-06 it was 0.75 per cent of government budget expendi-
ture. This decline in investment in training is forecast to continue, dropping to 0.71 per cent in 2007-08, 0.68 per cent in 2008-09 and 0.67 per cent in 2009-10. This is nothing short of a national disgrace. More than that, it is an extraordinary display of arrogance and incompetence when everyone from the Reserve Bank to the OECD and the business community is sounding alarm bells on the dangers of ignoring the skills crisis.

Interestingly, just two weeks after the budget was brought down, the latest skilled vacancy figures were released, on 24 May, and confirmed that the shortage of skilled tradespeople and professionals is continuing to hurt the Australian economy. According to the skilled vacancy index of the Department of Employment and Workplace Relations, skilled vacancies continue to rise, with a 1.8 per cent increase for May. The index rose in all areas, with the trades vacancies up 2.9 per cent, associate professionals up 3.5 per cent and professionals up 0.1 per cent. This is clear evidence of the Howard government’s failure to invest in training in the 2006 budget and will, according to the Reserve Bank’s analysis, put further upward pressure on interest rates.

Make no mistake: Australia’s skills crisis is the result of bad economic management by the Howard government. Unfortunately, this budget is another lost opportunity, with Peter Costello continuing to import foreign workers rather than train young Australians. This illustrates that the Howard government is out of fresh ideas on education and training, unlike the opposition, which has spent the past year putting forward concrete proposals to address the skills crisis. We will address the skills crisis by introducing fee-free TAFE for traditional trades and child-care workers. We will equip our kids with the latest technology skills which they will need for the challenges of the future. Labor will also put our emphasis on training young Australians instead of importing foreign apprentices. Unlike the Howard government, Labor’s priority is to train Australians first and train them now. It is unforgivable that this government is treating with contempt the advice of the Reserve Bank to address the infrastructure and skills problems. Failure to heed these warnings will result in even higher interest rates.

Whatever the government’s rhetoric, this budget is not about reform. This budget should have been about putting in place the reforms which will build Australia’s capacity in both infrastructure and skills, thereby strengthening our economy and putting the brakes on interest rates in the future. But the government has failed to deliver a budget appropriate for our circumstances or one which serves Australia well.

Let us inject some facts into an issue which is often surrounded by coalition mythology. The fact is that interest rates in Australia are not low, compared to those in other industrialised countries. According to the OECD, Australia’s short-term interest rates are now higher than those in the United States, Japan, Germany, France, the United Kingdom, Canada and South Korea, along with many others. Moreover, the OECD forecasts that interest rates in Australia will continue to be higher than in all of these countries in 2007. In many cases, Australian interest rates are not only higher but significantly higher than those of other OECD countries. Far from believing that this budget sets in concrete his path to the Lodge, the Treasurer should hang his head in shame.

I read an interesting column about the budget by the Age’s economics editor, Tim Colebatch, published the day after the budget. In his column Mr Colebatch makes a number of salient comments. First of all he states:
There may have been worse budgets than this one for their times, but they were long ago.

He goes on to decry the budget for failing to address infrastructure, skills, export growth and industry development, finally concluding by saying:

This is a Government in economic drift. It is awash with tax revenues, yet it is so obsessed with buying votes that it is prepared to burn our future rather than build it. What a waste.

I fully concur with Mr Colebatch’s statements. But in my view there is another imperative in the budget which the government has ignored. Those of us who have run businesses in the past know that to keep our businesses profitable we have to constantly seek efficiencies, including using the latest technologies, to maintain our profitability.

To apply this approach in the context of government finances, departments and agencies should be under pressure to make sure that they are providing their taxpayer funded services as efficiently as possible. In the past, governments of both political persuasions at federal and state levels often sought an efficiency dividend from the public service to impose a cost-saving, efficiency-improving discipline. I am not saying that such an efficiency dividend should be applied to and within all portfolios across the board, but I believe that it is useful to seek such dividends from many departments and agencies. I know that the businesses and workers of my electorate are under pressure to deliver productivity improvement, so why not the federal Public Service? It is almost as though the government could not be bothered to ensure best and most efficient practices in its own Public Service. As Laura Tingle of the Australian Financial Review commented the day after the budget:

This budget has confirmed a general impression of policy laziness and sloppiness, matched by an unparalleled attention to political expediency...

In conclusion, it concerns me and the people who live in my electorate that the government’s mismanagement of the economy is manifesting itself in higher interest rates, that economic reform in terms of a much-needed national infrastructure agenda has stalled and that urgently needed skills and training policies have been ignored. The people of Swan, and all Australians, deserve better. On behalf of my constituents I will continue to press the case in parliament for these issues to be addressed as a matter of urgency.

Mr BILLSON (Dunkley—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (5.52 pm)—In the few minutes that are left for me following earlier abridged versions of my contribution to the debate on the appropriations bills, I would like to focus on one particular project. Last time I had the opportunity to speak I was able to point to the collaboration that is so essential to achieving outcomes in local communities; that rarely are there opportunities where one individual or one organisation can achieve meaningful things and that a partnership is needed. In our community in the electorate of Dunkley, on the northern Mornington Peninsula, we have had some good successes of late. I mentioned the basketball stadium for the Mornington District Basketball Association at the Mornington Secondary College. That is a collaboration that is seeing an important facility available to the southern area of the Dunkley electorate, and I used that as an example. There are many others. There is the rose garden in Mornington. There is the work that we are trying to do in securing support for the traders and community at Mornington on law and order initiatives. Our work is trying to make sure that our region, with its growing population and growing demands, has the policing resources that are required.
There is also the outstanding Investing in Our Schools program that has been a breath of fresh air for so many communities in the Dunkley electorate. These are communities that may have stable populations, but an ageing population has seen student numbers decline. Under the punishing formula that the Bracks government applies to capital investment in school infrastructure, if you are in an established area with static or declining student numbers your prospects of getting funding for capital improvements for your school are extremely remote. It is just devastating for those school communities that work so hard over so many years to accumulate funding themselves only to find that the process that the Bracks government oversees in allocating capital funding can be very punishing. Thankfully, through Investing in Our Schools, that collaboration and spirit of cooperation and partnership that has delivered so many benefits to the Dunkley community is alive and well. I am hopeful we can continue in that spirit into the future.

It is the kind of collaboration that has seen the unemployment rate in the Dunkley electorate decline incredibly. When I had the honour of being first elected to represent the people of Dunkley, the unemployment rate was of itself a source of great hardship. I have said before that our best export was capable people leaving to go somewhere else in search of work. Thankfully, that has now changed and the unemployment rate in the Dunkley community is around what the national unemployment rate is. There are genuine opportunities available within our region. I aim to keep working to make sure that a delicious world of possibilities is within reach of all people in the Dunkley community. That is what I aimed to do 10 years ago and it is what I aim to continue to do as long as the community supports that work.

An area that I would like to talk about today is the Frankston safe boat harbour. I am sure that the member for Isaacs and others have heard this topic in its various guises talked about for so many years. It is the time now where this project—this important community infrastructure—is going to be brought forward and transformed from a discussion, debating point or topic occasionally bringing derision and conflict amongst some. If it is ever going to happen, now is the time. Mr Acting Deputy Speaker Lindsay, as your community models itself on the Riviera characteristics of Dunkley, I am sure that you have been following with great interest this subject. You would be mindful of the fact that planning approval exists for what is known as option 3, which is not quite the full-blown option that some were advocating but which is a meaningful option for a safe boat harbour in the Frankston community.

Port Phillip Bay—a wonderful body of water, an important leisure and tourism resource and an important economic and ecological jewel for the Greater Melbourne population—is starved of a boating activity node in the area of Port Phillip Bay that I represent. With such a large, vast, wide body of relatively shallow water, when the weather turns it can be very dangerous. For people wanting to recover their boats at the dilapidated, run-down and terribly deteriorated boat ramp facilities at the base of Olivers Hill, just the act of trying to lift those vessels out of turbid water is very frightening. What have long been needed, particularly to cope with those changing weather conditions and to reinforce the seaside character and coastal destination reputation of Frankston, are some proper boating infrastructure facilities.

This has been discussed and there have been ideas to establish it at the mouth of Kan-nanook Creek. That in itself would have been an engineering feat of biblical proportions given the amount of lateral movement of sand. It would forever be dredged and it would change the beach character. All of these insights have been gained over the years. So the debate has de-
livered a clear benefit in that there is now a proposal that an area at the base of Olivers Hill, free of the lateral movement of thousands of tonnes of sand on the seabed from Olivers Hill around to Black Rock, just around the corner, is a location for a safe boat harbour. We know this is the place. We know it will serve an important function. We know that there are many in our community who would love to see that asset available. We are encouraged that the environmental assessment points to the fact that it can be achieved without detriment to the beach or the marine ecology in that area but to the benefit of our region.

The Frankston City Council has been conducting some work, because it rightly recognises that a facility of this kind needs many partners. Today I am calling for the Commonwealth to be a partner, for the council to be a partner and for the state government to be a partner, to build a foundation where the private sector can be tantalised with this delicious opportunity in the Dunkley community. We have planning approval for a facility. It is now at an important stage where market sounding, the concepts and approval framework and land use planning constraints can be put to the private sector, to commercial participants and partners, to verify that what we imagine and envisage can actually be delivered. That market sounding exercise will verify some of the figures that sit behind this project. That will confirm the feedback we have had from potential private sector proponents.

But it will also highlight the fact that this is a project that cannot afford too many passengers. The base infrastructure will always be a community asset. It is my firm view that the community, through its governments, should be making a contribution to those community assets. Looking at the harbour infrastructure, we see that a breakwater wall is required. Whatever happens on those facilities, whatever opportunities there are to generate economic and employment benefits, we need that breakwater so that the boat launch and recovery function of the current dilapidated Olivers Hill boat ramp can at least be remedied. It can be made good. It is my view that there is a role for governments in part funding that breakwater. That would then provide the basis on which the private sector could engage in the more commercially orientated activities. So this idea is to differentiate the private benefit to those that may be fortunate enough to store or berth their marine facilities and marine vessels there, but it also recognises that there is a public good and that public good is supported by a financial contribution towards the breakwater. So when the bay turns violent and aggressive with weather changes, and when those horrible north-westerlies blow in and people see vessels washed up on the foreshore, when people who see the bay as a leisure and recreational opportunity are terrified about how they are going to get to safe land when the seas change, they can be supported in those public goals by the breakwater. The state government also needs to participate.

Mr Prosser interjecting—

Mr BILLSON—It is a very long trip to Western Australia, but having just come back from there I can vouch for how magnificent it is. If you have troubled seas in Port Phillip Bay, seeking refuge at Fremantle is probably a suboptimal option, but an interesting thought, nonetheless. The point I am making is that this requires a partnership. The state government has to do something to stabilise the cliff face at Olivers Hill. Whatever happens, that work needs to be done.

There are road and access issues that need to be addressed and I have mentioned the appalling state of the existing boat ramp facility there for boat launching and recovery. That needs to
be addressed. Why not turn that required investment into something that will be truly of advantage to the region that I represent? It is estimated that some of the employment prospects in construction alone may be as many as 350 full-time jobs over a two- to three-year period. During its operational phase, there are dozens and dozens of long-term employment opportunities in the operation of the harbour, the maintenance of facilities, hospitality, the visitor industry, recreational boating, even ferry and charter services. The economic benefits are quite significant and we should make a contribution to securing that potential, to making it real and to making it happen. I am calling on everybody to get behind the Frankston safe boat harbour project. Now is the time for it to be turned into reality. We have the prospect of making this an important additional facility for the Dunkley community, the Mornington Peninsula region and the leisure and recreational resource of Port Phillip Bay. Governments need to play a role but we need to provide a basis on which the commercial sector can be engaged to fund those personal goods—not the public benefits but the personal goods—that this facility may facilitate. (Time expired)

Mr HATTON (Blaxland) (6.03 pm)—I am at a loss—and you may be able to help me—in trying to work out what we are actually supposed to be debating here. As far as I knew, I was coming up to debate the government’s Appropriation Bill (No. 1) 2006-2007 and cognate bills. But today and previously—but particularly today—I have had to listen in when we had a compact little group of government ministers and a parliamentary secretary speaking on the appropriation bills. For all of the time that I have been a member of this place, bills Nos 1, 2, 3, 4, 5 and 6—this year for the year 2006-07—are about appropriations for the Commonwealth budget. But what I have heard instead, particularly in the last few speeches, are arguments about what happens later in the year when we get further appropriations. I wonder why it is that from the member for Dunkley—a government minister—we had an extended argument about a project in his electorate and whether or not it should be funded, with the member calling on the federal government to make appropriations to support that project.

It is bizarre to have one government member after another—ministers, parliamentary secretaries and backbenchers—making adjournment speeches rather than appropriation speeches. I may as well turn my speech on the appropriations into an adjournment speech and congratulate the greatest soccer team that this country has ever had. The Socceroos 3-1 win last night is something that I have waited my entire life for. I played soccer until 1966, when I was 15. In that year I sat in one of Bankstown’s then existing theatres—a bit like the tax office and the immigration office we lost when the government took them away; the government was not responsible for taking away the cinema just as it is not responsible for the Socceroos win—and watched what the English did. The Socceroos have just done the same, but this time I was able to watch the event on SBS TV, a government instrumentality.

It brought me enormous joy to see Australia score not only the first goal but also the second and the third goal, a better score than ever achieved before by an Australian team. The Socceroos have shown in their game against the Netherlands—not in the first half but certainly in the second—their capacity to pin down and deal with the third best team in the world. They shortly will take on Brazil, who are regarded as the best. I wish all the best to all players, managers and supporters, including my two nephews who are lucky enough to be at every Australian game because they decided to go over early.
But I digress. I have made this short adjournment style speech as part of my appropriation speech because every government member whom I have seen talking today has made an adjournment speech. That tells me generally that this government is completely terminal. You make an adjournment speech when you are on your way out. In the House on Wednesdays between 7.30 pm and 8 pm, if we are rising at the normal time, or on Mondays and Tuesdays between 9 pm and 9.30 pm, if we are rising at the normal time, we have a series of adjournment speeches from government members. We normally do not have a series of ta-ta speeches or ‘I would like this before I go’ from one government minister after another.

In my experience, through most of the 10 years that I have been in this place—or at least I will have been come the 15th, which is in two days time—I have seen government ministers speaking on appropriations trying to defend appropriation bills that are part of their purview. I know that we will be going to consideration in detail and they or the parliamentary secretaries will have to front up and answer in that regard. But to make it so personal, so electorate driven and, in the case of the member for Dunkley, to talk not at all about ministerial appropriations in this area is bizarre, unless they are entirely terminal—and I think the indications of that being the case are in this series of appropriation speeches.

I will give another indication. If you want to do a bit of research into what is going on around the place, you can go to the Parliamentary Library. I thought our Parliamentary Library would be better resourced—but, by my reckoning, we now are in the middle of June and the budget came down on 9 May. If you look for material on the 2006-07 appropriations, what do you come up with? Seven pages on Appropriation Bill (No. 1) 2006-2007 and seven pages on Appropriation Bill (No. 2) 2006-2007. There is nothing on appropriation bills Nos 3 and 4, which are the substantial bills regarding where the money will be paid out. Then again that may be because we have gone from cash accounting to accrual accounting. The fact is that you cannot find out what the government has done. Perhaps government ministers do not know even now what they are spending or not spending. Perhaps it is at the point where this government’s transparency has become so opaque that its ministers do not even have a clue or cannot even speak up and argue directly about what is proposed. So I went to the Parliamentary Library thinking, ‘What have they done?’ I could not find out from appropriation bills Nos 1 and 2 and there is nothing in appropriation bills Nos 3 and 4. If you look at the budget papers and remember the way in which the Treasurer presented the budget, this was a budget for just about everybody—maybe not everybody—a terrific budget, from which people would get so much money.

I know that the people in my electorate basically got the same out of this budget as they got out of the one in 2004: a $10 cut to their tax—10 bucks a week. The shadow Treasurer quite simply asked: ‘What do you get for that? You get one hamburger and one milkshake.’ He made that point time and time again; he has made that point over the last couple of years. What do the people of Blaxland get out of this budget? One hamburger and one milkshake. What do people on $100,000 get? What appropriations do they get out of this budget, in effect? They get 10 hamburgers and 10 milkshakes—10 times the amount that the majority of people in my electorate will get.

The Treasurer has said that in this budget he has done wonderful things in superannuation. I can remember him saying this: the greatest revolution in 20 years or more in Australian superannuation! What a complete load of tosh. I know this is a government given to exercising
mendacity and some are more mendacious than others, but the simple reality is that the fundamental reforms in superannuation were made while Paul Keating was Treasurer and Prime Minister. The foundations were laid for nine per cent for the entire workforce—for guaranteed super—during his time as Treasurer and then as Prime Minister.

We have not got 12 per cent; we have not got 15 per cent, which is really the minimum that you need to guarantee to ordinary working Australians, whatever their situation—whether they are forced off awards or pushed out of enterprise agreements and onto AWAs in this government's future, if it lasts. That is, if they are not as terminal as these adjournment speeches rather than appropriation speeches would suggest. What is here is a piece of overselling—of a simplification of superannuation rules—where they complicated them in the first place. They made them a lot harder to understand with that whole stack of things that they brought in. When they say, 'This is a tremendous thing,' what have they really done on super? According to Taxpayers Australia, the only thing in this budget that could be regarded as 'reform' would be the super area. What have they done? They are not going to tax it on the way out. Well, wacko! They are still going to tax it on the way in, and they are still going to tax it throughout the whole life of that money being invested. But they are not going to tax it on the way out. How terrific! It is a lump sum and it is your super, as long as it is from a taxed superannuation fund.

It is not often you will get a federal Treasurer—particularly a conservative one—of whom Taxpayers Australia says: 'This is really overdone; this is a flummery. There is not actually much to it.' I would like to, I think for the first time in 10 years, quote its overview of the budget. It indicates the highlights, and we know what they are: changes to personal tax, increased family benefits, a plan to simplify and streamline the taxing of superannuation and changes to depreciation rates for business. You will not be surprised to know they get a tick for the last one. It talks about the plan to simplify and streamline and it talks about the increased family benefits, but it says this in general:

While the Budget contains many proposals and changes, it is only the proposed changes to superannuation that could be considered as 'tax reform'. The rest are merely continuing changes in line with political and budget imperatives.

I would hazard a guess that, if Taxpayers Australia got the message about what this budget was really about, and if there is some indication that the Parliamentary Library could not even get into bills 3 and 4 because there was not enough in them, and if the other indication was listening to government members when they could not find all that much in it, then there really is something substantial here in terms of just how vacuous this budget was and just how much of an attempt it was by the Treasurer to set himself up. The Prime Minister has had a lot of practice at setting the Treasurer up—I think he is doing it at the moment—but the Treasurer himself has set himself up because he has been fundamentally profligate in trying to win the accolades of people on higher incomes.

Taxpayers Australia says:

The changes to tax rates are welcome, but they do no more than return some of the bracket creep built into the system. It is noted that the budget surplus for 2006/2007 is forecast to be some $10.3 billion dollars. However, if the forecasts of the last few years are any indication, it would not be surprising, assuming economic conditions proceed as forecast, that we still get a budget surplus of $13 to $15 billion.
That was promulgated on budget night and then a couple of days after it by the tax association and others. Already the forecast surplus for next year is something in the order of $11 billion. But to argue that going from 47c to 45c and 42c to 40c is the most major and significant change you could make in the tax regime is an oversell. What this government has done, as it has consistently done before, is jack up the tax-free threshold and jack up the actual amount at which that level of tax is imposed. Those people released from those higher levels are released from the effect of bracket creep for a while, but they are not totally released, because it is utterly and completely true that they do not get full compensation for existing and previous bracket creep. They have put in, but they have not got back. Certainly they have not got back what they need and deserve. They have not got full measure from this.

With regard to super, the Treasurer touted this because, like the Prime Minister, he wants to go and grab something. If you have an economy fundamentally changed and completely transformed, that is run well and that is structurally dramatically different from the economies that conservative governments ran for most of the 20th century—and they have the bulk of time in running governments, in the order of 66 per cent of the time—you face the situation where the taxpayers association say about super:

The mooted changes to superannuation are also welcome, but it is emphasised that they are no more than part of a comprehensive proposal for the taxing of superannuation and it remains to be seen whether or not they are finally adopted.

Sorry? I do not normally repeat things, but:

... it remains to be seen whether or not they are finally adopted.

I was here on the night. The Treasurer was straight up. I did not expect him necessarily to be mendacious, but maybe he was. Maybe he was not really saying it as it was. Why do the taxpayers association say that? They go on to say:

The Government invites submissions from the public by 9th August 2006.

This is the Treasurer’s grand plan: we are not going to tax you on the way out. Big deal. He says: ‘We might do this. We’re not sure. It could be so significant and so difficult, we’re not sure. You tell us what you think of it.’ Write in: ‘Dear Pete; Dear Treasurer; Dear member for Higgins’ Tell us: do you agree with this or not? Tick: do you want more or do you want a little less? I actually think that the terminal throes and the indications of that are reflected in that kind of approach as well. Treasury do not do this sort of stuff. They do not say: ‘Here’s a change. We’ll think about it, and we might do it, but it depends on what you say in the letters to the editor or, in this case, letters to the Treasurer.’

It is astonishing. Maybe this is an adjournment speech on behalf of a Treasurer not about to go to higher things but to exit stage left or right, whichever he chooses, because he has attempted to oversell something that is in essence a flummery—something where you get minister after minister in this government making adjournment speeches rather than appropriation speeches. My time is foreshortened, but this government is terminal.

Mrs BRONWYN BISHOP (Mackellar) (6.18 pm)—I rise to speak in this debate on Appropriation Bill (No. 1) 2006-2007 and the cognate bills to mention a couple of things, but I would like to begin by talking about the real problem we have in federal-state relations. Let me say at the outset that the real problem is not horizontal fiscal equalisation, as we often hear
New South Wales and Victoria bleat about. The real problem is vertical fiscal imbalance, which means, very simply, that the states are spending money which they do not raise.

If I go to that very nice read in the budget papers—Budget Paper No. 3, entitled ‘Federal financial relations 2006-07’—and look at the way in which we calculated, first of all, what we promised the states we would compensate them through and guarantee them as a minimum income as the GST was introduced—and as we know all of the GST is paid to the states—I see that in 2006-07 not one of the states or territories in Australia needs an adjustment payment to be made, because this year all of them have received via the GST more than the guaranteed minimum they were promised when the new tax system came into operation. I think a reading from this splendid document shows just how we arrived at that figure, and it tells just how dependent on Commonwealth money the states have become. It makes you realise that, when they bleat that something has gone wrong in their state and that it is up to the federal government to fix it, we have been fixing them up for a long time and that it is time they took responsibility for the things they are obliged to do under the Constitution.

So let’s have a look at what the compensation formula is. First of all, when the government said that it would pay them the GST, they had to forgo certain payments. The first one was that well-known figure of Financial Assistance Grants, FAGs. And then there were the revenue replacement payments, the financial institutions duty, the debits tax, the marketable securities duty—but you can deduct security needs from that marketable securities duty—and the accommodation taxes, for which they are reimbursed because they are no longer charging it. The cheque duty went out of operation so it is not relevant. Then you add to that the compensation that we pay to the states and territories for the agreement reached with them to reduce their gambling taxes because they would be receiving GST, which was payable by the gambling operators. They could not have a double-dip so they had to reduce the amount of their gambling taxes, and we reimbursed them for that.

We then add additional expenditure, with the First Home Owners Scheme. Although they purport, certainly in New South Wales, that it is somehow their initiative, in fact we pay the money to them and they administer it. Then there are GST administration costs, so they are receiving payment for that. Then we deduct from those promised amounts where there is reduced expenditure, such as for off-road diesel subsidies, savings from tax reform and low-alcohol beer subsidies. We then have the growth dividend from remaining state taxes—that is, as their remaining state taxes go up, that has to be deducted from what we guaranteed them. Then there is compensation for GST deferral, which occurred when we said that small businesses could put in their BAS statements annually instead of quarterly, which meant that there would be a deferral of the GST money and so we compensate them for that. So the total guaranteed minimum amount for 2006-07 was $37,257.4 million. Instead of that, they will actually receive $39,130.0 million. That means that every state has had an increase by receipt of the GST which is above and beyond the calculated guaranteed minimum, which was the share of tax that we used to pay them under the old system, plus all those adjustments. You then have to add to that specific purpose grants. Again if you go to Budget Paper No. 3, you will find that we pay them an additional figure of $59 billion.

If you express the value of Commonwealth grants as a percentage of state or territory revenues, it averages out at 45 per cent of their total. In the case of the Northern Territory, I might add, it is up near 76 per cent or 78 per cent. In the case of Tasmania, it is near 61 per cent. In
the case of South Australia, it is about 49 per cent. You can see that the generosity, if you like, of the Commonwealth government in the amount of money that it pays to the state governments means that quite frankly they are awash with money. You can understand how people like me felt when the Premier of New South Wales said that we have to sell the Snowy Mountains hydroelectric scheme because we are short of money and then, when Mr Costa brought down his budget, said: ‘We have to go into deficit because we have not got any money. That terrible Commonwealth does not give us enough.’ We are providing close to half their entire budget. On the figures for this current year, they have a total budget of $41 billion and we the Commonwealth will give them something close to $20 billion.

The problem is that old principle of no taxation without representation. The problem is that the state and territory governments are spending money which they do not raise. When you are spending other people’s money, money that somebody else has raised and for which you are not accountable, you become profligate. The big question that is asked in my state of New South Wales—and I know that it is asked in others—is this: where has all the money gone? Where did all the money go from the one state tax where they do in fact raise a lot of money on their own initiative—stamp duty?

The fact of the matter is that we have had no money for infrastructure spending. I am afraid the rot began with one Neville Wran. It was he who discovered what he called ‘hollow logs’. The hollow logs were the money that utilities had put away for expenditure on upgrading infrastructure over the foreseeable future. That meant things like keeping our pipes for sewerage and water in good shape. Are they in good shape? Of course not. What are we told that we have to do in New South Wales? We have to ration water because we have not got enough: ‘We’re having a drought. It’s not in the catchment area.’ But in fact we lose more water out of leaking pipes every day than we now save by good citizens limiting their own water usage.

Mr Cameron Thompson—Shame!

Mrs BRONWYN BISHOP—It is a shame. All the money has been taken away and spent. Utilities have now been made into corporate entities and are therefore responsible to nobody. Take Sydney Water, a corporate entity. Is the minister responsible? Of course not. He is just a shareholder—the only shareholder, or maybe there are two. He is not responsible anymore. Where do they report to? A shareholder meeting cannot be called to bring them to account because they only have a government minister as their shareholder. They are accountable to absolutely nobody. If it were in the private sector—totally privatised—you would have not only shareholders asking for proper returns but perhaps class actions being brought against people for not managing things properly.

We have this enormous waste, and the Commonwealth government is funding the states and territories for at least half their budgets and in some cases more. We are providing in New South Wales 47c of every dollar spent on public hospitals, and yet the state government want to close down my hospital in Mona Vale so they can flog off the land and put a high-rise development on it. They also want to close down Manly hospital, which has a similar lovely site overlooking the harbour and out through the heads. They want to close them down, get their hands on the land and flog it off.

We got a miserable $2 million in the last state budget so that we could finally enlarge the emergency ward, which required a whole lot of equipment—and it required it 18 months ago. Within my electorate, with the help of good people who care about the hospital, I held a fund-
raiser. We raised $95,000 and we bought new equipment for the emergency ward because it could not cope without it. Yet on other hospitals there will be sums like $30 million spent. All they are interested in is depriving us of the services that we need. We got a lousy $2 million to expand the emergency ward.

At the same time, the state government is telling us that we must take a higher residential population, that we must have more high-rise development so that more people can come and live on this peninsula. Yet, at the north end of the peninsula, we are still surviving with a sewage farm. It only has secondary treatment. Do you know where the outfall is? Right at the rock face, right on the beach. When the rains come—and we have not had some for some time, so we have not noticed—what happens? We get solids in the water and deposited on the beach. One of my constituents came and told me how he went down to swim in the Narrabeen pool and there was all this brown stuff up against the side of the pool. Guess what it was. You are quite right. That is what it was—sewage.

There is a doctor in my electorate who will be able to tell you when it has rained and the sewage farm has not coped, because he gets the same people coming through his door with the same earache. He does not need to ask. He knows that, once the earaches are there, the sewage farm has overflowed. We have high-density housing now, right up to the gates of the sewage farm, and they are going to put in a retirement village. It has been approved. It will have elderly people, who are susceptible to germs. One of the conditions was that before that could occur they had to get an agreement that the overflowing ponds of the sewage farm would be covered over, capped, so that the solids could not flow out quite so quickly and the smells would not come into the area. I went to see it fairly recently. There is no cap yet. They have moved from a chlorine treatment to an ultraviolet treatment. Again, that was part of an insistence for development.

But here we are, in this day and age, with more and more population being forced upon us, with a downgrading of our hospital, with an outfall on the beachfront and we, the Commonwealth government, supplying half the state’s budget. They have twice as much money as John Fahey had when he was Premier and they are going into deficit funding. We have water rationing, no infrastructure, trains that cannot run on time and we are supposed to say that federal-state relations for fiscal management are in good order. The Premier has the hide to say that the problem is horizontal fiscal equalisation. At the time of the new tax system they agreed that there were mendicant states—that is the old-fashioned term for states that cannot raise as much money as the richer states—that they would share part of that money and that the Grants Commission would be the vehicle that we would use to do that.

We are talking here about a difference of around $2 billion, yet, since we introduced the new tax system, the increase in the amount of money that New South Wales has received above and beyond that which it otherwise would have received is 7.1 per cent. That is an average annual increase, a total increase of 50.8 per cent. To put that in money terms, it is around $4 billion. So the excuses are not enough. The fact of the matter is that there is no management left in my state, in New South Wales.

We have an election coming in March and the people will have an opportunity to have something to say. It will be difficult because the government have a very large majority. Nonetheless, I was almost disappointed when Mr Iemma said that he was now not going to sell the Snowy Mountains authority. I thought that a good thing we could have said was: ‘If
you vote Liberal, the Snowy Mountains Hydro-Electric Scheme will not be sold.’ Make it a referendum; let the people say. But he saw the writing on the wall, didn’t he? As soon as we said that we would not sell our 13 per cent, he could see that the writing was on the wall and he could not get out of it quick enough.

So a time has come when the premiers with no clothes, the emperors with no clothes, who say ‘Follow me; isn’t it wonderful?’ have got to be seen for what they are doing—that is, walking around nude, without a fig leaf to cover themselves with.

Mr Cameron Thompson—Disgusting!

Mrs BRONWYN BISHOP—Yes, it is pretty disgusting when you think about it. But the fact of the matter is that the time has come for real reform in this area and we will have to find ways in which we, the federal government, can have a much greater say in the manner in which taxpayers’ money is finally expended. The classic agreement is the health care agreement—I said it was 47c in the dollar; it is now 50c in the dollar. The next time we negotiate that agreement we should not pay the money to the states; we should pay the money directly to the hospitals. We should say what is a fair share of the money we collect and is paid by way of a special purpose grant. We should say which hospitals are entitled to get money and not be starved at the whim of a government.

The fact of the matter is that the GST is completely without restriction; the states can spend that as they will—and they have a better growth tax than we have in income tax. In a report that was done for me by Access Economics, when I was Minister for Aged Care in the International Year of the Older Person, it was shown very adequately that indirect taxes are necessary to maintain a solid tax base. We have given this tax, with its growth, to the states and territories and they have been incapable of handling it in a responsible manner. They have spent it in a profligate manner which has left our states lacking in law and order; lacking in proper infrastructure for our water, sewerage and roads; and lacking in our transport systems.

The trains in country New South Wales now travel more slowly than they did 100 years ago. Do you know why? Because if they travel faster the vibration could cause the bridge to fall down. The reason why I have been a long-time convert of accrual accounting is to make people put the money away for the maintenance of their own assets. But have they done it? No. The hollow logs, started by Neville Wran, have come back to haunt us all. I am afraid that, with our giving this money untied in any way and forgoing the right to say how it is spent, we have just added to vertical fiscal imbalance. A solution has to be found. Those are some of the things that I give as examples when I say that we need tax reform.

Ms CORCORAN (Isaacs) (6.38 pm)—This year’s budget represents nothing new from this government. The coalition has stayed true to form, with yet another round of vote buying at the expense of Australia’s long-term stability and prosperity. Two words define this budget: lost opportunity—a lost opportunity to invest in Australia’s future, a lost opportunity to invest in our children’s education, a lost opportunity to train our young people and a lost opportunity to upgrade our crumbling infrastructure. I support the tax cuts the government has announced in this budget. It is the least the government can do. That is the point: this government is doing the least it can do and nothing more. Rising petrol prices, reduced wages and working conditions, and growing interest rates have devoured the tax cuts even before they have been seen by most of us.
The government seems entirely focused on hoodwinking Australians into believing that everything is just fine, that the growing pressure they feel is an illusion and that an extra few dollars in tax cuts will solve all their problems. This is a government that taxes people to their absolute limit. It hoards our money, cuts our services, encourages fear and then, when it suits it, tries to buy our votes. This approach to the Australian community is wearing very thin.

The government’s so-called Welfare to Work scheme is a prime example of its willingness to marginalise and punish the disadvantaged. Under the current system, some of our most disadvantaged families are being punished financially for going to work. The tax and benefits system under the Howard government sees many low- and middle-income families losing 50c, 60c or even 70c in each additional dollar they earn to tax and to lost benefits. This is not a system of incentives, support and encouragement; it is a system that says to many families, ‘Work hard and you lose.’ The chorus of condemnation that this scheme has met from churches, charities and the social services sector reflects this dysfunction. It shows just how out of touch this government is or, even more sadly, perhaps how much it just does not care.

Poverty exists in Australia—this is a fact. If the Prime Minister thinks of Australia as a relaxed and comfortable nation, that is the Australia he chooses to see. It is his portrait of Australia and those who do not fit into it drift into the margins, rarely seen or heard and certainly not cared for. All over our nation thousands upon thousands of ordinary people are struggling to keep and, in some cases, even find a place to live. They are living week to week, trying desperately to feed and to educate their kids, to find a decent job, to build a future. The pressure that these Australians face is causing them to fade away, out of our community. When you live week to week, you do not participate. You do not have the money to join sporting or social clubs. Even the price of a train ticket to visit family and friends can be out of reach. These pressures fuel the sense of hopelessness and despair that make it impossible for many people to claw their way out of poverty. The Howard government needs to truly realise that Australia is a society, a community and a culture, not simply an economy. We have seen over the past 10 years a government that was prepared to allow the growth of a new class of working poor. The casualisation of the workforce, the failure to invest in skills and training and the destruction of a fair system of industrial relations have contributed and will continue to contribute to this sad and ugly reality of Australian life. These developments are no accident. They are a result of policies that cater only to those who appear in the Prime Minister’s portrait of Australia. The changes to workplace relations and the creation of the new so-called Fair Pay Commission are set to drive average wages down, creating further hardship for those least able to cope. The changes to the welfare system will have precisely the same effect, placing even more pressure on some of our society’s most disadvantaged.

Let us be clear about the economic realities facing Australia right now. The government has received a massive windfall of revenue thanks to the resources boom. That boom will not last forever, but in the current climate Australia has wonderful opportunities to strengthen the fabric of our society and our economy. For parents raising their families, workers wanting to learn new skills, young people hoping for a decent education and all Australians who want quality, affordable health care, only Labor has a plan. The ALP is in touch with the lives of ordinary Australians and only Labor has the vision to improve these lives. To lead for all Australians—that is the key. Leadership needs a vision for the future, empathy with lives that are being lived now and a real sense of the range of everyday experiences that really shape Aus-
Australian life. This is the essence of the difference between Labor and the coalition. While the ALP has begun to set out a comprehensive range of policies to meet the real needs of our society and to address the massive failings of this government, the coalition is only starting to try to buy our votes again.

Labor’s plan for school based child-care centres and extra places will mean that child care will become a reality for many families. This also means that parents will no longer have to deal with the dreaded double drop-off. I have heard some conservatives scoff at this notion and I am not surprised. This government does not understand Australian life or Australian families. A federal Labor government will provide $200 million to establish 260 new child-care centres on primary school grounds or other community land. Labor will ensure that these places go to the areas in our suburbs and our regional towns where there are child-care shortages. By improving the desperate state of child care we will also be able to address the nation’s shocking skills shortages. More people will be able to return to study, to training and to work.

The skills crisis in Australia is another result of this government’s ineptitude, neglect and lack of foresight. Under the Howard-Costello government 300,000 people have been turned away from TAFE training—that is, 300,000 people qualified to enter TAFE but for whom there is no place. This is an extraordinary waste of our resources from a society point of view. It is also an extraordinary waste of an individual’s skills and that person’s wish to use his or her skills to fashion out a useful and satisfying life for themselves and their family. In the lead-up to the 2004 election, Labor promised to create more places in TAFE, year on year. I will be working to ensure that this policy is in place again in the lead-up to the next election, in 2007.

The skills crisis will only get worse unless we begin to give Australians who want to learn a chance to do so. A Labor government will abolish TAFE fees for traditional apprenticeships. This is expected to benefit some 60,000 Australians beginning apprenticeships each year. Labor’s skills account policy will further encourage the uptake of apprenticeships. We will make an initial deposit of $800 per year, for up to four years, in an apprentice skills account. This will essentially get rid of the up-front TAFE fees that can be a barrier to learning for many Australians. A federal Labor government will also get rid of TAFE fees for eligible child-care courses by making an initial deposit of $1,200 per year, for up to two years, in a trainee skills account. Young people training to teach and care for our children will be able to use this to pay up-front fees at TAFE or other eligible providers or they can use it for materials and resources charges.

A federal Labor government will invest in a joint venture with the telecommunications industry to build a superfast broadband network. Labor will draw on the $757 million Broadband Connect program, as well as providing an equity injection from the $2 billion earmarked for the communications fund, to deliver the public funding on this in partnership with the private sector. This will deliver broadband that can instantly download documentaries, educational software and digital books and broadband that can host a digital classroom, where children can have videoconferences all around Australia. In addition, Labor will establish a clean feed system so parents can be assured that their kids on the internet are not being exposed to pornography and violence. This is the kind of investment for the future that shows Labor has a vision and the government has run out of ideas.
Labor will take the politics out of infrastructure spending, with an independent expert body called Infrastructure Australia. We will make it easier for super funds to invest in infrastructure. We will set up a building Australia fund to invest in productive infrastructure for the future. Making Australia competitive is about raising the standard of our performance, and that takes investment. This government believes the way to go is to lower standards, cut costs and ignore the need for investment.

This race to the bottom philosophy is nowhere clearer than in the so-called Work Choices legislation. This appalling attack on the hard-won rights of Australian workers completely destroys the idea of a fair go in the Australian workplace. Under Work Choices, Australians have no certainty in the workplace. They could be sacked for any reason or for no reason at all. Up to four million Australian employees, in businesses of up to 100 employees, now face the prospect of going to work each day not knowing if they will have a job at the end of that day. Employees working in nearly all private businesses across the country can now be sacked unfairly, with no right of redress or remedy for their sacking.

The recent example of the Cowra meatworks will be repeated. At Cowra we saw workers sacked for no reason, only to be offered their jobs back on severely reduced conditions. When challenged, the government made the unforgettable response that it did not know whether or not the action was legal under the new laws. It is now clear from a report issued by the Office of Workplace Services that the action proposed by Cowra is indeed legal. Although the government was able to momentarily undo the plans of Cowra at the time, it did so because of the embarrassment it caused, not because the action is not a logical flow-on from, or even the point of, this shocking legislation.

The Australian Industrial Relations Commission, the independent umpire, has had many of its roles removed. These roles include ensuring agreements meet a decent minimum standard and awarding increases in the minimum wage. Instead, the government’s so-called Fair Pay Commission will now be responsible for increasing the minimum wage. The Treasurer’s own department predicts that the pay of people who rely on the minimum wage will fall in real terms, as the Fair Pay Commission will award smaller increases. This will mean that Australia’s lowest paid and most vulnerable employees and their families will suffer a decline in their real take-home wages. This will have a flow-on effect for thousands of Australian employees.

The government has also abolished the safety net known as the no disadvantage test. This safety net provided a baseline against which all agreements were measured. Under the government’s changes, all agreements, whether individual or collective, will no longer have to meet an award standard of 20 conditions. Instead, agreements will only need to meet five new minimum conditions. They are: a minimum wage, which is currently $12.75 per hour; four weeks annual leave per year, of which two weeks may be cashed out; sick leave/carer’s leave of 10 days per year; a 38-hour ordinary working week; and unpaid parental leave of 52 weeks. That means that, at the stroke of a pen, entitlements important to working Australians, such as penalty rates, overtime, meal breaks, annual leave loading, shift loading, redundancy pay, allowances and certainty of hours and rostering, can be removed. We have seen that happen in just the last few weeks with the new Spotlight AWA, in which new employees have lost most entitlements and gained a pay rise of 2c per hour. How long will it take for those not on the new agreement to be sacked and replaced by workers prepared to sign it?
We have seen that the government not only does not understand the unfairness of those arrangements and the hardship they will cause but also says that it is a good idea and that more businesses should follow suit. Not only employees but also employers are going to be affected by the government’s workplace changes. Under the changes, many employers face the added complexity of navigating through the industrial relations minefield created by the government. The government has consistently failed to make the social and economic case for these extraordinary and unfair changes. Labor oppose these industrial relations changes. We will fight for the rights of ordinary working Australians and their families. We want working Australians and their families to have decent jobs with decent conditions and reasonable certainty. Labor will abolish AWAs.

In this year’s budget we once again see the government continue with its decade-long policy of underfunding the ABC, despite the modest increases. Any extra funding for the ABC is welcome. The extra money the government has handed out in the budget will allow the ABC to produce approximately 28 hours a year of new content, but it is too little, too late. According to media reports, in a report that Senator Coonan refuses to release KPMG have identified a need for $125 million above inflation for the next three years for the ABC to sustain its current services, but that is ignored by the government.

The government is determined to flex its muscle over the ABC by not only underfunding the broadcaster but also controlling the board membership. The ALP has always supported the establishment of an independent panel to consider candidates for the ABC board and for the minister to then make the final decision. We will continually look to making those processes more transparent and democratic. In March this year, Senator Coonan announced that the government intended to abolish the staff elected position on the ABC board; sadly, that legislation has now passed through the House. That position is a vitally important one for the board. The staff elected director is able to give the board an insight into the operations of the ABC and is, in some cases, the only person with the expertise to question advice that comes from the ABC’s executive. The staff elected position on the board is one position the government cannot control, and so it has moved to abolish it. It seems that the government will do whatever it takes to maintain its control over the broadcaster.

In conclusion, Australians know that Work Choices will hurt us. We know that we need investment for the future. We know that our lives are not defined by statistics. And we know that $10 in our pockets solves none of our everyday problems. Labor’s vision is based on connecting with everyday lives and understanding everyday pressures. In contrast, the government is miles away from understanding that. Senior government members seem completely detached from the realities of Australian life. The starting point of almost all policy development should be an understanding of the lives a policy will affect. After 10 years, it is difficult to see how any of the government’s policies reflect a sense of empathy with the Australian community. This budget, as I said at the beginning of my remarks, is very sad; indeed, it is a wanting and lost opportunity.

Mr Griffin (Bruce) (6.54 pm)—Presented as I am with the debate on Appropriation Bill (No. 1) 2006-2007 and cognate bills, I would like to take the opportunity to talk in particular about aspects of the veterans’ affairs portfolio—some of the issues that are currently at play in that area—and to go through some of the concerns that I have about where the government is up to with the veterans portfolio. I will start off with a few comments about mental health is-
sues. Mental health issues are a central part of the health concerns facing many veterans and certainly a major and growing area for the department in terms of dealing with the needs of veterans. We are aware also of course that mental health has more generally in more recent times been an area that the government has rightly moved to take some notice of and put some funding into. It has been one of those areas of health policy in general terms that has been neglected for quite some time. We saw the government with respect to the broader community put forward a $1.9 billion package for mental health. It is clear that that is not enough to meet the actual need that is there but you have to welcome it; it is a significant amount of money.

But in the context of the veterans’ affairs portfolio only some $20 million was put forward in the budget in new expenditure for dealing with mental health issues. I welcome that $20 million but again I do not think that we can stand here today and say that it is enough to deal with the many issues facing the veterans community. You have already heard in earlier comments I made today about the children of Vietnam veterans health study and the range of other health studies that have occurred, some relating to issues of mental health, and these are starting to get to the detail of the sorts of problems that veterans are dealing with. I do not think that $20 million is going to go anywhere near far enough in dealing with the sorts of issues that are being brought to light.

The minister says that you have got to go beyond that to the fact that DVA spends approximately $130 million each year on mental health already, including funding for hospitals, counselling and mental health and drug related issues. Once again, when we look at the fact that there is obviously an outstanding need in the community in general, to have a situation where you have got a $1.9 billion package for the general community but only $20 million for the veterans community I think is just astounding. The minister also makes a point that of course veterans will be able to access aspects of the $1.9 billion package in the general community. That of course is true, but there is no doubt that there are outstanding needs there.

The other problem we have got with that $20 million is finding out exactly what it is proposed to be used for. The government has not been forthcoming as yet with much detail about where that money will be going. At estimates Ken Douglas, DVA General Manager of Service Delivery, stated:

There is quite a long list of largely small initiatives that go to a number of different categories.

Mr Douglas went on:

The first of them would be a series of communication type initiatives, basically working with bodies like the Divisions of General Practice to develop educative programs and self-help tools that would improve mental health literacy amongst general practitioners.

Other major initiatives were listed by Ken Douglas in estimates but they seem only to be top-up funds or they provide minor changes to already existing programs. He said they would be:

... developing self-help tools along the lines of The Right Mix website ... to extend some of the lifestyle management programs that have been made available to the Vietnam veterans cohort to the post Vietnam War cohort—the peacemaker, peacekeeper type cohort.

Again, when asked directly whether he could provide detailed information on what programs the $20 million would be spent on, Mr Douglas said:
I will take it on notice and see what we can give to you that is particularly helpful, without of course constraining us in terms of what negotiations we might need to have with providers ...

Frankly, I do not think that is good enough. We need to be in a situation where we have got a clearer picture of where that money is going. Only when we know what the government is going to do with these funds can we properly scrutinise how those funds are used and get a proper idea of the effectiveness or otherwise of that expenditure. It is okay for the minister to pop along to veterans groups and ex-service organisations and say, ‘Isn’t this great?’ but we need the detail and we need to have a clearer understanding in the community.

Another issue that I would like to touch on is the issue of Long Tan bursaries. The government made an announcement that they would spend some $4.5 million over four years to commemorate the contribution of Vietnam veterans and the 40th anniversary of the Battle of Long Tan. On from that there was the announcement that this includes an expansion of the Long Tan bursaries scheme by increasing the number of bursaries from 30 to 50 and increasing their value from $6,000 to $9,000.

We welcome these initiatives. They are a good, positive step forward. There is no doubt that Long Tan bursaries are very worth while, given the opportunity they provide to children of Vietnam veterans in getting support to ensure further study. However, it is a pale imitation of what Labor committed to in its 2004 election campaign. I will read from our policy at that time. It states:

1. Fund additional tertiary education bursaries

The fund will provide an additional 120 bursaries for the children of all veterans who meet selection criteria of need and merit.

These bursaries will add to the existing 30 Long Tan bursaries. They will be flexibly managed by the Australian Veterans’ Children Assistance Trust to fund average 3 year courses. This Trust will continue to manage existing private bursaries.

Private benefactors and service clubs will be encouraged to contribute to this Trust. As part of the package, a Federal Labor Government will provide $1 million to the Trust to be invested for the provision of future bursaries.

Many veterans' children since WWII have benefited from similar programs and Labor believes that tradition should be continued.

Again, Labor welcome this initiative by the government. We believe that it is overdue. It builds on an existing program which is very effective. However, it does not go far enough—more should be done. At the last election, we committed to provide more funding in that area. I urge the government in future to look at determining how far we go with this. The fact is that bursaries have been shown to work. That is one of the reasons why the government has extended the numbers—and, as I said, I welcome that. But, frankly, I do not think it takes into account the need that is there with respect to children of veterans in those sorts of circumstances, and it ought to be addressed by the government.

Another couple of issues that I would like to touch on tonight relate to Anzac Cove and the funding for the Le Hamel Memorial. Over the last 12 months, there has been a lot of debate about the state of the roadworks and the various other problems at Anzac Cove. It has been illuminating to watch the government duck for cover on this. At first they denied there was a problem and then they tried to play catch-up football to address the problem in the lead-up to Anzac Day.
I was in Turkey, at Gallipoli, for Anzac Day. I am on record and happy to say again that I thought it was a particularly well-run occasion; it was very professionally done. I think all those who were involved from the department and the government should be congratulated on the end result. I would also like to put on record my thanks to the Turkish authorities for the work they did to ensure that it was a success. Again, let us have no doubt about it: the road is still a mess. Temporary repairs were made but they were incredibly temporary. There is absolutely no doubt that more work needs to be done. The government recognises that, but we are still having great difficulty in establishing when that work will be done and how it will be done.

I appreciate that that requires negotiation with the Turkish government and that they have a central role in all of this. I understand that it is not always easy to work through those issues, but I am genuinely concerned about where they are up to and where we go in future in dealing with them. In estimates a number of comments were made about the road by the Secretary to the Department of Veterans’ Affairs, Mark Sullivan, who said:

That involved some significant repairs to subsidence around culverts, to major potholes and to blisters in the road surface itself. It involved the monitoring of subterranean water drainage through some of the cuttings and the monitoring of some potential subsidence along Anzac Cove and Brighton Beach.

He continued:

It did suffer some distress as a result of Anzac Day. They were temporary repairs and the road has deteriorated since. I think it would be fair to say that the current state of the road is fair to poor.

We need to see more movement occurring with this matter. As has been made clear from earlier comments by the Prime Minister, there was no doubt that the expectation was that action would have been taken by now to deal with these issues and that we would have a final settlement that, in the long term, would ensure that things were taken care of. When questioned at estimates about where matters such as the archaeological and historical surveys were up to, the secretary to the department, Mark Sullivan, stated:

The Turkish government have not yet provided us further criteria or information as to how this review is going to be conducted.

Mr Sullivan also said:

We have notified them but, as I say, we have not yet seen a response from the Turkish authorities as to what they have determined to be the scope and nature of the study. That work has got to come from the Turkish authorities.

Senator Hurley then asked:

Is the corollary of that that we are not quite sure when the survey will begin?

Mr Sullivan—No. We cannot be certain of that ...

Frankly, I urge the department and the government do everything they can to try to get some movement on this issue and to try to get to a situation where we no longer have to deal with this issue at every estimates hearing or worry in the lead-up to Anzac Day that the matter will in fact be concluded successfully. As I said, this year’s Anzac Day I think was a great success and a credit to all of those involved, but there is absolutely no doubt that that road still needs to be repaired properly and for the long term to ensure that we do not have the sorts of issues coming up that have been dominating headlines about Gallipoli over the last 12 to 18 months.
I would like to go on to talk briefly about another decision out of the budget, which relates to the issue of funding for the Le Hamel memorial. This is a memorial that I guess many Australians have not been to, but I would certainly urge them to go and have a look if they could. I will read from an extract from a website with respect to it. It says:

This memorial site is of extreme significance as it was the final objective for the Australian attack on the 4th July, 1918. Each Australian division erected a memorial at sites all over France and Belgium which recognised their finest achievements. It was on the 80th anniversary of the Battle of Hamel that the French Government donated this particular piece of French soil as the construction of an Australian Corps Memorial Park. This memorial consists of a large sandblasted image on Australian granite of the Rising Sun badge, which was worn proudly by the Australian soldiers throughout the war.

The $1.3 million memorial at Le Hamel, dedicated on July 4, 1998 is formed by three curved walls. The central one is 12 metres long and 5.2 metres high and carries the "rising sun" badge of the First AIF. The one on the left bears the image of the infantry platoon and the one on the right, images of the other units taking part in the battle the tanks, the Air Flying Corps and the artillery. The image of the platoon is a copy of a photograph taken on August 8, 1918 which shows B Company of the 29th Battalion a Victorian unit being addressed by their platoon commander.

It was taken as all five divisions of the Australian Corps lined up to take part in the major Allied attack on the German lines the first time the five Australian divisions had fought together as the Australian Corps. It was the largest and most important battle undertaken by the Corps. The starting line was at Hamel captured by the Australians on July 4.

The memorial is the first memorial on the Western Front dedicated to the Australian Corps. The park surrounding it includes a 500 metre walking trail with 18 information panels along its length on aspects of the battle.

The colour patches of every one of the 148 units of the Australian Corps are also incorporated in the memorial.

In the ground in front of the walls is a circle of black granite in which are carved the words of Australian war historian, Charles Bean “What these men did, nothing can alter now. It rises as it will always rise above the mist of ages, a monument to great-hearted men, and for their nation a possession for ever.”

All of that is very true, except that we have had a problem, which is that it was only some eight years ago—1998—that this memorial was actually constructed. The fact is that it is falling apart. The government has quite rightly provided some $7.9 million over three years for redesign, demolition and reconstruction of the memorial. But the fact of the matter still is that this memorial was constructed for $1.3 million some eight years ago and now, eight years later, it is costing $7.9 million to reconstruct. There is the issue of the cost, but more importantly in the circumstances—because I understand that costs have increased in respect of construction of a matter such as this—the issue is: why are we in a situation some eight years later of having to rebuild this memorial? At Senate estimates, Mark Sullivan said:

Tiles falling off were fundamental to the problem. It is a complex matter, which we are happy to go into. The current memorial has three major parts; the thing they have in common is that they are a mural based on individual tiles. The original plan for those tiles, which came from Australia, was that they would be individually drilled and pinned in place to the memorial. The tiles were delivered to France without the individual holes drilled in them to allow pinning and the advice received was that an alternative method of construction and placement of the tiles would work, that is, basically, the placement of

MAIN COMMITTEE
the tiles on mortar. I believe there has been evidence for some time that that method of construction did not work.

The fact of the matter is that it did not work. It did not work at all. The circumstances are that we now have a significant expenditure of almost $8 million designed to try to remedy this. Really, who is to blame here? Again at estimates, Mark Sullivan said:

It does not appear to have been a decision taken by someone unilaterally and who then thought they would see how it happened; it seems to be a decision that was taken by consensus, but it failed. I think if we said that the purpose here is to find someone to litigate against, we might have trouble identifying who they were and we would be involved in a very lengthy process of litigation during which time, of course, the memorial would have to stand as is, as evidence.

I understand the position of the department and the secretary that in fact this is a difficult issue to pursue. But I have to ask the question: how did we get into this situation? Why was there not better scrutiny occurring to ensure that this did not take place?

There must be records on the question of who the consensus was with in respect of making the changes here. Frankly, there should have been more done by the government and by the department at the time to ensure that this decision was not taken. It has produced a major expenditure out of the budget of some nearly $8 million and it frankly is not something that we can do anything other than condemn the need for. Yes, it has to happen because of the state of the memorial, but the fact that it got to this stage is something that the government should be looking at very seriously. I note that we have been asked to keep our contributions to a minimum to try to facilitate the movement of this bill through the House. On that basis I commend the bill to the House.

Mr RUDD (Griffith) (7.10 pm)—Budgets should be about a long-term vision for the country’s future. They should be based, of course, on fiscal responsibility. They should also be based on how we most equitably and efficiently raise the public revenue—in the case of this budget, some $200 billion. They should also embrace a clear-cut vision of how we best invest in the country’s long-term economic capacity, in our people, in our infrastructure and in innovation. Budgets should also be about the social and economic foundations of our country and of our local communities, including the local community which I represent in this parliament, Brisbane’s southside.

Tax relief of course is welcome for all families. We make no bones about that. That is why we are not standing in the way of this budget. Families need all the assistance they can get, given the triple whammy that they now face: petrol prices, rising interest rates and uncertainty in the workplace through the introduction of the new workplace relations laws. Budgets also must be committed to effective service delivery, front and centre, for the nation as a whole but also in our local communities. And when we come to the question of how the funds allocated in this budget are spent, local people are asking themselves whether in fact the government is spending wisely and appropriately the financial resources government is currently deriving from the resources boom. Are those financial resources being best invested in the country’s long-term economic capacity? Are they being best invested in effective social service delivery as well?

Residents in my community on Brisbane’s southside want to know what government is doing about the lack of child care availability in our area. They want to know why bulk-billing rates are now down to 66 per cent, from 88 per cent in 1996. They also want to know why
their basic rights at work are being stripped away by the government. In this debate on Appropriation Bill (No. 1) 2006-2007 and cognate bills I propose to outline some of the concerns raised with me by residents from my community about Medicare, about child care, about workplace relations and about the debt burden being inflicted on the hardworking families and residents of my community.

The provision of child care is a central responsibility of government—any government that is serious about raising productivity. It allows mums and dads to get back into work after the birth of a child, and that of course is a good for the economy because it increases the participation rate and makes it possible for people to work more productively in their workplaces. It also provides the flexibility which employers and employees need, given the demands of the modern economy. However, it is in this area that the current government has failed working families on Brisbane’s southside, with many families in my community finding it almost impossible to locate affordable, quality child care. Our local waiting lists for long day care and outside of school hours care are often unacceptably long and often involve parents being forced to give up paid work because they simply cannot secure effective child care.

In April 2005, there was a sleep-out overnight in the suburb of Balmoral in my electorate so that parents could put their children’s name down on a waiting list for child-care places in 2006. What this demonstrates is a fundamental failure to adequately provide for child care at the local community level. There is also a national shortage of child-care workers, and Brisbane’s Southside is one of the many local communities throughout the country which bear the brunt of this skills shortage across the industry. One practical example of the way that the child-care system is failing families on the south side is demonstrated in the case of Angela, a single mother from the suburb of Coorparoo who has two young children, aged four and nine. Angela works as a full-time paramedic while also studying to further her career. Angela enjoys her work as a paramedic in spite of the fact that there is a shortage of qualified professionals in her industry in Queensland, which means that the expectations of her in the workplace are large because there is also a skills shortage in her chosen profession.

Angela has told my office that she would like to continue working as it enables her to provide for her family and also because it provides her with an ability to contribute to her community. However, the burden and considerable expense of child care is beginning to have a significant impact on her health, with the stress of paying for child care now giving her migraines, cold sores and other sicknesses. Angela has her youngest child in preschool for most of the day. However, she enrols this child into long day care all day because preschool finishes at 3 pm and Angela works 12-hour shifts. This means that Angela has to pay for long day care every day of the work at a rate of $180 per week to effectively have only a few hours of care for her youngest child at the end of each day.

In addition to this, Angela needs to pay for the outside of school hours care for her eldest child, which means that after the significant weekly expense of child care Angela has little money left after paying for food and utility bills. Angela is not on a low wage, yet she is considering quitting her job because she cannot make ends meet due to the spiralling costs of child care in our community. Angela knows that there are other parents out there who are experiencing the same frustrating situation. They feel, as she does, that the system is now, for them, simply out of control. Angela knows the impact that the unavailability of child care has
on women in circumstances similar to hers. Also, she is concerned that the expense associated with child care is preventing many women from re-entering the workforce altogether.

Angela is not alone in her struggle with finding child-care places. Mel from West End contacted my office because she found it difficult to secure child care for her two children, aged four and six. Her eldest daughter has been able to secure a place in the outside school hours care program at her local school, but her younger daughter has not been able to be accommodated because there are not enough preschool places offered at the same centre. This means that Mel has the frustrating task of calling the outside school hours care centre every morning to see if there is a vacancy in the program, because her younger child does not have a permanent place. There is of course the odd casual vacancy when another child who has a guaranteed place is unable to attend due to illness. That helps Mel get her child into care on those few occasions. But for the majority of the time the situation is simply impractical given her family circumstances.

The other option for Mel is for her to put her children in care in two different locations. Those working parents who have to drop their children off before work will know all too well what this means. The family needs to get up even earlier in order to get to child care and the workplace on time. This is the dreaded double drop-off, which the Leader of the Opposition has spoken of on many occasions in his recent responses to the federal government’s budget. If Mel cannot find formal care somewhere else, she needs to take time off work, which places a significant financial burden on her family.

The cases of Mel and Angela are by no means the only ones that we have encountered in our own community. They are symptomatic of the struggle which local families are experiencing in finding effective and affordable local child care. My office and I have been approached by hundreds of residents over the past few years because they simply have not been able to find enough local child care. When we turn to this budget, it is quite plain that the government could have been doing much more, on a national basis and in communities such as my own, to deal with this problem in real terms. Instead, we have programs advanced by the government which do not deliver additional affordable places for local families.

This reflects a deep deficiency when it comes to what this budget has delivered for families in my community. There is nothing more basic for young families with young children—for young mothers, in particular, with young children—than having ease of mind delivered by the availability of effective, affordable and high-quality child care. In this budget, we do not see an effective national strategy for doing that, for a whole range of reasons, not the least of which is the unavailability of a sufficient supply of skilled child-care workers not just in Brisbane but right across the country.

Medicare represents another area where, in terms of basic social service delivery, my community on Brisbane’s south side continues to experience difficulty. Once again, the government, through the budget, has not delivered an effective strategy for increasing bulk-billing rates. In fact, bulk-billing rates in my community continue to head in the wrong direction. This problem simply has not gone away. Four years ago, in August 2002, I stood in the parliament and spoke about the problems that many Southside residents were having with the declining rate of bulk-billing. At that time it had fallen from 88 per cent to 69 per cent over the previous two years—that is, going back to 2000. I said at the time:
Something has to be done about this, because it is a crisis affecting local families and local communities, for whom bulk-billing provided through our national Medicare system has been a mainstay in the provision of basic health services to families in need.

With much fanfare, the federal Minister for Health and Ageing has been running around Australia for the past couple of years proclaiming victory on bulk-billing, saying that he has raised the national level of bulk-billing services. When it comes to my community, on Brisbane’s Southside, this simply has not been the case. Since I first raised the matter in the parliament in 2002, our local bulk-billing rate has fallen further. In fact, it has got so bad that the health minister rarely releases the figures anymore. The last time he did, in December 2005, the figures demonstrated that the bulk-billing rate on Brisbane’s Southside had fallen from 88.3 per cent in 1996 to just 66 per cent in 2005. The continued assault that the government has waged on Medicare over that period of time has seen a massive 22.3 per cent reduction in the rate of bulk-billing in my community on Brisbane’s Southside.

Is it any wonder, therefore, that the health minister wishes to keep these figures secret? They are a damning indictment of the health minister’s inattention to this basic requirement of his portfolio. They are a damning indictment of the government’s treatment of Medicare and bulk-billing rates as a proper priority for spending out of this budget. Those who ultimately bear the burden are local families. If there is anything which demonstrates a government out of touch, it is when the basic services of child care and health care, as demonstrated through the declining bulk-billing rate, are not being effectively addressed. In my community it is becoming harder and harder to locate a bulk-billing doctor.

When it comes to workplace relations, we see members of my local community becoming concerned about the impact of government policy on their standard of living. The child-care shortage represents a further impost on the family budget. The declining level of bulk-billing also represents an expense which people have to cover when they cannot find a bulk-billing doctor. When it comes to workplace relations, the basic fear which communities like my own are experiencing is: ‘What will this mean in terms of my take-home pay? What will it mean in terms of the income I currently derive from penalty rates? What will it mean in terms of the time I have to share with my family?’

The system of workplace relations we have had in this country was one which evolved over the last century and one which, for a large part of that century, was based on a simple Australian concept of fairness—a fair day’s work, a fair day’s pay. This meant that if your employer wanted you to work at the weekend it was reasonable that you should be compensated for not being able to spend that time relaxing with your family and that you should, as a consequence, be rewarded for doing that, through things such as penalty rates. If you went to work on a public holiday, you would be appropriately remunerated and you would feel secure in your workplace because your employer needed a decent reason to sack you. These basic rights at work are now being stripped away as a consequence of what must be regarded as the most conservative, right-wing, ideologically driven changes to workplace laws that this country has seen in a century.

Under the federal government’s workplace relations changes, entitlements such as shift allowances, overtime rates and redundancy pay are now under threat, and it simply gets worse. One of the most serious changes under the Howard government’s new industrial relations laws is the removal of unfair dismissals for employees working in companies that have fewer
than 100 staff. When it comes to the future of unfair dismissal laws, it is important that justice be returned to the system. These most recent changes in unfair dismissal have meant that four million Australian workers will lose legal protection from unfair dismissal and are vulnerable to the nightmarish situation of losing their job without notice or an opportunity to remedy the situation. The government’s extreme legislation has also taken away the Australian Industrial Relations Commission’s power to set minimum wages and award conditions. In a practical sense this has meant reducing the allowable matters considered from 20 to just four.

I have had in my electorate office a stream of concerned residents contacting me and my staff about what precisely will be the ramifications of these new laws on their working lives. They are deeply concerned. There is no question that there is a sense of anxiety across the working families in my community. For example, Andrew from Greenslopes contacted my office following the introduction of workplace relations changes in his workplace. He is one of many concerned residents within my electorate who have taken the time to come and talk to me about what these changes will mean in their place of work. Andrew explained to my office that he is—to use his own term—appalled that the rights of Australian workers have been stripped away by the government’s recent legislative changes and that the right of Australian workers to have a fair go in their place of employment has simply been ditched through the introduction of these radical, ideological changes. These changes have forsaken simple pleasures that we as Australians have held dear, such as being able to spend quality time with family on the weekends. There are many families in my community on Brisbane’s Southside who are currently working out how precisely their families, their living standards and their ability to have justice in the workplace will be affected by the introduction of these changes.

When it comes to the delivery of basic services in my community, the budget has many fundamental deficiencies. We see this when it comes to Medicare, we see this when it comes to child care and we also see it in the changes which have been brought through on workplace relations and the impact which that will have on the disposable income of families over time. If there is one common theme about the government that resonates through the many mobile offices I have conducted in my community—I think I have conducted 194 altogether—it is that people are becoming very tired of a government whose priorities lie increasingly with themselves and not with the kitchen table issues which local families have to deal with: how they balance their family budgets, how they deal with the practical problems presented by child care, how they find a local bulk-billing doctor, how they make ends meet when they have to deal with the extra costs of fuel and the rise in interest rates in bills from their banks over their home mortgages as well as having to deal with the uncertainty presented by the government’s new industrial relations package.

We will not oppose this budget, because it provides some tax relief, but the government should be under no illusion that, when it comes to communities such as mine on Brisbane’s Southside, the families that I represent in this parliament feel, legitimately, that they have been short-changed in the delivery of these services. This government could have done much better with this budget for the nation. It could have done much better with this budget in the interests of local communities right across this nation, including those in my own electorate.

Mr TANNER (Melbourne) (7.29 pm)—Normally I would speak first on the debate on the appropriations legislation, as the shadow minister for finance, but when the bills were intro-
duced in the parliament I was on leave for a very pleasurable reason: the birth of my daughter Remy Justine, who arrived—I am sure the House will be interested in this—on 23 May at 5.20 am, weighing 7 pounds 9 ounces, or 3.4 kilograms.

I will now turn to the budget. I am pleased that the member for Casey did not pull me up on grounds of relevance or anything of that nature. The handing down of the federal budget a couple of weeks ago was something like Christmas Day or a family that has recently won the lottery. There were lots of new toys for backbenchers, who gave many squeals of delight as they unwrapped their shiny new grants and tax cuts, and a whole range of programs, which at first glance meant that an awful lot of people got what they wanted. Unfortunately, as feelings of excitement over budget night have subsided and we have exposed the budget to greater scrutiny regarding Australia’s economic strategy for the future, we see a very different story. We see a government that is focused on handing out taxpayers’ money as fast as it is rained on by the minerals boom. It is focused on doing this in order in order to win votes and to curry political favour but not to invest for Australia’s future, not to lay the foundations for our economic future and the future of our children and not to do the hard and challenging things when they are easiest to do. It is always easiest to undertake difficult reforms when a government is flush with funds, the economy is relatively strong and unemployment is low; that is when you have the scope to undertake hard reforms. This budget did virtually none of those things.

The minerals boom has literally rained money on the Howard government and it has spent the lot, some wisely and some not so wisely. There is a very interesting table on page 2.4, from memory, of Budget Paper No. 1, which outlines the sheer scale of the windfall that the government has received. The amount of additional revenue that the government is budgeting for the next three financial years, as estimated in May in the budget, is $41 billion more than was estimated six months ago. In other words, the estimate of revenue anticipated in December last year by the government to be reached for the forthcoming years—the 2006-07, 2007-08 and 2008-09 financial years—was collectively around $41 billion less than it now is anticipating for those financial years.

Interestingly though, looking at that same table, you will see that the projected expenditure or calls on the budget, when you include tax cuts, over those forthcoming three years adds up to slightly more than $41 billion—in fact, about $42 billion. On the one hand, the minerals boom has handed the government a giant windfall of the magnitude of around $41 billion extra over those three years while, on the other hand, through decisions taken in the budget and since the handing down of the Mid-Year Economic and Fiscal Outlook, the government has committed to an additional $42 billion in either tax cuts or spending; in other words, it has spent the lot. As I said, some of that spending has been reasonable and wise but some of it has not.

There are plenty of dubious spending initiatives, such as $52 million being allocated to ‘increase consumer awareness of the incentives and benefits associated with private health insurance’. I am starting to wonder why we still call private health insurance ‘private’. We have a government that heavily subsidises the product, ranging from a minimum of 30 per cent to higher for older groups of citizens. It is a government that heavily regulates and microregulates the product. People on joint incomes of above $100,000 or those on single incomes of $50,000 are required to take out private health insurance or to pay an extra levy. This has not
been indexed, so an ever-growing proportion of the community are being forced by the government to take out private health insurance. Now, rather than having the industry promote itself to the general community, the federal government will be picking up its advertising bill. Therefore, I wonder why it is that we still call private health insurance ‘private’.

There are many small grants in the budget. Although many of these are for ostensibly worthy causes, when looking at some of the other things that are not being funded adequately by the government, it is very easy to see some very questionable priorities. There is funding of $1 million for a trip to India by a pile of Donald Bradman memorabilia and another $1.5 million for the stockman’s hall of fame. I have written before about the proliferation of halls of fame around Australia—the mining hall of fame, the axemen’s hall of fame, the fishing hall of fame and the stockman’s hall of fame. I am waiting for the sleeper-cutters’ hall of fame in my old home area of East Gippsland. I think that would be highly appropriate and perhaps I should suggest to the member for Gippsland that he should get on the gravy train while it is going. There is $200,000 to finance the voyage of the *Duyfken* replica. There is $900,000 to encourage people of diverse ethnic backgrounds to get into surf lifesaving, which I suspect is the government’s solution to the Cronulla riots. If that is what it is, it is laughable, but that is the way the government tends to look at these things.

Of a slightly greater magnitude is the extraordinary sum of $15 million which has been handed over to the Melbourne Cricket Club to establish a national sports museum. I can understand why the Treasurer wants to improve his popularity with the ‘Hooray, Henry!’ crowd, but using $15 million of taxpayers’ money for that purpose is, I think, simply outrageous. It is symptomatic of a government that is awash with taxpayers’ money—that has so much money it does not know what to do with it. The government is simply trying to win political favour in every last corner of the land.

One of the interesting techniques the Howard government has developed and which has become an art form is the use of the small grant to be made ‘during the course of the current financial year’. The budget is handed down in early May, which means that you are almost at the end of the financial year. By that stage, you have a reasonably good idea of the relative scale of the surplus for that financial year. If it appears that the result is going to be substantially higher than was projected—as has been the case on numerous occasions in recent times—then what does the government do? It says: ‘Beauty! We have all this spare cash. Let’s give it all away. Let’s hand it out.’

In some cases, that has been done in reasonably substantial grants—for example, doubling the utilities allowance for pensioners or extra money for carers in a one-off payment. But there is also a lengthy list of small one-off grants. I describe this approach as the political equivalent of ‘cash back on your trade-in’. It is a neat little tweak designed to keep everybody happy and feeling comfortable, nice and warm in getting the extra little bit of loot from the government, apparently for nothing. Some examples of the worthy and, in some cases, not quite so worthy recipients of these giveaways are: the Duke of Edinburgh Awards, the Australian Wildlife Hospital, the Red Shield Appeal, the Belvoir St Theatre, Bond University, St John’s Cathedral in Brisbane, the National Institute of Circus Arts and the Musee du Quai Branly—I hope my pronunciation is appropriate—in Paris.

They are only examples; there are many other situations in which the government has handed out amounts—usually in the order of half a million dollars, $1 million or $1½ mil-
lion—quite indiscriminately. It has been built into the Howard government’s DNA ever since
the Centenary of Federation foundation, the Natural Heritage Trust and Networking the Na-
tion. There has been an endless list of programs that are designed to enable the government to
pay off political debts, to curry political favour and to pork-barrel in marginal seats. And I
have not mentioned Regional Partnerships, which is one of the most notorious of them. That
tradition has been continued in the budget.

The government pontificates about the threat to Australia’s fiscal wellbeing as a result of
the ageing of the Australian population—correctly, in my view—but it acts in the opposite
direction. Does anybody remember the last razor gang? What do we think of our famous Min-
ister for Finance and Administration, the alleged hard man, Senator Nick Minchin? To me, he
is the Father Christmas of finance ministers: he has never said no to anything, he has never
stopped anything and he has never cut anything. He is just there simply writing cheques and
saying: ‘Would you like some more money? What sort of grant do you have? What sort of
community program do you have? You are a bunch of good chaps so have some more money.’
That is the effect of the recent budget.

Significantly, of the $41 billion windfall, only slightly more than one per cent of that addi-
tional money that the Howard government had at its disposal has been allocated to investing
in the future skills of Australia. Education and skills is the most critical longer term economic
issue for our nation, and only slightly more than one per cent of that $41 billion has been
added to our investment in it. Indeed, the additional amount committed to education and train-
ing is only marginally higher than the additional amount committed to Agriculture, Fisheries
and Forestry as a portfolio, which illustrates quite a bit about the relative priorities of the
Howard government.

Why does this matter? It matters because only about 60 per cent of Australians between the
ages of 25 and 64 have year 12 equivalent qualifications, in contrast to other nations, such as
Canada, the United States and many European countries, where the figure is 80 per cent or
plus. It matters because we are now seeing a pattern where qualified, skilled young Aus-
tralians are deliberately choosing to work overseas for a period of time after graduating in order
to defer paying enormous HECS debts. It matters because of the fact that, for some time now,
we are the only country in the developed world where public spending on higher education
and training has been falling.

The budget does not contain a serious reform agenda. There have been some changes to the
tax scales, which will have some positive effect with respect to effective marginal tax rates,
but broadly that problem still persists, and the tax act remains over 9,000 pages long. Once
again, virtually nothing is being done to reform sectors such as aviation, telecommunications,
injury compensation, health, broadcasting—and so the list goes on.

Productivity has been mentioned in significant discussions in previous budget papers. In-
terestingly, when you look at the ‘Budget strategy and outlook 2006-07’ paper, in which there
are extensive discussions on a range of fundamental economic issues, you find there is barely
a mention of productivity this time. That is hardly surprising, because productivity in this
country has been going backwards now for almost two years. Once it becomes a problem, do
not mention it anymore. The current account deficit and our burgeoning foreign debt are ef-
fectively in the same boat.
Yet again the government is projecting exports to grow by around seven per cent. In spite of the fact that it has been doing that for the past five or six years, the projections have not been met. The government projects export growth of seven, eight and nine per cent, and the results keep coming in at one or two per cent, with particular problems in manufacturing and services. The budget has put upward pressure on interest rates. I think that is now widely acknowledged in the markets. It was acknowledged in the way that markets ultimately work—that is, forward rates and bank bills went up in the immediate wake of the budget, clearly indicating that the market was pricing in a higher risk of interest rates rising as a result of the budget.

Finally, there is one highly significant thing about this budget—that is, the ever-increasing dependence on company tax receipts. As recently as 1998-99, the proportion of total federal government revenue that came from company tax was barely over 14 per cent. It has now hit almost 25 per cent. That means that the government has effectively made an assumption that the largesse flowing from the minerals boom through companies and into very large increases in company tax receipts is virtually permanent. The government has virtually factored that in as an assumption in the longer term.

History suggests that company tax receipts tend to be volatile, for obvious reasons. Company profits are volatile and border trading and economic conditions will change. Therefore it is an extremely brave assumption to make that we will be able to continue indefinitely with our spending commitments, have our tax arrangements in other areas the same and continue to get 25 per cent of our revenue from company tax. So watch out for the pain when company tax receipts return to normal. It may not be for a couple of years or it may not be for five years—who knows?—but it will happen. At that point if the conservatives are still in government, guess what they will do? They will put up the GST. That is what will happen. They will put up the GST and take a slice of it for Commonwealth revenue because that will be all that is left.

Mr RIPOLL (Oxley) (7.43 pm)—I rise today to speak on the appropriations bills presently before the House. Around the time of the release of the budget last month there were eight separate expert opinions warning of the threat that debt poses to this country’s economy. The eight expert opinions are: Macquarie Research Economics, Economic Spotlight; Glenn Stevens, Deputy Governor of the Reserve Bank of Australia; Alistair Jeffery, Bluestone Mortgages; Paul Bradlick and Ange Montalti, ANZ Bank; Reserve Bank of Australia statement on monetary policy; ANZ Bank, Economic Update; ABN AMRO, Australian Economics Weekly; and Access Economics, Business Outlook 2006.

Each of these experts has raised concerns about specific elements of Australia’s spiralling household debt or Australia’s half a trillion dollar foreign debt. The question might be asked: ‘Why is this important?’ It is important for simply one reason: a large debt that is out of control is bad whether it is a government debt, a business debt or a personal debt. It is bad because it is out of control and it does not leave Australia with a great many options into the future.

This of course makes a mockery of the Treasurer’s thoughtless proclamation just a few weeks ago of Australia as debt free. If the economy does turn south, this level of debt poses a serious threat to the Australian economy and to the way of life and living standards that we all enjoy. There are clear warning signals that should be recognised and acted on by the govern-
ment. The perfect opportunity for the Treasurer to do something about it was in the budget, but he took the low road, the easy road, and opted for something quite different. Australia has over the last 15 years enjoyed great economic times, results that were built off the back of Labor’s economic reforms of the eighties and nineties—something widely acknowledged and widely accepted by all.

The commodity boom of recent times, though, has added a huge numbers of dollars to the budget bottom line—$40 billion alone just in recent times. Indeed, it is an even larger amount if you consider the time that this government has been in power. The world economy is undergoing massive change, and that is dominated by activities, as has been mentioned by many people, in China and India which have really driven or underpinned the Australian economy. This of course creates unprecedented opportunities but also unprecedented challenges. Therefore, the major criticisms of this budget are not so much what it relates to and what it did but what it did not do and the missed opportunities.

This budget did not deliver an ambitious, long-term economic strategy. What made it look appealing for a very small moment was the huge surge in tax revenue. In December, the budget envelope was $42 billion over four years. By the time the Treasurer sat down to write the budget it had cascaded to $93 billion over the same period—up $51 billion in just five months. That is a substantial growth in anyone’s language. In terms of tax cuts, Labor does support the decision of the Treasurer to return part of the surplus to taxpayers. The long-suffering taxpayer, who has been taxed to the eyeballs in the time that the Howard government has been in power, deserves this long-awaited tax cut. Tax relief in this budget is welcome but long overdue and goes nowhere near to the point of pain that most consumers are actually feeling.

Labor has won its fight for tax relief for Australian families and won the fight on some measures of tax reform in terms of bracket creep and tax brackets themselves. However, consumers will need every cent to pay for the triple whammy which the Howard government has inflicted on middle Australia—the triple whammy of rising interest rates, which have not stopped; of rising petrol prices, which continue to grow every day; and of wages that are being slashed through the extreme industrial relations regime, the evidence of which is just starting to flow in.

But the budget has done nothing to invest in the training and skilling of Australians, and the people of South-East Queensland have been overlooked, with no extra money allocated for the much needed full upgrade of the Ipswich Motorway—just one critical piece of infrastructure in this country that can make a huge economic impact on the lifestyles that we all enjoy and the economic development in the western corridor of Queensland. This is, in effect, a short-term budget, when Australia needed a greater investment to skill up people and to build long-term prosperity. Where were the investments in skills and infrastructure and the investment in the quality of life for the Australian workforce?

The OECD, the Reserve Bank of Australia, all the employer groups and almost all reputable economists agree that the problem is the absence of measures to lift the speed limit of the economy by easing key capacity constraints. In fact, the Prime Minister’s own report that he commissioned just last year raised the very same issues about our ports, capacity constraints and the lack of infrastructure that this country now experiences. These are putting upward pressure on inflation and are a significant handbrake on productivity and growth. You only
need to look around the world right now and see what economic markets are doing to see the fear building in markets around the world because of inflationary pressure. You only need to look as far as the United States to understand the sort of pressure that is building there and then have a look at Australia and understand where we will be if we do not deal with this issue.

We also need to focus on the challenge of men and women of prime working age who are excluded from the labour market because they do not have the skills to participate in the modern economy. Forget just for a minute the low unemployment rate and look at the participation rate. Look at the jobs going begging for people with skills, where employers are now being forced to look overseas for migrant labour to fill those skills vacancies. Australia needs to train Australians first. We need to train Australians now. We need to start skilling up our own people so that we can fill those critical jobs.

Improving the skills of our workforce is also a catalyst for productivity growth, which has slowed dramatically since 2000. That is six years that the government has been on notice in terms of productivity growth and six years that it has not acted. It is scarcely believable, at a time when people are our biggest comparative advantage globally, that spending on skills and education has gone backwards in both absolute and comparative terms. Public investment in our universities and TAFEs has fallen to eight per cent since 1995. The next worst performing country actually increased its investment by six per cent, and the average increase for other countries was 38 per cent.

It is almost incomprehensible that the Treasurer’s budget speech did not once mention the word ‘education’. Everywhere in the world governments recognise that the skill of a nation’s workforce will determine who will capture high-value, high-growth markets, who will be out in front and those countries that will be left behind. The Howard government’s failure to invest in training in the 2006 budget is simply a disgrace. The Reserve Bank has identified the shortage of skilled workers as a major constraint in the Australian economy, which is putting pressure on inflation and interest rates. Despite these warnings, the government has failed to announce any new initiative to address the skills crisis—no new ideas, no leadership, no future guaranteed for young Australians. In fact, the Howard government actually reduced the percentage of the budget spent on skills and vocational educational training. If anybody can believe that, turn to the budget papers and see exactly what that means.

Australia’s skills crisis is the result of bad economic management by the Howard government. It is not something that has happened by accident. To ignore training and education is an extraordinary display of arrogance and incompetence. The 2006-07 budget is a massive lost opportunity, with the government continuing to import foreign workers at the expense of Australian skilled labour rather than training young Australians and improving the skills of our own people. That is why Labor says we should train Australians first and we should train them now. This is a long-term solution, something that will deliver way into the future for the Australian economy. Spending on training has declined as a percentage of government budget expenditure to 0.73 per cent in 2006-07 and will continue to fall in future budgets. The decline in investment in training will continue under the Howard government and will drop away to just 0.67 per cent in 2009-10.

Federal Labor has spent the past year putting forward concrete proposals to redress the skills crisis and to invest in the productivity capacity in the Australian economy. For example,
Labor will introduce a $800 million skills account to get rid of the TAFE fees for traditional apprentices and a $2,000 trade completion bonus scheme as well. Labor’s priority is to train Australians and train them now. Along with skills and education, our future productivity demands a serious plan on infrastructure and innovation—something we have been promoting for years, even before it became a household buzzword. I have been saying that the last 20 years might have been about economic reform but the next 20 years are going to be about infrastructure reform.

This budget had no long-term plan to fix a crumbling infrastructure—our clogged roads, slow internet connections, near empty dams and overburdened ports. That is why a Beazley Labor government will establish Infrastructure Australia to drive infrastructure planning, development and investment. Its first task will be to conduct a national infrastructure audit to assess Australia’s infrastructure needs and analyse their adequacy, condition and capacity. It will also prioritise future needs based on population trends, settlement patterns, urban growth, migration, demographic change, industry structure and geographic distribution. Labor will also establish the Building Australia Fund and allow the fund to consider all investment opportunities suitable to its return and risk objectives. This could include commercially attractive infrastructure investments. While the government is playing at the edges of short-term budgets, the Australian Labor Party actually has a plan for the future—long-term solutions based on long-term economic prosperity and the social wellbeing of Australia, underpinned by adequate and efficient national infrastructure, particularly critical in sectors such as transport, communication and utilities.

But, just as importantly, education, skills and innovation are also critical in building Australia’s future prosperity. New ideas and fresh thinking can give us an edge in competitive global markets. In Australia the debate about innovation policy has gone nowhere in recent years. Over the coming months, Labor will be consulting widely on a plan to reverse Australia’s backwards slide in innovation. We are looking at the whole suite of innovation policy for the 21st century to answer the question: how does a small economy like Australia’s become innovative and competitive in a fast-changing global economy?

I will conclude on something that I spoke on earlier, but it is just as important in this budget—our dependence on foreign oil, which is growing markedly. Petroleum based fuels account for about 97 per cent of our transport needs but we are consuming them three times faster than we are finding them. Plugging that gap is being done with imports. The equation is simple: as our dependency grows so does that exposure to any volatility in supply and in prices. No-one needs to be an expert in this area to realise the pressure on fuel prices in this country. This budget was a lost opportunity, a massive one—an opportunity where the Treasurer decided to sprinkle some crumbs and give out some tax cuts but not look at the long-term plans and needs of this country, and for that the Treasurer should be condemned along with his budget.

Mr STEPHEN SMITH (Perth) (7.55 pm)—The 2006 budget and the appropriation bills that accompany it represent a massive missed opportunity. Despite the rivers of gold flowing into the hands of John Howard and Peter Costello, the government has failed to lay down a coherent long-term strategy to lock in Australia’s economic future prosperity. This is reflected by Labor’s second reading amendment in the following terms:
(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 ...

Given the agreed constraints on time I will restrict my remarks to those matters within my capacity as shadow minister for industry. I was particularly interested in the comments by former Liberal Party leader John Hewson in an opinion piece in the Australian Financial Review of 26 May when he said of the Howard-Costello government:
If leadership is about action, and not just position, if its very essence is the capacity to formulate, articulate and market a vision, develop a strategy to achieve it, and to turn that into reality, we are being left high and dry ... government today is dominated by short-termism. It’s reactive ... and it’s blatantly political and opportunistic.

In failing to systematically address key issues that go to the very heart of the kind of society and economy Australia will be in the future, this budget is symbolic of the Howard-Costello government’s long-term, longstanding complacency and neglect: the massive widening in our current account and trade deficits; the half-trillion dollars of foreign debt; neglect and under-resourcing of skills, education and training; the ad hoc pork-barrel approach to our nationally significant economic infrastructure; and the totally inadequate and misguided approach to the promotion of innovation in Australian industries.

It is these issues that are imperative to Australia being an open, competitive, dynamic trading economy confident of its ongoing place in the world. It is precisely these issues that have largely been ignored in this year’s budget. Our future prosperity as a nation will not be guaranteed simply by having more raw materials or trying to have lower labour costs by slashing wages and conditions through extreme industrial relations changes. Australia’s future prosperity will only be guaranteed by being internationally competitive. To do so it is essential that the Howard-Costello government commit to taking the Australian economy to a new level of productivity growth. Crucial to this is building world-class infrastructure and encouraging businesses and individuals to be innovative and competitive in their respective fields.
It is no secret that, as a nation, over the past 15 years we have enjoyed some of our best economic times. This strong performance, however, has not been experienced throughout all parts of the Australian economy. China is now the key to delivering Australia’s historically high commodity prices and historically favourable terms of trade. It has also been a key factor in our declining manufacturing performance over the past decade, hand in hand with the complacency and neglect of the Howard-Costello government in this area.

While commodities are booming, it has been easy for the Howard-Costello government to put the challenges of Australian industry to one side. However, neither history nor logic suggests current commodity prices and terms of trade will last indefinitely. When commodity prices do return to historic average levels, our economy will rebalance. Despite comments by Treasury secretary Ken Henry in recent weeks to the Australian Business Economists—he said, ‘Some of this loss of manufacturing jobs is, no doubt, precisely what theory predicts would be the consequence of an increase in the terms-of-trade’—it would be both prudent and sensible to make sure that as a nation we are prepared for the challenges of the future. This requires a retention of adequate diversity in our economy.

Over the past 30 years manufacturing has been slowly declining as a proportion of GDP, from 19 per cent in 1975 to less than 12 per cent today. In fact, according to the December quarter national accounts and the more recent March quarter national accounts, parts of Australian manufacturing were in fact technically in recession. This poor performance continues to hurt our economy and see job losses. Since the election of the Howard-Costello government in 1996, we have seen more than 145,000 Australian manufacturing jobs lost, of which approximately 60,000 have occurred since the government’s re-election in 2004—that is the equivalent of nearly six per cent of all jobs in Australian manufacturing industries. There is little doubt that Australian manufacturing is bleeding and bleeding badly. If these trends were to continue, Australia would cease to have a manufacturing industry by 2025. Given this urgency, the industry innovation initiatives announced in the budget are, at best, a belated modest step which come off the back of 10 long years of Howard government complacency and neglect.

The measures to establish an early stage venture capital limited partnership attempt to introduce some differential treatment for early stage venture capital but, in doing so, propose some bizarre restrictions around how large a fund may be—$100 million—and when a fund must divest its assets, $250,000. Despite commitments by the Prime Minister at the last election that Australia would have ‘a world’s best practice investment vehicle for venture capital’, Australian venture capital represents only 0.1 per cent of our GDP. This is a third of the OECD average and stifles innovation by leading to an overreliance on equity markets to fund new ventures. Under the Howard-Costello government Australia has developed little venture capital and most of what does exist avoids technologically innovative investments.

In addition, the funding for the early stage venture capital limited partnership initiative in the budget is exceptionally modest, with an anticipated cost to revenue of only $5 million over the next three years—hardly the kind of money that is likely to have a substantive impact on the Australian venture capital industry and, in turn, on Australian innovation. Measures to ease the restrictions on the existing venture capital limited partnerships and a further round of funding for the Innovation Investment Fund deliver only in part what industry has long advocated. The true test of these will be whether the venture capital industry under the current ar-
rangements can deliver innovation outcomes without government support in the future. The venture capital measures announced in the budget exist in a strategic vacuum, with the government refusing to release the formal industry review concluded last year.

Despite the coalition’s 1996 election manufacturing policy to ‘improve Australia’s international ranking in terms of expenditure on business R&D as a share of GDP’, R&D initiatives in the budget are underwhelming, at best, with the government simply promising $28 million over four years merely to support ‘the administration of the R&D tax concession’. This occurs when Australia’s business R&D remains at only half the average of OECD nations. Today business R&D as a proportion of GDP is a meagre 0.89 per cent. The OECD average as a percentage of GDP is 1.5 per cent. At 0.89 per cent of GDP, Australia ranks 15th in the R&D effort in the OECD, recording half the effort achieved by the United States, a third of that of Sweden and substantially less than that of both Germany and Belgium. To put this into acute perspective, multinational capitals companies such as Merck, Intel and Microsoft separately spend as much on R&D as the sum of all Australian businesses.

Today expenditure on R&D is no better than it was nearly 10 years ago, when the Howard-Costello government came to office. It should be much higher, it could have been higher and it needs to be higher. At a time when, for example, companies in China have been boosting expenditure on R&D at a rate of 21 per cent per annum, the government’s inaction in this area effectively amounts to gross public policy negligence.

Finally, budget measures announced to boost Invest Australia to attract and facilitate foreign direct investment to Australia are welcome and well targeted to the rapidly-emerging economies of India and the United Arab Emirates. The obvious question, however, is why the government has taken so long to try to establish a presence in these rapidly-growing and important markets, particularly India. As far as Invest Australia is concerned, the proof of the pudding will be in the eating, with success contingent on the attraction of truly productive foreign investment. Overall, the industry innovation measures contained in this budget reveal that the Howard-Costello government has no real strategy to deal with the key issues surrounding the international competitiveness of Australian industry.

Labor believes that it is in our national interest and our public interest to have a strong and vibrant industrial base, especially the parts that are of high value and high skills. The future of a viable and successful manufacturing industry providing jobs for Australians must be based on a foundation of skills, quality and innovation, not on an industrial relations approach aimed at reducing wages, conditions and entitlements, and removing job security. By adopting a national approach with an emphasis on innovation, on doing things better and on being smarter, and by relying on our superior technical and intellectual knowledge, Australian industry can build back its international competitiveness. Only in this way can we ensure a modern, dynamic and successful industrial future.

The period since 1996 represents a missed opportunity that has hurt Australia’s ability to remain internationally competitive. This budget repeats that missing of opportunity. In a modern, dynamic and outwardly-looking Australian economy, real productivity improvements can only come from a commitment to the adequacy of our infrastructure, a commitment to the education, skills and training of our workforce, and a commitment to our ability to support and foster innovation and the commercialisation of our ideas. Although the government makes noises about the need to improve productivity, it is trying to achieve this through an
industrial relations approach that will reduce wages, particularly at the lower end of the scale. Australia needs a government that is committed to the national interest and long-term solutions, rather than political considerations, short-term fixes and the easy, lazy attempt of simply lowering wages. Australia needs a government that has a vision and is committed to building an economy geared towards long-term production, not just short-term consumption. Only a Labor government will effect the long-term planning that is required for these needs of our nation’s future.

Debate adjourned.

BUSINESS

Rearrangement

Mrs GASH (Gilmore) (8.08 pm)—I move:

That orders of the day Nos 2 to 5 (government business) be postponed until the next sitting.

Question agreed to.

EAST TIMOR

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

That the House take note of the statements.

Mr McCLELLAND (Barton) (8.08 pm)—I rise to support this motion, which was referred here at the request of my colleague the member for Cowan, and I recognise his contribution to this matter. Labor fully supports the deployment of troops to East Timor. Restoring law and order in that country is obviously vital to that country’s security, but it is also vital to our regional security. Experience has shown time and time again that a failed state—or indeed a failing state—can become a haven for all kinds of criminal activity; certainly the drug trade and potentially terrorist activity, which could affect Australians in our region and on our soil. So, unquestionably, the work of our troops is fundamentally in the interests of our own national security as well as that of the East Timorese.

Currently, some 2,600 members of the ADF are deployed in the operations in East Timor. Of course, our thoughts are with them. We obviously express our gratitude for their contribution, but we must also acknowledge—and, in fairness, the minister does acknowledge—the sacrifice made by their families during their absence and the families’ anxieties for the safety of our serving men and women.

The Labor Party goes so far as to say that the contribution that is being made by our troops in East Timor should be regarded at the highest level in terms of both our national security and the risk that they are facing. They may not be facing the prospect of a car bomb explosion, as with the technologies that exist in the terrorist organisations and the insurgencies in Iraq, but chasing what are basically hoodlums armed with machetes, clubs and knives down streets, wrestling them to the ground, disarming them and detaining them is, we believe, in no way, shape or form anything other than bravery at its highest.

The contribution of our troops should be recognised by classifying their service as warlike service. This will mean additional remuneration for them—some small recompense—for the risk they are taking and the fact that they are living away from their families in hardship, but, most significantly, it will also give them appropriate recognition by way of entitling them to receipt of the Australian Active Service Medal. We note that one of the categories for deter-
mining whether service is warlike service is the risk of casualty. In that context, we note that the Prime Minister, in the House of Representatives on 25 May, said:

... we must not walk away from the possibility that casualties could be suffered by the forces that will go to East Timor.

We know that the travel advice to Australians is that they should avoid East Timor, that the situation is dangerous and that it could change quickly without notice. Indeed, we note that the Prime Minister, in public commentary on the issue, has said that the very uncertainty of the violence in East Timor and the fact that there is no immediately identifiable adversary in many ways makes the present task more dangerous than that faced by our troops as part of the INTERFET operation between 1999 and 2002.

There is no question that the failure to classify the service as warlike service has affected the morale of our troops. That has been reported in the media and it has come through to my office first-hand, at least through the filters of immediate family members who express real concern for their son, daughter, husband or boyfriend serving in East Timor. There is no question that it has significantly affected the morale of our troops in the circumstances in East Timor, where we are requiring them to unquestionably engage in risky operations and experience hardship.

We believe that the wrong decision has been made from the point of view of recognising the value of the service, but it is also the wrong decision from the point of view of the recruitment and retention crisis that is facing our armed services. What example does it show to people who are contemplating whether or not to stay in the armed services if the risk that they are taking is not properly recognised? What message does it send to young Australians thinking of joining the ADF if they see a situation where our troops are placing themselves at risk and are not having that properly recognised?

Moving on to the operation itself, our troops, as always, do an outstanding job in peacekeeping. The ability of Australian troops to interact with the local community is a trait that is second to none, and we are prized around the world for that. The ADF themselves have acknowledged, however, that, in terms of restoring civil order and preventing riotous behaviour, perhaps their skill set and equipment are not the best available. In that context, we note that Australia has a military police battalion with trained personnel and equipment for ‘population protection and control’—in other words, riot and crowd control. This asset was not deployed to Timor, nor was it deployed to the Solomon Islands during recent unrest there.

Indeed, I note with respect to the Solomon Islands that the Australian Federal Police Commissioner, Mick Keelty—and I do not want to verbal him; he is an honest and sincere man and somewhat deserving to be regarded in the hero category in modern Australian times, so I would not dare verbal him—has suggested that our troops and indeed the police officers serving in the Solomons perhaps did not have enough equipment to adequately deal with the recent rioting that we saw there. Yet the facts of the matter are that Australia does have trained military police personnel available with riot equipment. Essentially, that equipment is sitting in stores in MP units around Australia.

I think we as a nation have to confront the reality that we will be engaged in the next decade more and more in restoring civil order in states that are struggling or failing, or perhaps trying to restore order in a failed state. I think we need to look carefully at developing this skill set. The skill set that our military police have may well be a base upon which to build
that skill set. In that context, I understand that the military police battalion receives similar
crowd and riot control training to that the Victorian police receive. Again, something that per-
haps we need to look at as a nation is having a readily deployable force that is capable and
equipped to handle the riotous behaviour that we have seen in East Timor.

The next and final issue that I want to focus on is in the context of a motion that I recog-
nised as paying respect to and recognising the contribution made by our troops. It must be
said, however, that it is regrettable that we are faced with this situation. Our troops are now in
a situation of risk in East Timor, attempting to restore law and order. We need to ask ourselves
objectively whether the course of action that has occurred there should have occurred there. In
that context, it has been argued that Australia withdrew too quickly from the INTERFET op-
eration. The withdrawal commenced in May 2002 and moved on more quickly after that. I
note that, in an article in the *Australian* on 10 June, Dennis Shanahan commented:

In early 2004, months before the May 20 deadline to depart, East Timor’s Foreign Minister Jose Ramos
Horta told The Weekend Australian’s national security editor Patrick Walters in Dili that he wanted a
company-sized Australian combat team to remain beyond the deadline.

“That essentially would be a psychological element and work as a deterrent,” Ramos Horta said then.
Ramos Horta’s main concern was the need to maintain national stability and the consolidation of the
new Government in Dili. East Timor was fragile. The civil service administration and ruling institu-
tions, notably the judiciary, were in their infancy.

It is all very well to be wise with hindsight, but there were clearly indications that East Timor
did not have the security and capability in terms of its institutions to maintain the sort of civil
order that is the fundamental basis upon which democracies function. Indeed, I note that, in
December 2004, Ramos Horta said that assistance was required because the country’s defence
and police forces were still very fragile. But those concerns were essentially dismissed, with
Australia’s foreign minister, Alexander Downer, saying that the requests were essentially for a
security blanket for East Timor.

The Secretary-General of the United Nations, Kofi Annan, suggested in 2005 that Austra-
lia, in the circumstances, might like to—and it would be desirable for it to do so—continue
the additional troop presence until May of this year, rather than withdraw, as did occur in
2005. In retrospect, again, that may well have prevented the dispute that led to the dismissal
of the dissident members of the East Timor armed forces in February of this year and may
well have prevented the civil strife that we are now seeing. In many respects, the decision for
early withdrawal may well have been penny wise but certainly has been pound foolish.

The second issue that I wish to raise, and that I think is important, is whether the training
we provided to the East Timorese defence and police forces was adequate. I note that the *Bul-
letin*, in an article of 6 June, raised that question, publishing allegedly secret documentation
suggesting that as early as 2001 it was recognised that criminal elements could infiltrate the
East Timorese defence forces and that there was a prospect that the former guerilla fighting
base would fracture along ethnic and geographic lines. That was as early as 2001. Despite
that, there was no real concerted endeavour to provide training to develop a unified defence
force. Indeed, in 2002 the Australian Strategic Policy Institute reported on East Timor’s
‘pressing internal security and law and order problems’, stating that:

Australia’s current program of aid for East Timor is doing little to help ...
ASPI indicated that the East Timorese defence force had limited capabilities and no clear role in addressing those security problems. Australia’s Department of Defence was described as ‘not addressing East Timor’s most urgent security needs’.

With the benefit of hindsight we can all be wise, but these were expert bodies saying at the time that we were not doing enough to develop a unified, coherent defence force, a security force, that was capable of preventing civil disorder from emerging in East Timor. With the benefit of hindsight that clearly has been the case. We should examine, completely dispassionately and objectively, what went wrong. We must recognise it and we must address it. The reality is that within the next decade in our region we will inevitably face more East Timors. I note that Mr Deputy Speaker Kerr, who is in the chair, warned a number of years ago of emerging problems in the Solomon Islands. If they had been addressed effectively at an early date, arguably the resources that we have put into RAMSI would not have been required.

These are issues that we need to address. We need to find out what went wrong with our strategy in East Timor and how we address that not only for the sake of the East Timorese people but also from the point of view of attending to similar issues that may arise in our region. Having said that, I stress that obviously the contribution of our troops is exceptional, as it always is. The Australian Labor Party fully support the troops and the work that they are doing. We think it should be completely recognised at its highest level by categorising the service as being in the nature of warlike service.

Mr KEENAN (Stirling) (8.23 pm)—I rise to make a positive contribution about the commitment of Australian troops to East Timor. I want to take issue with a couple of points that the member for Barton raised. I am the first to acknowledge that he is a member of the opposition team who is very highly respected on all sides of the House. The main problem with his contribution is that it is made with the wisdom of hindsight. I think that nitpicking about what Australia has done is a mistake because it takes the focus of the blame away from where it lies at the moment.

We need to be realistic when we assess the current situation. When we are, we can see that the vast majority of the blame for the situation in East Timor must lie with the East Timorese administration. It is a mistake for us to go back and nitpick about what Australia has done. Australia’s contribution to that fledgling nation has been tremendous. We need to focus on where administrative errors have been made, and I do not believe that they were made by the Australian government.

Secondly, on the issue of warlike service, I know that it would be almost impossible for an opposition not to take that cheap shot. But as we all know the reality is that the ADF are making an assessment of the degree of risk that Australian service personnel will face. Objectively and realistically, no-one would say that the troops serving in East Timor face the same degree of risk as our troops who are currently serving in Iraq or Afghanistan. The government must act on advice that it receives from the ADF, and I think it has acted appropriately in this instance. The opposition in its quieter moments will probably acknowledge that.

I, like many Australians, welcomed the rebirth of the independent nation of East Timor. The brutality of Indonesian rule there—particularly under the dictatorship and not so much since Indonesia became a working democracy—was obvious to anyone who took an interest in the situation. I was in the United Kingdom when the Australian troops led the United Nations force into East Timor and as an Australian I was extraordinarily proud of what they did.
It was an extraordinary commitment from the Australian government and the Australian people to help this new nation find its feet within the international community. I am therefore particularly disappointed that a situation has come to pass such that Australian troops, along with other international troops from Malaysia, New Zealand and Portugal, need to go back into that country to restore order.

As I said, I am extraordinarily proud of the role that our armed forces have played there. Once again, Australians are putting themselves on the line to protect the freedom of others. The ADF are a magnificent body of men and women and they have had an enviable record since Federation of serving the Australian people and protecting not just our freedom but the freedom of many others around the world. That is not always the case for armed forces. The armed forces of some countries are used as tools of repression—but never the Australian armed forces, who are always on the side of freedom and on the side of protecting the weak against the strong.

It is a solemn responsibility when the Australian government commits those troops to an international conflict where there is inevitably danger, but it would have been inconceivable for Australia to walk away from our responsibilities to the people of East Timor in this circumstance. Thus, on 24 May, once the government had received a formal request from the government of East Timor for military assistance, our troops were dispatched to restore security, confidence and peace. That request was very importantly signed by the President, the Prime Minister and the Speaker of the House, which showed that all areas of the East Timorese government welcomed the Australian intervention. We responded by sending a battalion group of approximately 1,300 personnel.

It is worth noting that Australia was in a position to respond so quickly because the government had taken a decision earlier on in May to pre-deploy our forces into a state of readiness where they could respond to any request from the East Timorese. Given that the situation deteriorated so quickly, it was extraordinarily important that Australia was in the position to respond in the way that it did. The fact that the government took that decision in conjunction with the ADF was largely responsible for us being in that position.

Our actions responded to what was a marked deterioration in the security situation in East Timor, particularly in and around the capital, Dili. There was some initial rioting at the end of May, and then there was an outbreak of sustained fighting between elements of the East Timorese military and a breakaway rebel group. Anyone who was watching the situation saw how the violence escalated markedly. The most shocking violence was the massacre of the East Timorese policemen after they had surrendered and were being granted safe passage under the auspices of the United Nations force there.

One of the ADF’s first tasks when it arrived in Dili was to secure the airport and to quickly restore order in the capital. Initially, a force of 150 commandos, supported by Black Hawk helicopters, was dispatched. The second objective was to provide the safe withdrawal of Australian civilians in and around Dili. As of 24 May, over 650 Australian civilians were registered with our mission in East Timor, but it is estimated that there were approximately 800 Australians living there. Other objectives of the ADF included facilitating the evacuation of other foreign nationals as was appropriate and necessary, stabilising the situation and facilitating the concentration of various conflicting groups into safe and secure locations, auditing and accounting for the location of weapons that belonged to each group and creating a secure en-
vironment for the conduct of a successful dialogue to resolve the current crisis. The duration of the support that has been offered by the ADF is going to be the subject of further consultation and negotiation and will depend on the events as they take place on the ground.

The Australian government has a firm view that respect for democracy and the rule of law is crucial to any sustainable resolution of the current situation. We must always remember—and I think this has been forgotten by some people participating in the debate—that ultimately everything that happens in Timor is the responsibility of the East Timorese government. We must never forget that when there are calls for Australia to do more or to act in a certain way we can only do so at the request of the East Timorese government.

Our military involvement in East Timor reflects the belief that Australia, as a very large, peaceful and prosperous country, has a special responsibility to ensure order and peace throughout the region. In that way, these actions are very much in our own interests because we also do not want to live in a region of failed states. That would, of course, create substantial problems for our national interests and, if left unchecked, could be a great danger to Australia. Whether it be East Timor, Papua New Guinea or the Solomon Islands, it is vitally important that all our neighbours accept responsibility for restoring peace and improving governance within their own countries. Reducing corruption and securing a better future for their people will ultimately come not from Australia but from the governance of those autonomous states. We are in East Timor not to fight the government’s battles but to help the government of East Timor to restore its authority. Our troops are under pressure to combine firmness with diplomacy while observing the constraints and sensitivities of national sovereignty. They are succeeding in this and they have the overwhelming support of the local population.

Restoring security, separating the combatants and confiscating their weapons is ultimately not going to resolve all of the problems. Urgent negotiations within the country’s divided political elite as well as the effective maintenance of law and order by East Timor’s own military and police forces will be needed before East Timor is stabilised in any long-term way. I have nothing but admiration for the forces of the ADF who have undertaken this dangerous mission. It is another fine chapter in the history of the Australian military. I know that I speak on behalf of all members of the House when I let them know they have all our hopes for a safe return.

Mr BEVIS (Brisbane) (8.33 pm)—The deployment of Australian forces to East Timor has the firm support of both sides of the Australian parliament. The Australian Labor Party has fully endorsed the deployment that has taken place. It is very much in Australia’s interests that we see a functioning, effective state of East Timor and indeed of other nations in our region. It is important for their wellbeing that they have the opportunity to develop free societies with improved standards of living. It is also important for Australia’s own interests that we live in a region where countries are able to enjoy prosperity and a good standard of living in a free and open society.

For these and many other reasons it is important that we do what we can to assist East Timor. On this occasion, all of the relevant authorities in East Timor, confronted with a very serious civil unrest situation, requested the involvement of Australian troops and the United Nations. The deployment of Australians is a key part of the international effort in East Timor at the moment. At the outset I want to recognise the enormous talents, the professionalism and capability of the Australian defence men and women. We say that often in this place in de-
bates of this kind. A number of us have had the great pleasure of seeing our defence forces in
different roles. Some of us are honoured to have military establishments within our elector-
ates, and I am certainly pleased that one of our largest Army bases is within the electorate of
Brisbane. The people involved are people of the highest calibre. But what strikes me in these
sorts of deployments is the nearly unique capacity Australians have to deal with situations in a
low-key, disarming manner. In areas of civil unrest around the world you see military forces
who are a bit like fish out of water—they may well be trained to conduct a battlefield activity,
a conventional warlike activity in a conventional warlike environment yet often have diffi-
culty coping with the rigours and uniqueness of civil unrest situations. But something in the
Australian nature seems to equip our men and women in the services with a rare talent in that
respect.

We have seen it on display in the last couple of weeks, and we saw it on display in the first
deployment to East Timor a couple of years ago. I well recall the situation where unhappy
crowds, gathered waiting for a food distribution that had not arrived, were getting out of hand.
The scene could very easily have become an ugly, violent situation. It was brought under con-
trol by an Australian Army corporal who decided to get up on the stage and start singing. The
hundreds of people who were getting very angry and upset decided they would start singing
along—and a situation that could have become volatile was immediately disarmed, not by
weapons but by smart thinking and that unique characteristic that Australians seem to have on
display. It is not a new thing; it is not something that has just been acquired by the men and
women of the Defence Force. We have seen it over the years. We saw it when Australian de-
fence forces led the United Nations effort in Cambodia to assist after the terrible atrocities of
the Pol Pot regime. A command that was led by an Australian, General John Sanderson, dis-
played the same degree of effective diplomacy on the streets.

A third example I would cite is the Australian contingent that went to Somalia that, unlike
the other contingents there, particularly the Americans, managed to establish a good rapport
and relationship with the local community. They established schools and had a local police
force and a local judiciary operating. They were respected for their capacity to do those
things. It is a rare talent amongst military men and women around the world. We can look to
plenty of other examples where environments of civil disobedience and civil unrest have not
produced that sort of response from military personnel who, I suspect, in other examples—not
in the Australian examples—tend to see resolution of those problems through normal military
means. They do not work in this sort of environment. Australians are very good in it. That is
one of the reasons I am pleased to see Australia involved significantly in this effort—I think
we can actually make a difference.

I am concerned, though, that our troops are given the resources to do the task and that there
are sufficient people there to undertake the task. It seems to me from the information that is
publicly available that there are insufficient resources presently in East Timor to provide the
level of support that is needed to quell the unrest and to enable the rebuilding to commence—
the confidence rebuilding as well as the material rebuilding. But the first step is to establish
peace and good order so that confidence is re-established. There have been too many reports
of ongoing problems not just in Dili but outside of Dili where that unrest continues.

I think there is a very good case for the international community to be looking at increased
resources. I say the ‘international community’, because I fear that the Australian defence
forces are about as stretched as they can get. I am not sure that the Australian defence forces have great additional capacity to add to the troop numbers that are already in East Timor. But it does, I think, cause us all some worry to see as recently as last week ongoing violence, including against people involved in the political and government processes, in East Timor. Those things should not be happening. We should have international forces there, on the ground, at the request of the authorities of East Timor to maintain order so that those acts of violence—which by some reports are now being targeted at individuals for political reasons—end.

It is not possible to establish law and order—it is certainly not possible to get the political resolution that is the first step on the road to recovery—in East Timor while people who are central to that political recovery are themselves victims of violence. We have not got enough people on the ground. We need more there. I do not think the Australian Defence Force could be asked to stretch itself much thinner than it is at the moment. The Australian government, along with the East Timorese government, should be doing everything it can to seek further assistance from others.

The same problem exists not just with law enforcement and armed forces personnel but also with humanitarian support. Even today there are reports of people who still have no shelter—nowhere to live—in spite of the arrival in the last 24 hours of one of the largest single shipments of humanitarian aid since the crisis occurred. There are far too many people without a place to sleep safely and without the food and clothing they need for basic subsistence.

There does need to be a renewed international effort. Australia has a special responsibility in all of this. We should not simply be content with the effort of our military to be there in significant but, in my view, not sufficient numbers to do the job required. We have an obligation to use our good offices at the United Nations and in a bilateral way with other countries to seek further humanitarian support for East Timor.

I cannot help but take this opportunity to also make some comment about the government’s current position in respect of the serving personnel and whether or not service in East Timor qualifies as warlike service for the benefit of their remuneration. I was surprised when I saw the news that the Minister for Defence and the government had taken the decision that the deployment of Australian troops in East Timor was not warlike and, therefore, the serving personnel would not be receiving the normal additional payments that Australian troops receive on service abroad in warlike situations.

I can remember when the Prime Minister made the announcement—not that long ago—that we were sending troops to East Timor. In that very announcement the Prime Minister said that we should do this, understanding that there may be casualties, that this was a dangerous task these Australian troops were embarking upon. How on earth can the Prime Minister stand before the people of Australia and say that and then tell the very troops that he has just sent to East Timor that they are not in a dangerous environment?

I have to tell you that it does not matter whether it is an Iraqi insurgency bullet or whether it is somebody who is an organised thief or involved in the internal conflict in East Timor who has a knife or a rifle with which to attack an Australian soldier; they have the same effect. What is more, it does not matter whether or not a soldier is actually shot. The fact is that they are living in an environment where that is a real possibility. We have seen on the nightly news regular footage of people in East Timor firing weapons. We have seen houses burnt. We have
seen people killed. That is the environment in which Australian troops are operating. Why have we got Australian troops there and not plain-clothed or uniformed police? Because it is a warlike environment. There is massive civil unrest in East Timor. It is bordering on a civil war.

I am not trying to dramatise the situation in East Timor and make it sound worse than it is, but the simple fact is: people have died, and there have been not just small arm weapons but grenades used in the conflict in the last month. We have sent our Australian soldiers into harm’s way to bring order to that place. The Prime Minister knew that and quite properly alerted the Australian people to the likelihood or possibility that Australian lives could be lost. Now, to my amazement, the government, in a penny-pinching exercise, is saying after the event: ‘Well, they’re not on warlike service.’ The government has got that wrong, and it should get it right. The government should, without any further delay, reverse its position in relation to the remuneration of the Australian troops in East Timor and make sure that they are provided with the same recompense as they would be if they were in a warlike environment, because they are under the same threat of injury or death as they would be if they were in one of many other places that have been classified that way.

It is not just Australian soldiers or defence personnel who we have sent to East Timor; we also have members of the Australian Federal Police there. A lot of the work that needs to be done in East Timor is policing, and Australian police are increasingly undertaking these roles. They have a long history of doing these things in hot spots around the world—in the Middle East and Europe. There are a number of deployments that Federal Police have been involved in over decades. Of course, more recently they have been involved in deployments closer to home, in the Pacific. As with our defence personnel, I am deeply concerned that the government has despatched these people without adequate support. I encourage the minister to provide details to the parliament about the support that has been provided to the Federal Police.

We know that when the Federal Police were sent to the Solomon Islands they were not properly equipped. When the riots occurred in the Solomon Islands the Federal Police were required to deal with them without helmets. The government did not actually send sufficient riot helmets for every officer. Why, I do not know. It was not actually a cost restriction; it just seems to me to be one of those bungles. There were not enough helmets and shields for each of the Federal Police officers sent to the Solomon Islands to protect themselves with. As a result of that, Federal Police in the Solomon Islands were injured. I know for a fact one of those Federal Police officers sustained serious head injuries and had to be evacuated from the Solomon Islands back to Australia because the government had not provided him with a helmet.

I hope this time, in East Timor, they do not make the same mistake. I hope this time there is sufficient protective equipment for all of our Federal Police personnel who have been sent to East Timor so that, if they unhappily find themselves in a similar situation, we will not find injuries or deaths of Australian personnel caused by a lack of support from this government. I invite the minister at some point to make a clear, unequivocal statement to the parliament about the support that has been provided to the AFP, which I hope is better in East Timor than it was in the Solomon Islands.

Mr EDWARDS (Cowan) (8.48 pm)—I want to say firstly that I appreciate the fact that the Prime Minister has agreed to have this matter sent to the Main Committee to enable members
of parliament to express their support for our troops who have been deployed in what has been described by the Prime Minister himself to be a very dangerous deployment. I do not think our troops should ever be deployed in circumstances like these without members of the parliament being given the opportunity to support or not support that deployment. Certainly this matter being before the Main Committee gives us in parliament an opportunity to support our troops and their families and to let our troops know that we appreciate their courage, discipline, professionalism and the initiative required of them for use in such a deployment. I think the government had no option but to commit our troops in the way that it did, and I have no problem with that. However, I must say that I have a problem with the government having declared this to be non-warlike service.

I listened to the member for Stirling, one of the very few government members who have decided to speak in this debate, accuse Robert McClelland, the ALP spokesperson for defence, of nitpicking and of taking a cheap shot in relation to the government’s decision to declare this to be non-warlike service. Firstly, I do not think Robert McClelland, in what he had to say, nitpicked in any way. He supported the government’s decision to commit the troops. He also supported the troops and their families. However, he did say that he felt the government perhaps should have had a higher priority for the security of our region and of our neighbours in this region. I do not think that is nitpicking; I think that is just good, sound commonsense. I wish that the Australian parliament placed greater focus on the immediate security and other needs of our region and the immediate border protection needs of Australia.

In relation to the decision by the government to declare this service non-warlike, I have read and listened to much of the material in the media that has been expressed since that decision was made. I think it was a bad decision, the wrong decision and a decision that has let down our troops and their families. I believe that, right from the word go, we should have made this a warlike service deployment. Perhaps a review could have been held in four, six or eight weeks, if things had stabilised. But initially the Prime Minister got up and spoke about the possibility of casualties and this being a dangerous deployment, which certainly would not have been lost on the troops or their families—and I think that was a very bad decision of the government. Most state jurisdictions have committed police officers to this deployment and I certainly recognise the very professional service of those police officers. I also recognise that, as they have been deployed in the past and as they are being deployed now, police officers may well find themselves deployed to work side by side with Australian troops more often in the future.

I have mentioned that there was a lot of media focus on the decision to brand this service non-warlike. I turn to one article, printed last Sunday in the Western Australian Sunday Times. It was written by Liam Bartlett. I might say that I have had a few blues with him in the past over differences in attitudes to our troops. But, on this occasion, I congratulate Liam Bartlett and wholly support and endorse the comments that he has made. In an article headed ‘Obscene twist to blood money’, he said:

The prize for question of the year goes to an Australian soldier in Dili who, after being told by Defence Minister Brendan Nelson this week that the Aussies’ service was classified as ‘non-warlike’, asked: “Would that change with the death of one of us?”

Apparently, Minister Nelson did not answer the question but flipped it to the CDF. The article goes on to say:
Trying to find an excuse for nonsensical government cost savings is never easy, but Air Chief Marshal Angus Houston blamed the situation on a 1993 cabinet decision. That was an unfortunate choice, because that decision resulted in 630 Defence Force personnel who were sent to Rwanda in 1994-95 also being classified as serving in a non-warlike zone. That was a bad decision at that time, and this is equally a bad decision now. The article goes on to say:

Just three months ago, after 10 years of argument, it was overturned. Veterans Affairs Minister Bruce Billson said the classification was “probably not an accurate account of the threat, hardship and danger that faced ADF personnel”.

So, what’s the difference between Rwanda and East Timor? Dili has seen plenty of machetes on the streets, rebels with guns, refugee camps, looters who like to play with fire, and a high degree of difficulty trying to tell the good guys from the bad.

But that only strengthens the argument that East Timor is a volatile scenario that requires armed soldiers to do dangerous work. The Prime Minister said as much in parliament on May 25: “This is a dangerous mission and a dangerous situation and we must not walk away from the possibility that casualties could be suffered by the forces that will go to East Timor.”

The PM was supported in the House of Representatives on the same day by Minister Nelson, who said, “We know that this is going to be a particularly dangerous mission”, and also by Foreign Minister Alexander Downer, who confirmed the security situation showed “reports of shootings, so there is a good deal of danger there”.

This senior triumvirate of government, by their own admission, sent soldiers to a foreign country that could produce “casualties” and now they want to call it “non-warlike”. Are we really that gullible?

If it was, and is, truly non-warlike, why didn’t these three form a parliamentary delegation and sort it out over a tropical banquet with Messrs Alkitiri, Horta, Gusmao and Reinado?

Perversely enough, Minister Nelson’s trip to inform the soldiers of this belated classification would probably have attracted the usual $300 nightly away-from-home allowance for ministers on parliamentary business—which is double the daily war zone allowance being paid to Aussie soldiers serving in Iraq and Afghanistan.

The effect of the “non-warlike” category takes that payment down to $78.60 a day. So, the Government saves $71.40 a soldier and, with 2,600 in East Timor, that’s a saving of $185,640 for each day this contingent is deployed.

The other thing that really annoyed me was that in the same week that the decision was made on what is non-warlike service, a decision that means that these diggers will receive an amount of around $72 per soldier per day, a decision came through that we as members of the federal parliament would receive additional money for coming to parliament. Our allowance is now $190 per night for being in Canberra. The member for Stirling did not recognise that at all as he set out to criticise what I thought was a very good contribution by Robert McClelland and support the government in its decision to declare this non-warlike service. I really thought that the member for Stirling should have come into this place and shown a bit of support for the service men and women who are deployed up there in East Timor and for their families. I can tell you this: if I had been in the parliament when that decision was made on Rwanda I would not have cared who was in government, I would have damn well ensured that my objections to that appalling decision were listed. I am just sorry that more government
members have not had their say in support of our troops over this appalling decision on non-warlike service.

I want to say that these troops are deployed in a situation where they do not know what dangers they will confront. It makes little difference to a member of the ADF whether they are wounded, injured or killed as a result of mob violence or as a result of some sort of explosive device. I think that it is wrong to make a distinction between whether our troops are deployed in Afghanistan, Iraq or East Timor. They are all at risk. They are all there doing the duty as set out for them by this government. They are all separated from their families. They are all living and operating in extremely dangerous situations. Every day they require an amount of courage, discipline, professionalism and dedication regardless of whether they are in any of those theatres, and I really think that this government has made a bad blue and it has obviously impacted on the morale of the troops. I would call upon the minister to have another look at this decision that he and members of government have made. This is not a decision made by the bureaucracy; this is a decision made by the Howard government and I think that they need to review it.

Having said that, I know that our people up there, our members of the ADF, will do the job well. They will do it proudly in the best traditions of the military. They will do their job regardless of whether they are paid a warlike or non-warlike benefit. But when they come home and look back at that service and when they know that they have done the duty of this government, what will rankle with them will be that they will not be considered eligible for the Australian Active Service Medal and I think that in itself is an issue that these troops in future years will feel. That is another reason I believe that this government should review its decision. Just remember that these troops went off to East Timor under the heading of a dangerous deployment where even the Prime Minister on making that announcement to the parliament said that we could expect that they might take casualties. They are the circumstances in which a deployment should be termed warlike and I think that this government should meet its responsibility to these troops. I support the comments made by both of the previous speakers from the ALP. I think that they have summed up the arguments. They have summed up our support for the commitment and for the troops and I simply hope that the government might listen to the things that have been said in this committee tonight.

Main Committee adjourned at 9.04 pm
Commonwealth Funded Programs
(Question No. 2266)

Ms Grierson asked the Minister for Veterans’ Affairs, in writing, on 6 September 2005:

(1) Does the department or any agency in the Minister’s portfolio administer any Commonwealth funded programs for which community organisations, businesses or individuals in the electoral division of Newcastle can apply for funding; if so, what are the details.

(2) Are the programs identified in part (1) advertised; if so, in respect of each program (a) what print and other media outlets have been used to advertise it and (b) were these paid advertisements.

(3) In respect of each of the Commonwealth funded programs referred to in part (1), (a) what is its purpose and (b) who is responsible for allocating funds.

(4) With respect to each of the Commonwealth funded programs referred to in part (1), how many (a) community organisations, (b) businesses and (c) individuals in the electoral division of Newcastle received funding in (i) 2003-2004 and (ii) 2004-2005.

(5) What sum of Commonwealth funding did each recipient receive in (a) 2003-2004 and (b) 2004-2005 and what are their names and addresses.

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

(1) Yes.

Long Tan Bursary – The Bursary is administered by the Australian Veterans Children Assistance Trust (AVCAT) on behalf of the Department of Veterans’ Affairs (DVA). Thirty Bursaries are awarded each year across Australia. Each Bursary is valued at $6,000 and may be taken over one or two years.

Veteran & Community (V&C) Grants – DVA administers Veteran & Community Grants. To be eligible for a V&C Grant, applicants must be an ex-service organisation, veteran representative group, community based organisation or private organisation that can demonstrate the ability to contribute to the welfare of members for the veteran community through the proposed project. Individuals are not eligible for funding under this program.

Building Excellence in Support and Training (BEST) grants program - for which Ex Service Organisations can apply for funding. Applications for 2006-2007 BEST funding will be accepted in the 15 January - 28 February 2006 period.

Saluting Their Service Commemorations program - The aim of the program is to highlight the sacrifice and service of those who have served in wars, conflicts and peace operations in which Australia has been involved since Federation, and to promote appreciation and understanding of the role that those who served have played in shaping the nation.

Grant-in-Aid (GIA) program – The aim of the program is to assist national ex-service organisations with their administration costs in recognition of the services that these organisations provide to the ex-service community.

(2) Yes.

(a) Long Tan Bursary – A Ministerial media release is issued on 18 August of each year (anniversary of the Battle of Long Tan) announcing that the Bursary is available and applications are invited to be submitted by 31 October. AVCAT issues brochures and information packs to secondary schools and the Bursary is advertised through State Veteran Children Education Scheme offices.
V&C Grants – V&C Grants are not advertised in the commercial media. However, V&C Grants are promoted by:
- targeted articles in ex-service organisation (ESO) and DVA publications;
- DVA staff attending ESO and community network meetings;
- dissemination of information to ex-service and targeted community organisations;
- the Grantslink website, a government website that has a direct link to the V&C Grants site on DVA’s website; and
- DVA’s website. All details, including an application form, guidelines, contact details and an information sheet are available.
- A booklet, Grants for Independence, that showcases projects funded by V&C Grants, was also widely distributed between 2002 and 2004.

BEST is promoted on the Department of Veterans’ Affairs’ Internet site and in the Department’s VetAffairs newsletter. BEST is also publicised in a number of Ex-Service organisation newsletters.

Saluting Their Service program is advertised in the Australian Local Government Yearbook.

GIA program - Advertising of the GIA program is limited to the Department’s website.

(b) There has been no paid advertisements for Long Tan Bursary, V&C Grants, BEST and GIA grants. Saluting Their Service advertisement are paid advertisements.

<table>
<thead>
<tr>
<th>(a) Grant Program</th>
<th>(b) Responsible for allocating funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Tan Bursary – The Bursary has been established to help eligible children of Vietnam veterans make the transition from secondary to tertiary education, so that they can work towards the formal qualifications and skills needed to pursue their chosen career. Each year Bursaries are awarded to successful applicants from each State and Territory.</td>
<td>AVCAT through a competitive selection process provide a short list of recommended applicants to the Repatriation Commission in late February of each year. The Repatriation Commission then considers each applicant.</td>
</tr>
<tr>
<td>V&amp;C Grants – V&amp;C Grants provide funds for projects that support a healthy, quality lifestyle for members of the veteran community and assist them to remain living independently in their own homes. The wider community can also participate in and benefit from projects.</td>
<td>The Minister for Veterans’ Affairs is responsible for approving the allocation of funds on the recommendations of the Department.</td>
</tr>
<tr>
<td>The purpose of the BEST program is to provide support and resources to ESO practitioners for pension and welfare work to assist the veteran and service community.</td>
<td>The Minister for Veterans’ Affairs is responsible for approving the allocation of funds on the recommendations of the Department.</td>
</tr>
</tbody>
</table>
(a) Grant Program

Saluting Their Service provides funding towards the restoration, preservation, upgrading and construction of community war memorials; the restoration, preservation and interpretation of Australian wartime memorabilia for public display; commemoration of significant wartime anniversaries; unit wartime histories, where none exists; school initiatives such as projects involving local veterans; and significant unit reunions.

The aim of the GIA program is to assist national ex-service organisations with their administration costs in recognition of the services that these organisations provide to the ex-service community.

(b) Responsible for allocating funds

The Minister for Veterans’ Affairs is responsible for approving applications for grants after considering recommendations of the Commemorations Grants Advisory Committee.

The Minister for Veterans’ Affairs is responsible for approving the allocation of funds on the recommendations of the Department.

<table>
<thead>
<tr>
<th>Year</th>
<th>Program</th>
<th>Community</th>
<th>Business</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>Long Tan Bursary</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>V&amp;C Grants</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>BEST</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Saluting Their Service</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>GIA</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Program</th>
<th>Community</th>
<th>Business</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>Long Tan Bursary</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>V&amp;C Grants</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>BEST</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Saluting Their Service</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>GIA</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Program</th>
<th>Recipient</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>Long Tan Bursary</td>
<td>Not applicable</td>
<td>Novacare Incorporated Newcastle</td>
</tr>
<tr>
<td></td>
<td>V&amp;C Grants</td>
<td>$9 781</td>
<td>PO Box 650 The Junction NSW 2991</td>
</tr>
<tr>
<td></td>
<td>$4 085</td>
<td>Newcastle District Council of RSL Sub-branches</td>
<td>8 Parkview Street Georgetown NSW 2298</td>
</tr>
<tr>
<td></td>
<td>$8 161</td>
<td>RSL Merewether Sub-branch</td>
<td>Llewellyn Street Merewether NSW 2291</td>
</tr>
<tr>
<td></td>
<td>BEST</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td></td>
<td>Saluting Their Service</td>
<td>$3 000</td>
<td>Battle for Australia Commemoration Committee</td>
</tr>
<tr>
<td></td>
<td>$3 000</td>
<td>51 Moruya Parade Kotara South NSW 2289</td>
<td></td>
</tr>
</tbody>
</table>
Ms Hoare asked the Minister for Employment and Workplace Relations, in writing, on 13 October 2005:

(1) Does the Minister’s department administer any Commonwealth funded programs to which community organisations, businesses or individuals in the electoral division of Charlton can apply for funding; if so, what are the programs.

(2) Does the Minister’s department advertise these funding opportunities; if so, (a) what print or other media outlets have been used for the advertising of each of these programs, and (b) were these paid advertisements, if so, what were the costs of each advertisement.

(3) In respect of each of the Commonwealth funded programs referred to in part (1), (a) what is its purpose and (b) who is responsible for allocating funds.

(4) In respect of each of the Commonwealth funded programs referred to in part (1), how many (a) community organisations, (b) businesses, and (c) individuals in the electoral division of Charlton received funding in (i) 2003, and (ii) 2004 and what was the name and address of each recipient.

### Commonwealth Funded Programs

(Question No. 2505)

<table>
<thead>
<tr>
<th>Program</th>
<th>Recipient</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Tan Bursary</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>V&amp;C Grants</td>
<td>Newcastle and Hunter Region Vietnam Veterans</td>
<td>Station Street Wickham NSW 2293</td>
</tr>
<tr>
<td></td>
<td>District Council of RSL Sub-branches</td>
<td>8 Parkview Street Georgetown NSW 2298</td>
</tr>
<tr>
<td>BEST</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Saluting Their Service</td>
<td>Newcastle District Council of RSL Sub-branches</td>
<td>8 Parkview Street Georgetown NSW 2298</td>
</tr>
<tr>
<td></td>
<td>Lambton New-Lambton RSL Sub-branch</td>
<td>297 Lambton Road New Lambton NSW 2305</td>
</tr>
<tr>
<td></td>
<td>Islington RSL Sub-branch</td>
<td>14 St James Road New Lambton NSW 2305</td>
</tr>
<tr>
<td></td>
<td>Newcastle Ex-Prisoner of War Benevolent Fund</td>
<td>118 Mitchell Street Merewether NSW 2291</td>
</tr>
<tr>
<td></td>
<td>Newcastle Branch</td>
<td>118 Mitchell Street Merewether NSW 2291</td>
</tr>
<tr>
<td>GIA</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Nil</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

### Questions in Writing

Tuesday, 13 June 2006
Mr Andrews—The answer to the honourable member’s question is as follows:
The requested information is not readily ascertainable and it would involve an unreasonable diversion of the Department’s resources to provide such information.

Legal Services
(Question No. 2693)
Ms Roxon asked the Treasurer, in writing, on 28 November 2005:
(1) What sum did the Minister’s department spend during 2004-2005 on external
   (a) barristers and
   (b) solicitors (including private firms, the Australian Government Solicitor and any others).
(2) What sum did the Minister’s department spend on internal legal services.
(3) What is the Minister’s department’s projected expenditure on legal services for 2005-2006.

Mr Costello—The answer to the honourable member’s question is as follows:
(1) The following amounts were spent by the Treasury during 2004-05 on external barristers and solicitors:
   (a) barristers: This information is not readily available – barristers are engaged through the Australian Government Solicitor and/or private firms – as a result, these costs are included in the expenditure relating to solicitors (see below); and
   (b) solicitors: Private firms and the Australian Government Solicitor: $1,382,570 (GST exclusive).
(2) Nil – Treasury had no expenditure on internal legal services during 2004-05.
(3) Treasury’s budgeted (projected) expenditure on legal services for the 2005-2006 financial year is $1,338,000 (GST exclusive).

Legal Services
(Question No. 2699)
Ms Roxon asked the Minister representing the Minister for Finance and Administration, in writing, on 28 November 2005:
(1) What sum did the Minister’s department spend during 2004-2005 on outsourced (a) barristers, and
   (b) solicitors (including private firms, the Australian Government Solicitor and any others).
(2) What sum did the Minister’s department spend on internal legal services.
(3) What is Minister’s department’s projected expenditure on legal services for 2005-2006.

Mr Costello—The Minister for Finance and Administration has supplied the following answer to the honourable member’s question:
(1) The Department of Finance and Administration (Finance) spent $3,459,571 (GST exclusive) on outsourced legal expenditure during the 2004-2005 financial year. As Finance does not directly engage members of the Bar, Barrister’s costs are a disbursement associated with the cost of engaging solicitors. Accordingly, Finance records do not distinguish between ‘barristers’ and ‘solicitors’ outsourced spending. Obtaining this information would involve manually going through each invoice received, which would be an unreasonable diversion of resources.
(2) The total amount spent on internal legal services in the 2004-2005 financial year was $1,630,317 (GST exclusive).
(3) Projected forecasted expenditure on legal services for the 2005-2006 financial year is as follows:
   (a) Internal – $2,003,824 (GST exclusive)
   (b) External – $1,585,417 (GST exclusive)

Legal Services
(Question No. 2702)

Ms Roxon asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 28 November 2005:

(1) What sum did the Minister’s department spend during 2004-2005 on external (a) barristers and (b) solicitors (including private firms, the Australian Government Solicitor and any others).

(2) What sum did the Minister’s department spend on internal legal services.

(3) What is the Minister’s department’s projected expenditure on legal services for 2005-2006.

Mr Brough—The answer to the honourable member’s question is as follows:
The Department of Families, Community Services and Indigenous Affairs expended $2,876,964, including disbursements but excluding GST on external legal services in 2004-05. No separate record is kept of expenditure for barristers or solicitors. $2,443,139 including overheads but excluding GST was expended on internal legal services in 2004-2005. The department expects to spend $4,301,072 including overheads but excluding GST on all legal services in 2005-06.

Communications, Information Technology and the Arts: Staffing
(Question No. 2738)

Ms Macklin asked the Minister for Communications, Information Technology and the Arts, in writing, on 29 November 2005:

(1) For the department and each agency in the Minister’s portfolio, what was the total staffing level in (a) 2001, (b) 2002, (c) 2003, (d) 2004, and (e) 2005.

(2) For the department and each agency in the Minister’s portfolio for (a) 2001, (b) 2002, (c) 2003, (d) 2004, and (e) 2005 how many New Apprentices (i) had commenced and (ii) were employed.

(3) How many of the New Apprenticeships referred to in part (2) were traditional apprenticeships (as defined by the National Centre for Vocational Education Research as an apprenticeship in an occupation in Australian Standard Classification of Occupations Group 4 – Tradespersons and Related Workers – at AQF level 3 or above with an expected duration of more than 2 years full time).

(4) How many traditional apprenticeships does the department and each agency in the Minister’s portfolio intend to offer to commence in 2006.

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

(1) The answers for the Department and each agency within the portfolio (in its current structure), are as follows:

Department of Communications, Information Technology and the Arts

(1) Total staffing levels as at 30 June of each financial year can be found in the Department’s Annual Reports (except for 2005/06). See the page references below (prior to 03-04 please note that these figures include the former Departmental agencies, Screensound and the National Science and Technology Centre).

<table>
<thead>
<tr>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06 (to end February 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>p115</td>
<td>p157</td>
<td>p169</td>
<td>p194</td>
<td>p239</td>
<td>864</td>
</tr>
</tbody>
</table>

(2) Nil.
Telstra
(1) Telstra’s employment levels for each of the year’s nominated are outlined in Telstra’s annual reports. These reports are available at http://www.telstra.com.au/abouttelstra/investor/annual_reports.cfm

(2)

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Number of New Apprentices Commenced</th>
<th>Number of New Apprentices Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2001/02</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2002/03</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2003/04</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2004/05</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(3) Not applicable - see answer to (2) above.

(4) Nil.

Australia Post
(1) Total staffing levels as at 30 June of each financial year can be found in Australia Post’s Annual Reports (except for 2005/06). See page references below.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Number of New Apprentices Commenced</th>
<th>Number of New Apprentices Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2001/02</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2002/03</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2003/04</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2004/05</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>10</td>
<td>-</td>
</tr>
</tbody>
</table>

(3) The 10 apprenticeships referred to in part (2) are traditional, as defined in the question, with duration of more than 2 years full-time.

(4) Australia Post will offer a further four apprenticeships in 2005/2006.

Australian Communications and Media Authority (ACMA)
(1) As ACMA only commenced on 1 July 2005 there are no previous year’s staffing figures.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Number of New Apprentices Commenced</th>
<th>Number of New Apprentices Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005/06 (to end February 2006)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(2) Nil.

(3) Nil.

(4) Nil.
Australian Broadcasting Corporation (ABC)

1. Total staffing levels as at 30 June of each financial year can be found in the ABC’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Staffing Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>166</td>
</tr>
<tr>
<td>2001/02</td>
<td>156</td>
</tr>
<tr>
<td>2002/03</td>
<td>186</td>
</tr>
<tr>
<td>2003/04</td>
<td>166</td>
</tr>
<tr>
<td>2004/05</td>
<td>185</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>4,254</td>
</tr>
</tbody>
</table>

2. Financial Year

<table>
<thead>
<tr>
<th>Year</th>
<th>New Apprentices Commenced</th>
<th>New Apprentices Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>2001/02</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>2002/03</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>2003/04</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>2004/05</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

3. Nil (Note, occupations were not recorded for all New Apprentices).

4. The ABC has no set targets for employment of New Apprentices in 2005/06.

Special Broadcasting Service (SBS)

1. Total staffing levels as at 30 June of each financial year can be found in SBS’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Staffing Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>95</td>
</tr>
<tr>
<td>2001/02</td>
<td>53</td>
</tr>
<tr>
<td>2002/03</td>
<td>64</td>
</tr>
<tr>
<td>2003/04</td>
<td>54</td>
</tr>
<tr>
<td>2004/05</td>
<td>61</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>884</td>
</tr>
</tbody>
</table>

2. Nil.

3. Nil.

4. Nil.

NetAlert

1. NetAlert does issue annual reports but it does not include specific details of number of employees. The details of staffing levels for each calendar year is as follows.

<table>
<thead>
<tr>
<th>Year</th>
<th>Staffing Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>3 full-time</td>
</tr>
<tr>
<td>2002</td>
<td>3 full-time</td>
</tr>
<tr>
<td>2003</td>
<td>3 full-time</td>
</tr>
<tr>
<td>2004</td>
<td>3 full-time</td>
</tr>
<tr>
<td>2005</td>
<td>6 full time</td>
</tr>
</tbody>
</table>

2. Nil.

3. Nil.

4. Nil.

Australian Sports Anti-Doping Authority (formerly the Australian Sports and Drug Agency)

1. Total staffing levels as at 30 June of each financial year can be found in the Authority’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Staffing Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>44</td>
</tr>
<tr>
<td>2001/02</td>
<td>23</td>
</tr>
<tr>
<td>2002/03</td>
<td>40</td>
</tr>
<tr>
<td>2003/04</td>
<td>58</td>
</tr>
<tr>
<td>2004/05</td>
<td>59</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>52.16</td>
</tr>
</tbody>
</table>

2. Nil.

3. Nil.

4. Nil (up to February 2006).
**Australian Sports Commission**

(1) Total staffing levels as at 30 June of each financial year can be found in the Australian Sports Commission’s Annual Reports (except for 2005/06). Please see the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of New Apprentices Commenced</th>
<th>Number of New Apprentices Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2001/02</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2002/03</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2003/04</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2004/05</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

(2) All of the apprenticeships referred to in part (2) are traditional apprenticeships as defined by the National Centre for Vocational Education Research.

(3) The Australian Sports Commission does not intend to offer any traditional apprenticeships in 2006 unless one of the current apprentices employed by the Commission resigns.

**Australian Film Television and Radio School**

(1) Total staffing levels as at 30 June of each financial year can be found in the Australian Film Television and Radio School’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of New Apprentices Commenced</th>
<th>Number of New Apprentices Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2001/02</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2002/03</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2003/04</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2004/05</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

(2) Nil.

(3) Nil.

(4) Nil.

**Australian Film Commission (AFC)**

(1) Total staffing levels as at 30 June of each financial year can be found in AFC’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of New Apprentices Commenced</th>
<th>Number of New Apprentices Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2001/02</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2002/03</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2003/04</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2004/05</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

(2) Nil.

(3) Nil.

(4) Nil.

Note: Figures prior to 2003-2004 do not include the then ScreenSound Australia (now the National Film and Sound Archive) which was integrated with the AFC on 1 July 2003.

**Film Finance Corporation Australia Limited (FFC)**

(1) Total staffing levels as at 30 June of each financial year can be found in FFC’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of New Apprentices Commenced</th>
<th>Number of New Apprentices Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2001/02</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2002/03</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2003/04</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2004/05</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

(2) Nil.

(3) Nil.

(4) Nil.

QUESTIONS IN WRITING
Film Australia Ltd

(1) Total staffing levels as at 30 June of each financial year can be found in the Film Australia’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06 (to end February 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>p33</td>
<td>p33</td>
<td>p33</td>
<td>p31</td>
<td>p31</td>
<td>52.8</td>
<td></td>
</tr>
</tbody>
</table>

(2) Nil.

(3) Nil.

(4) Nil.

Australian Business Arts Foundation

(1) Total staffing levels:

<table>
<thead>
<tr>
<th>Year</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06 (to end February 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>p59</td>
<td>p68</td>
<td>p96</td>
<td>p81</td>
<td>p81</td>
<td>309</td>
<td></td>
</tr>
</tbody>
</table>

(2) Nil.

(3) Nil.

(4) Nil.

Note: The figures given are actual staff numbers rather than page references to an annual report. AbaF is not required to produce an annual report.

National Museum of Australia (NMA)

(1) Total staffing levels as at 30 June of each financial year can be found in NMA’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06 (to end February 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>p40</td>
<td>p42</td>
<td>p41</td>
<td>p43</td>
<td>p42</td>
<td>10 full time (including 1 trainee), 6 part time, and 5 casual employees</td>
<td></td>
</tr>
</tbody>
</table>

(2) Nil.

(3) Nil.

(4) Nil.

Bundanon Trust

(1) Total staffing levels as at 30 June of each financial year can be found in Bundanon Trust’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Year</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06 (to end February 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td>p40</td>
<td>p42</td>
<td>p41</td>
<td>p43</td>
<td>p42</td>
<td>10 full time (including 1 trainee), 6 part time, and 5 casual employees</td>
<td></td>
</tr>
</tbody>
</table>

(2) Financial Year  | Number of New Apprentices Commenced | Number of New Apprentices Employed |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2001/02</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2002/03</td>
<td>One</td>
<td>One</td>
</tr>
<tr>
<td>2003/04</td>
<td>Nil</td>
<td>One</td>
</tr>
<tr>
<td>2004/05</td>
<td>Nil</td>
<td>One</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(3) One traditional apprenticeship.

QUESTIONS IN WRITING
(4) In 2005/06 there will be no traditional apprenticeship.

**National Archives of Australia (NAA)**

(1) Average staffing levels of each financial year can be found in NAA's Annual Reports (except for 2005/06). See the page references below:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06 (total as at end February 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>p96</td>
<td>p105</td>
<td>p112</td>
<td>p421</td>
<td>p79</td>
<td>445</td>
</tr>
</tbody>
</table>

(2) Nil.
(3) Nil.
(4) Nil.

**National Gallery of Australia (NGA)**

(1) Total staffing levels as at 30 June of each financial year can be found in NGA's Annual Reports (except for 2005/06). See the page references below:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06 (to end February 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>p65</td>
<td>p46</td>
<td>p59</td>
<td>p62</td>
<td>p49</td>
<td>236.73</td>
</tr>
</tbody>
</table>

(2) Financial Year | Number of New Apprentices Commenced | Number of New Apprentices Employed
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>Nil</td>
<td>1</td>
</tr>
<tr>
<td>2001/02</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2002/03</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2003/04</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2004/05</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

(3) 1.
(4) Nil.

**National Library of Australia (NLA)**

(1) Total staffing levels as at 30 June of each financial year can be found in NLA's Annual Reports (except for 2005/06). See the page references below:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06 (to end February 2006)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>p52</td>
<td>p99</td>
<td>p104</td>
<td>p111</td>
<td>p112</td>
<td>469</td>
</tr>
</tbody>
</table>

(2) Financial Year | Number of New Apprentices Commenced (note: the answer refers to existing employees who commenced New Apprenticeships) | Number of New Apprentices Employed (note: the answer refers to new employees who have been taken on as New Apprentices)
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2001/02</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2002/03</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>2003/04</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>2004/05</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

(3) 1.
(4) In 2005/06 the NLA does not intend to offer any traditional apprenticeships.

QUESTIONS IN WRITING
Australian National Maritime Museum (ANMM)

(1) Total staffing levels as at 30 June of each financial year can be found in ANMM’s Annual Reports (except for 2005/06). See the page references below.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total Number of Apprentices Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>99.4</td>
</tr>
<tr>
<td>2001/02</td>
<td>99.4</td>
</tr>
<tr>
<td>2002/03</td>
<td>99.4</td>
</tr>
<tr>
<td>2003/04</td>
<td>99.4</td>
</tr>
<tr>
<td>2004/05</td>
<td>99.4</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>99.4</td>
</tr>
</tbody>
</table>

(2) Financial Year  | Number of New Apprentices Commenced | Total Number of Apprentices Employed |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2001/02</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2002/03</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>2003/04</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>2004/05</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Note: The apprentices are employed by the Hunter Valley Training Company. The ANMM reimburses the Hunter Valley Training Company for the apprentices’ wages.

(3) 12.
(4) 2.

Australia Council for the Arts

(1) Total staffing levels as at 30 June of each financial year can be found in the Australia Council for the Arts’s Annual Reports (except for 2005/06).

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000/01</td>
<td>149</td>
</tr>
<tr>
<td>2001/02</td>
<td>126</td>
</tr>
<tr>
<td>2002/03</td>
<td>17</td>
</tr>
<tr>
<td>2003/04</td>
<td>18</td>
</tr>
<tr>
<td>2004/05</td>
<td>7</td>
</tr>
<tr>
<td>2005/06 (to end Feb 2006)</td>
<td>144 staff</td>
</tr>
</tbody>
</table>

(2) Nil.
(3) Nil.
(4) Nil.

Productivity Commission

(Question No. 3113)

Mr Fitzgibbon asked the Treasurer, in writing, on 27 February 2006:

(1) Will he explain why the Productivity Commission does not have a formal role in the competition policy regime announced by COAG in February 2006.

(2) Will he explain why the Productivity Commission is not involved in modelling the economic impacts of reforms that could then be used to determine the value of fiscal benefits that flow from the reform.

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

(1) I note that the Council of Australian Governments’ (COAG) review of National Competition Policy (NCP) drew on the findings and recommendations of the Productivity Commission inquiry report on the Review of National Competition Policy Reforms. The Productivity Commission report found that the implementation of NCP has brought substantial benefits to the Australian community, including regional Australia, which overall have greatly outweighed the costs. It indicated that observed productivity and price changes in key infrastructure sectors in the 1990s—to which NCP and related reforms have directly contributed—have permanently increased Australia’s GDP by 2.5 per cent, or $20 billion. The competition stream of the National Reform Agenda will build on the success of the past decade of NCP reforms.
The communiqué from the 10 February 2006 COAG meeting highlights the inter-governmental nature of the new National Reform Agenda and outlines a number of areas in which the Productivity Commission will conduct reviews to continue to inform the future agenda.

(2) The Productivity Commission is modelling the economic impacts of reforms under the National Reform Agenda and is expected to report to COAG by the end of this year.

**Fuels Sales Grants Scheme**

(Question No. 3241)

Mr Tanner asked the Treasurer, in writing, on 28 March 2006:

What is the projected expenditure for the Fuels Sales Grants Scheme for (a) 2005-2006, (b) 2006-07, and (c) 2007-08.

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

For information on the Fuel Sales Grants Scheme, the honourable member should refer to page 93 of Securing Australia’s Energy Future and the announcement made on 22 January 2004 by the then Deputy Prime Minister, John Anderson.

**Australian HomeGrown Campaign**

(Question No. 3243)

Mr Tanner asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 28 March 2005:


2. What is the projected expenditure for the Australian HomeGrown campaign for (a) 2006-2007 and (b) 2007-2008.

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

1. Expenditure for the period July 2005 to April 2006 has been $190,000, with $350,000 of budget remaining in 2005-2006.

2. (a) $2.460 million is budgeted for 2006-2007. (b) There is no projected expenditure for 2007-2008.

**Foreign Aid**

(Question No. 3458)

Mr Murphy asked the Minister for Foreign Affairs, in writing, on 9 May 2006:

1. Has he read the article in Light magazine (February – April 2006) titled ‘Condemned To Death By Sharia’ about the life story of pre-eminent convert from Islam to Christianity and International Director of the world renowned Barnabas Fund, Reverend Doctor Patrick Sookhdeo.

2. Can he confirm the report by Reverend Doctor Sookhdeo in the article who said that “Australia and many other countries rushed to help the people of Aceh with food, water and housing…but the Muslim Authorities (which introduced Sharia law in 2003) have directed all aid – even from Christian organisations – to Muslim families. None of it is reaching the Christians. They are absolutely destitute. This could become another genocide, as is Sudan”.

3. What diplomatic or other action is he taking to ensure that the Acenese local authorities are distributing the aid given by Australians and other nations to all persons who are victims of the tsunami, irrespective of their religious beliefs.

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

1. Yes.
(2) The Australian Government’s approach to delivery and allocation of assistance is non-discriminatory. A number of faith-based organisations have received support, including various NGOs in Aceh such as ‘World Vision’ and ‘Youth Off The Streets’.

(3) AusAID has staff posted in Aceh to ensure Australian assistance is delivered to those most in need on a non-discriminatory basis.

China

Mr Danby—asked the Minister for Foreign Affairs, in writing, on 9 May 2006:

(1) Is he aware of the case of the (a) Chinese journalist, Shi Tao, imprisoned for ten years for “providing state secrets to foreign entities”, namely passing details of a censorship order to the Asia Democracy Forum and the website Democracy News and (b) Chinese public servant, Li Zhi, imprisoned for eight years for criticising corrupt local officials in an online discussion group.

(2) Is he aware that the Chinese authorities were able to arrest these people only because their names and email account details were provided to the authorities by the Yahoo! Holdings internet company, as demonstrated by court documents obtained by Reporters sans Frontières.

(3) Is he aware of reports by Amnesty International, Reporters sans Frontières and other groups of dozens of cases of Chinese citizens being arrested and imprisoned for trying to access politically sensitive websites or expressing independent opinions in emails or internet chat rooms.

(4) What steps has he taken to express Australia’s condemnation of this persecution of independent thought and free expression in China which violates rights guaranteed in the Chinese Constitution.

(5) What steps has he taken to convey to Yahoo!, and other internet companies such as Google and Microsoft, Australia’s condemnation of their collaboration with the Chinese security services to locate and arrest Chinese citizens who have expressed independent opinions in private emails.

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

(1) (a) Yes
(b) Yes

(2) I am aware of reports that Yahoo! provided personal details to Chinese authorities that contributed to Mr Shi and Mr Li’s arrest.

(3) Yes

(4) The Australian delegation to the last round of the Australia-China Human Rights Dialogue (June 2005) called on China to guarantee freedom of expression and freedom of information, including media freedom. The delegation urged China to cease holding individuals for expressing political views. I also raised Australia’s concerns about media freedom in China with the Chinese Foreign Minister during his visit to Australia from 1 to 4 April, and with the Minister of the State Council Information Office on 12 April.

(5) The Australian Government has not raised these issues with internet companies.

China

Mr Danby—asked the Minister for Foreign Affairs, in writing, on 9 May 2006:

(1) Is he aware of the case of Chinese AIDS activist, Hu Jia, who disappeared from his home in Beijing on 16 February 2006 and was not seen again until his release on 29 March 2006.

(2) Can he confirm that Mr Hu was physically and mentally abused during his time in custody including being interrogated for 41 hours continuously and being returned “weak and possibly suffering
(3) Is he aware that Ms Zeng filed several missing person’s reports with local and municipal police officials after Mr Hu went missing and that these authorities repeatedly denied knowing where he was.

(4) What steps has he taken to convey to the Chinese authorities Australia’s condemnation of such arbitrary and illegal detention of Chinese citizens.

(5) Will he raise the case of Mr Hu at the next meeting of the Australia-China Human Rights Dialogue.

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

(1) Yes.

(2) I am aware of media reports about Mr Hu’s treatment in custody but I cannot confirm the allegations made by Mr Hu’s wife.

(3) I am aware of media reports to this effect.

(4) At our bilateral human rights dialogue on 27 June 2005, Australia raised concerns with China on the detention of political prisoners and holding of individuals for expressing political views. The human rights delegation also raised specific concerns about discrimination against HIV/AIDS activists with then Chinese Assistant Minister of Foreign Affairs, Mr Shen Guofang, and his accompanying delegation.

(5) We will decide closer to the time of the dialogue which cases we will raise. Each year we raise a range of individual cases of concern.

Forest Products
(Question No. 3470)

Mr Melham asked the Minister for Trade, in writing, on 9 May 2006:
What information does his department have on the (a) quantity, (b) price, and (c) destination of forest products exported from states and territories in the Pacific Ocean.

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

My Department has no information on this matter beyond that available in published public sources.

Foreign Aid
(Question No. 3475)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 9 May 2006:

(1) What proportion of its Gross Domestic Product does (a) the United Kingdom, (b) France, (c) Spain, (d) Ireland, and (e) Australia spend on foreign aid.

(2) Has (a) the United Kingdom, (b) France, (c) Spain, and (d) Ireland announced a commitment to increase its aid budget between now and (i) 2010, and (ii) 2015; if so, by what sum and proportion of its existing aid budget.

(3) Has Australia announced an intention to increase its aid budget over the same periods; if so, how does Australia’s intentions compare with (a) the United Kingdom and (b) France, (c) Spain, and (d) Ireland.

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

(1) Using OECD Development Assistance Committee (DAC) Secretariat sources, expenditure on foreign aid is reported as a proportion of Gross National Income (GNI). The proportion of GNI spent on foreign aid for the respective countries in 2005 is as follows:

(a) the United Kingdom: 0.48
Public announcements about increases in aid expenditure are often expressed in terms of proportions, rather than as actual amounts, as it can be difficult to accurately predict actual volumes which will also depend on future actual GNI growth.

At the UN Summit on 13 September 2005, the Prime Minister announced Australia’s intention to double its official aid expenditure to about $A4 billion a year by 2010. Australia has not announced any intentions beyond 2010 with respect to the aid budget.

The United Kingdom has announced a timetable to reach an ODA/GNI ratio of 0.7 percent of GNI by 2013. France, Spain and Ireland are aiming for an ODA/GNI ratio of 0.7 per cent by 2012.

Syria

**Mr Bowen** asked the Minister for Foreign Affairs, in writing, on 10 May 2006:

(1) Is he aware of the case of Yacoub Hanna Shamoun, who has been imprisoned in Syria for 21 years for failure to comply with Syrian national service requirements, with no formal charge having been laid, and no access to legal representation.

(2) Has he made representations to the Syrian Government seeking the release of Mr Shamoun; if not, will he consider doing so.

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

(1) Yes.

(2) Our Embassy in Cairo (accredited to Syria) is currently investigating further the case of Mr Shamoun with a view to determining whether representations are appropriate.

Iraq

**Mr Bowen** asked the Minister for Foreign Affairs, in writing, on 10 May 2006:

(1) Is he aware of the October 2005 Report by the UNHCR titled ‘Background Information on the Situation of Non-Muslim Religious Minorities in Iraq’.

(2) Does he accept the findings of the UNHCR that (a) “the situation of members of non-Muslim religious communities has been noticeably aggravated since the invasion of Coalition forces and the consequent fall of the former regime in March/April 2003” and (b) “there are reports from almost all parts of the country about assaults and attacks against Christian individuals and facilities”.

(3) Is he making representations on the safety of Assyrian Christians in Iraq; if so, what are the details.

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

(1) Yes.

(2) The security situation remains difficult for all Iraqis. The rights of all minorities are protected under the National Constitution, which was approved by referendum on 15 October 2005. Iraq’s new government faces many challenges in restoring stability and the rule of law but there have been many encouraging steps including Prime Minister Nuri al-Maliki’s recent appointment of a Minister of Human Rights in his Cabinet and the establishment of a parliamentary Committee for Human Rights.

(3) The Government continues to monitor the situation of minority groups in Iraq and will make representations as appropriate regarding the need to protect the rights of these groups.

QUESTIONS IN WRITING
Live Animal Exports
(Question No. 3484)

Mr Murphy asked the Minister for Trade, in writing, on 10 May 2006:
When will the Government ban live animal exports?

Mr Vaile—The answer to the honourable member’s question is as follows:
The Australian Government is not intending to ban live animal exports.
Australia, like all members of the World Organisation for Animal Health (the OIE), is working to ensure
animals are treated humanely and is determined to do its part to eliminate cruelty to animals. The Aus-
tralian government and livestock export industry take animal welfare issues very seriously and have
been working with countries in the Middle East to support efforts to improve animal handling and fa-
cilities, from offloading at the port until the point of slaughter.
The Australian Government has already signed (with Saudi Arabia, Kuwait, Eritrea, Jordan and the
UAE), or is currently negotiating (with Qatar, Oman, Bahrain, Egypt, Israel and Iran) Memoranda of
Understanding on the Trade in Live Animals which outline the conditions under which the trade in live
animals can be undertaken in a way that protects the health and welfare of the animals.
An Australian government-industry delegation visited Egypt, Oman, Qatar and Kuwait to discuss ani-
mal welfare aspects of the live animal trade in early March 2006. Agriculture Ministers in these coun-
tries were receptive to the concerns and agreed to work in partnership with Australia on animal han-
dling, particularly in relation to the unloading and transporting of live animals. Australia’s Agriculture
Consul in the Middle East is also actively engaging key trading partners on animal handling issues.

Syria
(Question No. 3486)

Mr Danby asked the Minister for Foreign Affairs, in writing, on 10 May 2006:

(1) Is he aware of the article in the New York Times on 5 April 2006 which reported that Amnesty In-
ternational and Human Rights Watch have claimed that Syria has recently launched a crackdown
on opposition to the Assad regime and at least 30 dissidents and other people have been arrested
and detained without charge.

(2) What steps has he taken to convey Australia’s condemnation of this renewed repression in Syria to
the Syrian authorities.

(3) Can he report on the current progress of investigations into the responsibility of the Syrian regime
for the assassination of former Lebanese Prime Minister Rafik Hariri.

(4) What is Australia’s role in ensuring that the Syrian regime co-operates with this investigation and
that those responsible for Mr Hariri’s murder are brought to justice.

(5) How many Syrian diplomats are in Australia and what is the role of each Syrian diplomat.

(6) Since the conclusion of the Iraq War in 2003, what statements has he made about Syria’s role in the
Middle East.

(7) Does he share the concerns of the United States of America about Syria’s (a) support for the insur-
gency in Iraq, (b) role in Lebanon, including its involvement in the assassination of Mr Hariri, and
(c) support for groups defined by the Australian Government as terrorist organisations and which
are headquartered in Damascus.

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

(1) The Department of Foreign Affairs and Trade is aware of the article and the campaigns of Amnesty
International and Human Rights Watch upon which it was based.
(2) The Australian Government has continued to make representations to the Syrian Government though our embassy in Cairo (accredited to Syria) on human rights cases.

(3) The United Nations International Independent Investigation Commission (IIIC) into the assassination of former Lebanese Prime Minister Rafik Hariri is currently preparing to release a report which will list the names of individuals suspected of involvement in the planning, sponsoring, organising or perpetrating the assassination of Mr Hariri. This report will be submitted to the United Nations Security Council (UNSC) for consideration.

(4) The Australian Government, along with the rest of the international community, has an expectation that Syria will meet its obligations under United Nations Security Council Resolution (UNSCR) 1644, which ‘demands that Syria responds unambiguously and immediately in those areas adduced by the Commissioner of the IIIC and also that it implements without delay any future request of the Commission’. Australia has also provided an officer on secondment from the Australian Crime Commission to assist in the IIIC investigation.

(5) The Syrian Embassy in Canberra has an establishment of five accredited diplomats: the Ambassador, a Second Secretary, a Third Secretary and two Attaches. Their duties relate to bilateral relations and consular services for Syrian nationals in Australia.

(6) Since the conclusion of the Iraq War in 2003, I have made numerous statements on Syria’s role in the Middle East. These are available on Hansard or on my website at http://www.foreignminister.gov.au/.

(7) Yes.

China

(Question No. 3487)

Mr Danby asked the Minister for Foreign Affairs, in writing, on 10 May 2006:

(1) Has he seen the report by Dr Shizong Chen, a former political prisoner in China now resident in Sweden, about the Suijatun prison camp in Liaoning Province which Dr Chen described as “as infamous as Auschwitz and Dachau” and where he alleged more than 6,000 political and religious dissidents have been killed and their body parts harvested, in some cases (such as the removal of corneas), while the victims were still alive.

(2) What information does he have about the Chinese practice of harvesting organs from executed people or from people sentenced to labour camps and what steps has he taken to inform himself about this issue.

(3) Has this issue been raised at the Australia-China Human Rights Dialogue; if not, will he do so at the next meeting.

(4) Has he taken other steps to raise this issue with the Chinese authorities; if so, what are the details; if not, will he do so.

(5) Can he give an assurance that, in the event of a free trade agreement being concluded between Australia and the People’s Republic of China, there will be no possibility that organs harvested by the Chinese authorities from executed persons or political prisoners will be imported into Australia.

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

(1) I have seen media reports about a prison camp at Suijatun, and the allegations of organ harvesting.

(2) Chinese Vice-Minister of Health, Huang Jiefu, acknowledged in December 2005 to Caijing magazine, that the sale of executed prisoners’ organs was widespread in China, and promised to tighten the rules associated with organ transplants. I understand China’s Ministry of Health announced a new regulation on 28 March 2006 which bans organ trading from 1 July, and strengthens oversight of transplants. While the new regulation lacks the authority of a full law, the World Health Organisation has called it a positive step.
(3) The issue of organ harvesting has not been raised at the Australia-China Human Rights Dialogue, but Australia consistently raises its concerns about the use of the death penalty, and about prisoners’ rights. The Government is considering what specific issues to raise at the next round of the Dialogue.

(4) I have not taken any other steps at this stage, but the Government regularly reviews the issues it raises with the Chinese authorities.

(5) Yes. Existing State and Territory legislation prohibits trade in human organs. There will be no change to this policy under a Free Trade Agreement with China.

**Bangladesh**

*(Question No. 3492)*

Mr Laurie Ferguson asked the Minister for Foreign Affairs, in writing, on 10 May 2006:

In respect of the opening by the Australian Federal Police of a branch in Dhaka to assist the Government of Bangladesh in its fight against terrorism, will the Australian Government also urge and assist the Government of Bangladesh to honour a major provision of the Chittagong Hill Tracts Accord by establishing an indigenous police force in the Chittagong Hill Tracts.

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

Our High Commission in Dhaka has raised the implementation of the 1997 Chittagong Hill Tracts Accord, including the establishment of an indigenous police force, on a number of occasions with senior members of the Bangladesh Government.

**Iraq**

*(Question No. 3497)*

Mr Bowen asked the Minister for Foreign Affairs, in writing, on 11 May 2006:

(1) Can he confirm that on 6 May 2006, at around 11:00 a.m. (Baghdad time), a roadside bomb planted on a highway east of Baghdad exploded as the convoy of Mr Younadam Kanna, Secretary General of the Assyrian Democratic Movement (ADM) and Member of Iraqi Parliament, was passing on its way to ADM offices in Baghdad.

(2) Was this assassination attempt another example of the ongoing attacks on Assyrians in Iraq.

(3) Will he make representations in the strongest possible terms to the Iraqi Government that it should take all possible steps to protect the rights and liberty of Assyrians.

(4) Will the Government reconsider its opposition to the establishment of an autonomous administrative region in Iraq for Assyrian Iraqis; if not, why not.

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

(1) and (2) The Australian Embassy in Baghdad has made enquiries regarding this incident. These enquiries confirm that Mr Kanna’s convoy was attacked on 6 May 2006. Although Mr Kanna was not with the convoy, he has indicated that he believes the attack constituted an assassination attempt against him.

(3) The Government will continue to monitor the situation of minority groups in Iraq and make representations as appropriate on the need to protect the rights of these groups.

(4) No. Australia supports a united Iraq.