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SITTING DAYS—2006

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>7, 8, 9, 13, 14, 15, 16, 27, 28</td>
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<tr>
<td>March</td>
<td>1, 2, 27, 28, 29, 30</td>
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<td>May</td>
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<td>June</td>
<td>1, 13, 14, 15, 19, 20, 21, 22</td>
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<td>August</td>
<td>8, 9, 10, 14, 15, 16, 17</td>
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<td>September</td>
<td>4, 5, 6, 7, 11, 12, 13, 14</td>
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<td>October</td>
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<td>November</td>
<td>1, 2, 27, 28, 29, 30</td>
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<td>December</td>
<td>4, 5, 6, 7</td>
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- ADELAIDE 972 AM
- PERTH 585 AM
- HOBART 747 AM
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- DARWIN 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—SEVENTH 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>
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Members of the House of Representatives

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<th>Party</th>
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<td>Werriwa, NSW</td>
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<td>Hasluck, WA</td>
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<td>Ryan, Qld</td>
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<td>Lindsay, NSW</td>
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<td>Ballarat, Vic</td>
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</tbody>
</table>
Members of the House of Representatives

<table>
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<th>Division</th>
<th>Party</th>
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### Members of the House of Representatives

<table>
<thead>
<tr>
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<th>Division</th>
<th>Party</th>
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<td>Bonner, Qld</td>
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<td>Wakelin, Barry Hugh</td>
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<td>Washer, Malcolm James</td>
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<td>Wilkie, Kim William</td>
<td>Swan, WA</td>
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<td>Windsor, Antony Harold Curties</td>
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<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
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**PARTY ABBREVIATIONS**

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

### Heads of Parliamentary Departments

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

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

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

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

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

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

Minister for Human Services and Minister Assisting the Minister for Workplace Relations
The Hon. Joseph Benedict Hockey MP

Minister for Community Affairs
The Hon. John Kenneth Cobb MP

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

Special Minister of State
The Hon. Gary Roy Nairn MP

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Leader of the Opposition
The Hon. Kim Christian Beazley MP

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

Leader of the Opposition in the Senate, Shadow
    Minister for Indigenous Affairs and Shadow
    Minister for Family and Community Services
Senator Christopher Vaughan Evans

Deputy Leader of the Opposition in the Senate and
    Shadow Minister for Communications and
    Information Technology
Senator Stephen Michael Conroy

Shadow Minister for Health and Manager of
    Opposition Business in the House
Julia Eileen Gillard MP

Shadow Treasurer
Wayne Maxwell Swan MP

Shadow Attorney-General
Nicola Louise Roxon MP

Shadow Minister for Industry, Infrastructure and
    Industrial Relations
Stephen Francis Smith MP

Shadow Minister for Foreign Affairs and Trade
    and Shadow Minister for International Security
Kevin Michael Rudd MP

Shadow Minister for Defence
Robert Bruce McClelland MP

Shadow Minister for Regional Development
The Hon. Simon Findlay Crean MP

Shadow Minister for Primary Industries,
    Resources, Forestry and Tourism
Martin John Ferguson MP

Shadow Minister for Environment and Heritage,
    Shadow Minister for Water and Deputy Manager
    of Opposition Business in the House
Anthony Norman Albanese MP

Shadow Minister for Housing, Shadow Minister
    for Urban Development and Shadow Minister
    for Local Government and Territories
Senator Kim John Carr

Shadow Minister for Public Accountability and
    Shadow Minister for Human Services
Kelvin John Thomson MP

Shadow Minister for Finance
Lindsay James Tanner MP

Shadow Minister for Superannuation and
    Intergenerational Finance and Shadow Minister
    for Banking and Financial Services
Senator the Hon. Nicholas John Sherry

Shadow Minister for Child Care, Shadow Minister
    for Youth and Shadow Minister for Women
Tanya Joan Plibersek MP

Shadow Minister for Employment and Workforce
    Participation and Shadow Minister for Corporate
    Governance and Responsibility
Senator Penelope Ying Yen Wong

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

Shadow Minister for Consumer Affairs and
Shadow Minister for Population Health and
Health Regulation
Laurie Donald Thomas Ferguson MP

Shadow Minister for Agriculture and Fisheries
Gavan Michael O’Connor MP

Shadow Assistant Treasurer, Shadow Minister for
Revenue and Shadow Minister for Small
Business and Competition
Joel Andrew Fitzgibbon MP

Shadow Minister for Transport
Senator Kerry Williams Kelso O’Brien

Shadow Minister for Sport and Recreation
Senator Kate Alexandra Lundy

Shadow Minister for Homeland Security and
Shadow Minister for Aviation and Transport
Security
The Hon. Archibald Ronald Bevis MP

Shadow Minister for Veterans’ Affairs and
Shadow Special Minister of State
Alan Peter Griffin MP

Shadow Minister for Defence Industry,
Procurement and Personnel
Senator Thomas Mark Bishop

Shadow Minister for Immigration
Anthony Stephen Burke MP

Shadow Minister for Ageing, Disabilities and
Carers
Senator Jan Elizabeth McLucas

Shadow Minister for Justice and Customs and
Manager of Opposition Business in the Senate
Senator Joseph William Ludwig

Shadow Minister for Overseas Aid and Pacific
Island Affairs
Robert Charles Grant Sercombe MP

Shadow Minister for Citizenship and Multicultural
Affairs
Senator Annette Hurley

Shadow Parliamentary Secretary for
Reconciliation and the Arts
Peter Robert Garrett MP

Shadow Parliamentary Secretary to the Leader of
the Opposition
John Paul Murphy MP

Shadow Parliamentary Secretary for Defence and
Veterans’ Affairs
The Hon. Graham John Edwards MP

Shadow Parliamentary Secretary for Education
Kirsten Fiona Livermore MP

Shadow Parliamentary Secretary for Environment
and Heritage
Jennie George MP

Shadow Parliamentary Secretary for Industry,
Infrastructure and Industrial Relations
Bernard Fernando Ripoll MP

Shadow Parliamentary Secretary for Immigration
Ann Kathleen Corcoran MP

Shadow Parliamentary Secretary for Treasury
Catherine Fiona King MP

Shadow Parliamentary Secretary for Science and
Water
Senator Ursula Mary Stephens

Shadow Parliamentary Secretary for Northern
Australia and Indigenous Affairs
The Hon. Warren Edward Snowdon MP
CONTENTS

WEDNESDAY, 16 AUGUST

CHAMBER

National Cattle Disease Eradication Account Amendment Bill 2006—
   First Reading .................................................................................................................. 1
   Second Reading .............................................................................................................. 1

Petroleum Retail Legislation Repeal Bill 2006—
   Second Reading ........................................................................................................... 2
   Consideration in Detail ................................................................................................. 9
   Third Reading ................................................................................................................ 28

Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006—
   Second Reading ............................................................................................................ 28
   Third Reading ............................................................................................................... 57

Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2006—
   Second Reading ......................................................................................................... 57

Questions Without Notice—
   Aviation Security ........................................................................................................... 65
   Greenhouse Gas Emissions ........................................................................................... 65
   Greenhouse Gas Emissions ........................................................................................... 66

Distinguished Visitors ..................................................................................................... 68

Questions Without Notice—
   Economy ....................................................................................................................... 68
   Aviation Security .............................................................................................................. 69
   Workplace Relations ..................................................................................................... 70
   Higher Education ........................................................................................................... 71
   Iraq .................................................................................................................................. 72
   Iraq ................................................................................................................................. 73
   Exports ........................................................................................................................... 74
   Higher Education ........................................................................................................... 75
   Health: Substance Abuse ............................................................................................... 76
   Workplace Relations ..................................................................................................... 79
   Border Protection .......................................................................................................... 79
   Oil for Food Program ...................................................................................................... 80
   Education: Australian History ......................................................................................... 82

Questions Without Notice: Additional Answers—
   Workplace Relations ...................................................................................................... 83
   Personal Explanations ...................................................................................................... 83

Questions Without Notice: Additional Answers—
   Centrelink ....................................................................................................................... 84

Questions to the Speaker—
   Question Time ................................................................................................................ 85
   Personal Explanations ...................................................................................................... 86
   Documents ...................................................................................................................... 86
   Personal Explanations ...................................................................................................... 86

Questions to the Speaker—
   Parliamentary Language ............................................................................................... 87
   Distinguished Visitors .................................................................................................... 87
   Parliament House: Computer Support Services ............................................................. 88
   Distinguished Visitors .................................................................................................... 88
   House of Representatives Rulings .................................................................................. 88
CONTENTS—continued

Matters of Public Importance—
  Higher Education

Social Security and Family Assistance Legislation Amendment (Miscellaneous Measures) Bill 2006—
  Report from Main Committee
  Third Reading

Committees—
  Public Works Committee—Report
  Corporations and Financial Services Committee—Report
  Treaties Committee—Report

Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2006—
  Second Reading
  Third Reading

International Tax Agreements Amendment Bill (No. 1) 2006—
  Second Reading
  Third Reading

Aboriginal Land Rights (Northern Territory) Amendment Bill 2006—
  Consideration of Senate Message

Indigenous Education (Targeted Assistance) Amendment Bill 2006—
  Second Reading

Adjournment—
  Centrelink
  Electorate of Barker: Higher Education
  Death Penalty
  Death Penalty
  Cook Electorate: Bundeena
  Death Penalty
  Darwin All Stars

Notices

MAIN COMMITTEE

Statements by Members—
  The Hon. Eric Bedford MP
  Battle of Long Tan
  Child Support
  Middle East
  Westfields Sports High School
  Coonara Community School
  Liquefied Petroleum Gas
  Immigration
  Lyons Electorate: Cressy
  Somerville Secondary College

Social Security and Family Assistance Legislation Amendment (Miscellaneous Measures) Bill 2006—
  Second Reading

Business—
  Rearrangement

Ministerial Statements—
  Afghanistan

QUESTIONS IN WRITING

Commonwealth Funded Programs—(Question No. 2262)
Commonwealth Funded Programs—(Question No. 2506) .................................................. 191
Australian Broadcasting Corporation—(Question No. 3005) ........................................ 192
Consultancy Services—(Question No. 3268) ................................................................. 192
Media Training—(Question No. 3362) ........................................................................ 195
Australian Broadcasting Corporation—(Question No. 3594) ........................................ 195
Taxation—(Question No. 3451) .................................................................................... 196
Australian Broadcasting Corporation—(Question No. 3460) ........................................ 196
Cross-Media Ownership Rules—(Question No. 3588) .................................................. 197
Media Ownership—(Question No. 3596) ..................................................................... 197
Media Ownership—(Question No. 3600) ..................................................................... 197
Media Ownership—(Question No. 3601) ..................................................................... 198
Cross-Media Ownership Rules—(Question No. 3602) .................................................. 198
Australian Federal Police: Protective Helmets—(Question No. 3611) ......................... 198
Media Ownership—(Question No. 3642) ..................................................................... 198
Taxation—(Question No. 3644) .................................................................................... 199
Child Care—(Question No. 3682) .................................................................................. 200
Leadership Coaching—(Question No. 3700) ................................................................ 202
Leadership Coaching—(Question No. 3701) ................................................................ 202
Leadership Coaching—(Question No. 3705) ................................................................ 203
Defence: Medals—(Question No. 3710) ....................................................................... 203
Defence: Medals—(Question No. 3711) ....................................................................... 203
Defence: Medals—(Question No. 3712) ....................................................................... 204
Defence: Medals—(Question No. 3713) ....................................................................... 205
Armidale Class Patrol Boats—(Question No. 3715) ....................................................... 206
Australia Post—(Question No. 3716) ............................................................................ 206
Media Ownership—(Question No. 3720) ..................................................................... 207
Media Ownership—(Question No. 3721) ..................................................................... 208
Media Ownership—(Question No. 3723) ..................................................................... 208
Foreign Aid—(Question No. 3725) ................................................................................ 208
Shoal Bay Receiving Station—(Question No. 3730) ....................................................... 211
Shoal Bay Receiving Station—(Question No. 3731) ....................................................... 211
Australian Defence Satellite Communications Station—(Question No. 3732) .......... 212
Syria—(Question No. 3734) ......................................................................................... 212
Palestinian Authority—(Question No. 3735) ................................................................. 213
Supported Accommodation Assistance Program—(Question No. 3740) ................. 214
Personnel Recruitment Advertising—(Question No. 3741) ........................................ 214
Personnel Recruitment Advertising—(Question No. 3743) ........................................ 214
Australian Secret Intelligence Service—(Question No. 3744) ...................................... 215
US Strategic Bomber Training Exercises—(Question No. 3745) ................................ 215
Australian Workplace Agreements—(Question No. 3748) .......................................... 216
Human Rights: West Papua—(Question No. 3751) .......................................................... 216
Workplace Relations—(Question No. 3754) ................................................................. 217
Australian National Audit Office—(Question No. 3756) .............................................. 217
Australian National Audit Office: Annual Audits—(Question No. 3757) ................... 217
Polygraphs—(Question No. 3758) .................................................................................. 218
Australian Defence Force—(Question No. 3759) .......................................................... 218
Australian Workplace Agreements—(Question No. 3764) .......................................... 219
Timor-Leste Defence Force—(Question No. 3765) .......................................................... 220
Australian Workplace Agreements—(Question No. 3766) .......................................... 220
Australian Workplace Agreements—(Question No. 3767) .......................................... 221
CONTENTS—continued

Sydney-Wollongong Corridor Strategy—(Question No. 3769) ........................................ 221
Human Rights: Indonesia—(Question No. 3773) ............................................................ 222
Aviation—(Question No. 3784) ....................................................................................... 222
Human Rights: Burma—(Question No. 3785) ................................................................ 222
The SPEAKER (Hon. David Hawker) took the chair at 9.00 am and read prayers.

NATIONAL CATTLE DISEASE ERADICATION ACCOUNT AMENDMENT BILL 2006

First Reading
Bill and explanatory memorandum presented by Ms Ley.
Bill read a first time.

Second Reading
Ms LEY (Farrer—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (9.01 am)—I move:
That this bill be now read a second time.

The National Cattle Disease Eradication Account Amendment Bill 2006 (the bill) will enable residual cattle and buffalo industry levies, collected under the bovine tuberculosis and bovine brucellosis eradication campaigns, to be transferred to a more broadly based industry disease fund.

For many years the cattle and buffalo industries have contributed, through levies, to the National Cattle Disease Eradication Account (NCDEA). These funds were used in initiatives to eradicate brucellosis and tuberculosis, most recently through the Tuberculosis Freedom Assurance Program (TFAP). Successive campaigns have resulted in both diseases being considered to be eradicated in Australia. This is a major achievement that other countries are unable to claim and a shining example of government and industry partnership.

As the Tuberculosis Freedom Assurance Program will conclude on 31 December 2006, the cattle and buffalo industries have requested that residual funds in the National Cattle Disease Eradication Trust Account be transferred into the more broadly focused Cattle Disease Contingency Fund (CDCF).

The Cattle Disease Contingency Fund is a trust fund that was established in 2002 by the cattle industry and Animal Health Australia (AHA) in order to fund various animal health activities which are to the benefit of the cattle industry in Australia. The funds may be used for a number of specified purposes, including prevention, eradication and control of endemic or exotic cattle diseases, research and other animal health activities likely to benefit the Australian cattle industry.

In comparison to the NCDEA, there is significantly greater scope for the application of funds held in the CDCF. The increased autonomy and flexibility in the use of the levy moneys will strengthen the cattle industry’s ability to address biosecurity issues, to conduct research and risk mitigation activities, and to respond to incursions of exotic diseases.

The bill amends the current National Cattle Disease Eradication Account Act 1991 to add a clause that will enable payments to be made from the trust account to the CDCF. The bill also includes the addition of a clause that clearly defines the CDCF for the purposes of the act.

The bill enables funds remaining after the successful completion of the brucellosis and TB programs to be used in the ongoing work of building a strong biosecurity framework for the Australian cattle industry. It will further help maintain the competitiveness of Australia’s agricultural industries through an outstanding animal health status. I commend the bill to the House.

Debate (on motion by Mr Murphy) adjourned.
PETROLEUM RETAIL LEGISLATION REPEAL BILL 2006

Second Reading

Debate resumed from 15 August, on motion by Mr Ian Macfarlane:

That this bill be now read a second time.

upon which Mr Martin Ferguson moved by way of amendment:

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

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

(1) calls on the Government to require the Department of Industry, Tourism and Resources to report to the Parliament annually, commencing in August 2007, on the measures taken and the progress made to:

(a) increase market penetration of ethanol and biodiesel, LPG and CNG, including the number and location of service stations and the names of the companies offering these products on their retail sites;

(b) secure new investment in biofuel, LPG and CNG production and supply infrastructure in Australia; and

(c) secure investment in new alternative transport fuel industries in Australia, including gas and coal to liquids;

(2) calls on the Government to review, in 2009, the proposal to introduce excise on ethanol and biodiesel, LPG and CNG in 2011, and consider whether or not there is a case for delaying the introduction of excise, depending on the progress made:

(a) in increasing market penetration of biofuels, LPG and CNG;

(b) in securing new investment in biofuels, LPG and CNG production and supply infrastructure in Australia; and

(c) towards achieving the 350 million litre biofuels target in 2010.

(3) criticises the Government for:

(a) its tardiness in moving on petrol retail reform;

(b) bypassing due parliamentary process in introducing a regulation to “undeclare” companies under the Sites Act;

(c) failing to introduce amendments to the TPA to implement the 2003 Dawson and 2004 Senate recommendations for reform; and

(d) failing to act to reduce Australia’s dependence on foreign oil and improve its transport fuel security;

(4) calls on the Government to immediately conduct a feasibility study into a gas to liquids fuels plant in Australia, including:

(a) consideration of Petroleum Resources Rent tax incentives for developers of gas fields which provide resources for gas to liquid fuels projects;

(b) examining a new infrastructure investment allowance for investment in Australian gas to liquids infrastructure; and

(c) developing a targeted funding scheme for research and development in this area;

(5) calls on the Government to immediately embrace Labor’s Fuels Blueprint proposal to:

(a) make alternative fuel vehicles tariff free, cutting up to $2000 off the price of current hybrid cars; and

(b) grant tax rebates for converting petrol cars to LPG; and

(6) calls on the Government to immediately embrace Labor’s Fuels Blueprint to find more oil and use more gas by;

(a) re-examining the depreciation regime for gas production infrastructure;

(b) allowing the selective use of flow-through share schemes for smaller operators”.

Mr MURPHY (Lowe) (9.05 am)—In relation to the Petroleum Retail Legislation Repeal Bill 2006, it is important to provide a regulatory environment which allows refineries to select business models that are appropriate for the market. However we cannot forget those many small businesses that are
also struggling to survive. It is true that if there are no minimum standards for the wide range of contractual arrangements relevant in this industry, many small mum-and-dad business owners will be vulnerable to the market power of fuel suppliers during negotiations. The Oilcode will be introduced as a mandatory industry code under section 51AE of the Trade Practices Act 1974. It will, belatedly, bring the whole industry under a common regulatory regime that provides more protections for all industry participants and consumers. This will include protection being made available to commissioned agents and independent operators, who currently do not have the protections that are available to franchisees. Of relevance, all small petroleum business owners, without the deep pockets of oil companies, will now have access to a low-cost dispute resolution scheme. Furthermore, there will be greater transparency in wholesale fuel pricing for small businesses who do not have the resources to undertake extensive research and analysis on pricing issues.

While the bill before us shows that the government is capable of taking corrective action in the retail petrol market, one must question why it has taken so long. Why has a 25-year-old regulatory regime been allowed to fester until today? Rather than taking the initiative to resolve the issues raised by this bill before Australia approached an oil crisis, the government has waited until we are smack in the middle of one before taking its first steps. True to form, the government is happy to surf on the good times but disclaim responsibility when things go badly. We have seen it with interest rates and we now see it with increased petrol prices.

It was illuminating to read the Senate Economics Legislation Committee report into this bill, which suggested that the government did not proceed with this bill in 1998 because the affected parties could not agree on the Oilcode proposal. On my reading, it appears that it has taken over six long years for the government to broker a compromise on the Oilcode. Clearly, the government has failed to show leadership to bring refiners, distributors, retailers and consumers together to overhaul a 25-year-old system that did not benefit any of them.

There can be no doubt that vigorous marketplace competition is one step to hold down petrol prices as low as possible. Yet, at a time when petroleum retailing was being whittled down to a battle between Coles and Woolworths, the Howard government stood by and watched its anachronistic legislation prevent others from competing on an equal footing. That is outrageous. The best consumers were offered at the time was the Prime Minister’s proclamation that world oil prices were out of his control. That much may be true, but it does not explain the government’s lethargy in reforming the petrol retail industry and showing serious commitment to other energy sources.

More should and could have been done to mitigate the impact of petrol prices on ordinary Australians before we reached a petrol crisis, not while we are in the midst of one. Indeed, more could have been done with this bill. However, given the paucity of offerings from the Howard government on petrol initiatives in the past, it is a natural inclination for us to take anything we are given. Nonetheless, the Labor Party has always held firm the view during this debate that section 46 amendments to the Trade Practices Act are necessary to address concerns about the potential for the abuse of market power in the petroleum industry. There should be no ducking and weaving on the other side in relation to this amendment, which will only ensure huge corporations operate properly and fairly towards small businesses.
Much has been said by greater minds than ours, including Associate Professor Frank Zumbo, who advised the Senate Economics Legislation Committee that the Trade Practices Act required amendment in light of its ineffectiveness to deal with the important issues of predatory pricing and other abuses of market power. This amendment has taken on a heightened sense of urgency in light of the increasing rationalisation of the petroleum industry.

While one aim of this bill is to increase competition, we cannot forget that the main objective of competitors within a market is to eliminate competition. The increasing oligopolisation in this and many other industries pays testimony to this fact. The government should not half complete its job of promoting competition in the petroleum industry by ignoring the vulnerability of small businesses to the blatant abuse of market power. High Court cases dealing with this issue do not bode well for the ACCC securing prosecutions for the misuse of market power under current provisions in the future. Again, we should not allow dysfunctional legal provisions to fester while market share is increasingly being concentrated in the hands of few rather than in the hands of many.

Of course, the reforms in this bill and the proposed amendments are not a panacea for the problems being experienced by millions of Australians. They barely provide the first step. However, given the length of time the Howard government has been dragging its feet on petrol retail reform and energy reform, it is an important first step.

It was pleasing to see the Prime Minister take a leaf out of Labor’s Australian fuels blueprint yesterday and take a number of other steps towards mitigating the petrol crisis. They are small steps, but they are better than nothing. Without going into great detail, far more could be done to wean Australia off Middle East oil and to develop a diversified home-grown fuel industry. I am sure we would all like to see that. I know the Minister for Industry, Tourism and Resources would. I was listening to him on Radio National and on local ABC radio this morning. You have been very busy—good on you.

The Leader of the Opposition and the member for Batman have spoken at length about the conversion of gas to liquid, including petroleum resources rent tax initiatives for developers of gas fields who provide resources for gas to liquid fuels projects. While the Prime Minister has adopted Labor’s proposals to subsidise the conversion of cars from petrol to LPG, he will slug motorists with an excise on LPG for the first time in the future. What he gives with one hand he will soon take with his other invisible hand.

I am a firm supporter of a sustainable ethanol industry in Australia, and am appalled that not enough has been done to assist its take-up by consumers. While the government says it is committed to the ethanol industry, we know that few of Australia’s 6,500 petrol stations stock E10. I certainly try to put E10 in my car whenever I can. I have listened to the minister over a long period of time in relation to this and I urge him to do more to encourage the production of crops that will produce ethanol. There is a lot of debate on this issue at the moment, and the feeling is that Australia cannot produce sufficient ethanol to meet a mandated 10 per cent. It can if you have the will.

I went to Brazil as part of my study tour last year and I have seen exactly what they did following the oil shocks of the 1970s. They literally stuck it up the oil companies, and the whole country runs on ethanol. It was illuminating to see that every car runs on a mandated 25 per cent ethanol and that they have flex-fuel cars which can take 90 per
cent ethanol and 10 per cent gasoline. The whole country is going ahead in leaps and bounds. I think we should be doing more to promote the production of ethanol. I know there are vast reserves of water in the northern part of Western Australia near the Ord River. I do not know why we are not producing crops that will ultimately produce a lot more ethanol and mean that we will be less reliant on Middle East oil. I hope the minister does something about that, because I know he believes that we have not got the capacity to produce more ethanol. Go and look at the experience in Brazil. They made it happen.

We need to do more to encourage a sustainable ethanol industry here and stem the flow of investment dollars being spent on ethanol overseas in lieu Australia. Alternatively, if long-term projects are far too visionary for this government, it can begin by backing Labor’s proposal to give the ACCC the power to formally monitor petrol prices. As we can see, the repeal of the anachronistic Petroleum Retail Marketing Sites Act 1980 and Petroleum Retail Marketing Franchise Act 1980 is but one of the many small steps the government should have taken a long time ago to alleviate the pressure on Australian motorists. It is a step forward nonetheless and, for that, I guess we should all be very grateful.

Ms ANNETTE ELLIS (Canberra) (9.15 am)—I am pleased to have the opportunity to speak on the Petroleum Retail Legislation Repeal Bill 2006 and support the member for Batman and my colleagues on the amendments to this bill. It is disappointing that only one government backbencher is speaking on this bill. As this is a vital issue at a time when petrol prices are soaring, I cannot interpret that as other than an indicator of the growing arrogance within government ranks.

This bill is very timely. People in my electorate and across Australia are struggling with soaring petrol prices, interest rate increases and more uncertainty in the workplace. People are now spending a higher proportion of their income on mortgage payments than ever before. At the last election the Prime Minister promised to keep interest rates low, but people are now realising the hollowness of that promise. People now spend 11 per cent of household disposable income on mortgages, compared to 9.3 per cent when interest rates peaked in 1989. So those families in my electorate who are paying off a mortgage are hurting much more now than they did in the past.

The recent rate rise will hurt everyone with a mortgage, but there are some who will be hurt more than others. In some suburbs in my community more than half the private homes are paying off a mortgage—62 per cent in Banks, 61 per cent in Conder, 55 per cent in Gordon, 53 per cent in Calwell, 52 per cent in Macarthur and 51 per cent in Theodore. I name those suburbs on purpose, because they are outer suburbs. As these people live in outer suburbs, chances are they have to travel more than many others to get around the town, and high petrol costs are going to make their lives a lot more difficult. The majority of these people are young families for whom every dollar of disposable income counts, and the impact of fuel prices is really beginning to bite.

People in the outer suburbs rely on their cars to take their kids to school, to take family members or friends to medical appointments, to go shopping, to visit family, to get to work and to get their children to recreational activities at weekends. I am concerned about the financial stress these high petrol prices are placing on those types of families within my community.
The bill we are debating today is a belated response to the problem of spiralling petrol prices. It will repeal the sites act and franchises act, which are now out of date and ineffective because of structural changes in the petroleum retail sector. The entry of supermarket chains into the petrol market, and their market strength, has changed the nature of the retail petrol sector, but the legislation has not kept up with these changes. As the previous speaker, the member for Lowe, said, it is interesting that the regulatory regime has been in place for decades while the marketplace has changed so dramatically, with two very big players—Woolworths and Coles—having an enormous role in those market changes. I cannot help but think of the many independent owners in the petrol business who have gone out of the marketplace during those years. It is of some concern when you think about the impact.

As a result, the different types of retail participants are subject to different protections and regulatory requirements. Unfortunately, the current legislation favours some retailers more than others. As I said, when I reflect on the past and the changes that have come with the big players as against the small, that really does ring true. This bill will ensure that all market participants can compete on equal terms. Once the current legislation is repealed, a new regulation, the Trade Practices (Industry Codes-Oilcode) Regulations 2005, will be introduced. This will put all retailers on a level playing field. The Oilcode will bring the supermarket chains under a mandatory industry code of practice for the first time.

I am pleased that this bill has the support of the overwhelming majority of market retailers, motorists and the peak bodies that represent them. I support this bill. However, it is a shame that the government ignored Labor’s proposal seven years ago to strengthen the Trade Practices Act and repeal the acts. Unfortunately, the government is still ignoring this important aspect. That is why I support the amendments proposed by the member for Batman. These amendments will strengthen the Trade Practices Act to develop a comprehensive approach to petrol retail pricing and provide greater scope for dealing with market power abuse. This will further protect small business. These amendments were recommended by the 2003 Dawson inquiry and by the 2004 Senate recommendations for reform, but the government continues to ignore those recommendations.

There are several measures the government could take to address the rising cost of petrol. The ACCC should have greater powers to formally monitor petrol prices and to demand information from oil companies and retailers. The community wants nothing more, or less, than that. The government should reduce our dependency on foreign oil. Labor has a plan to do this and policies to encourage alternative energy use. Labor has proposed the following measures: finding more gas and oil in Australia; making alternative fuel vehicles tariff free; cutting up to $2,000 from the price of current hybrid cars; granting tax rebates for converting petrol cars to LPG; and conducting a feasibility study into gas to liquid fuels plants in Australia—which, as we have heard in the last couple of days, the Prime Minister is now happy to consider.

In our amendments to this bill, Labor calls on the government to require the Department of Industry, Tourism and Resources to report to the parliament annually on measures taken and the progress made to: firstly, increase market penetration of ethanol and biodiesel, LPG and CNG, including the number and location of service stations and the names of the companies offering these products on their retail sites; secondly, secure new investment in biofuel, LPG and CNG production and supply infrastructure in Australia;
and, thirdly, secure investment in new alternative transport fuel industries in Australia, including gas and coal to liquids.

The Prime Minister claims there is nothing he can do to control the soaring petrol prices, but clearly that is not the case completely. Labor has a comprehensive approach, outlined in our amendments to this bill and in Labor’s fuels blueprint, which we believe will make a difference.

The other point I want to make in general terms is on technology in this country. We are always pretty good at developing good technology. I have no doubt on that. I know that it exists, that car manufacturers both here and overseas have developed vehicles and technology that could begin to answer a lot of the questions that we have in relation to the cost of fuel. We need to look at that technology, and not only for the sake of the cost of fuel.

The driving impetus for these things has been the environment. Long before we were talking about the price of petrol, we were talking about the need to do something about this, technologically, for the sake of the environment. I am not for one moment saying that one is more important than the other; we really need to consider both. I would like to think that the government could bring to bear more pressure than it has to date, or could increase the pressure and the influence it already has on car manufacturers to talk about real alternatives: future hybrid cars and other future alternatives which would answer not only, to a great degree, the fuel question but also the environment question attached to this whole debate. In closing, I endorse entirely the words of and the amendments moved by the member for Batman and hope that we will see a change in the future on this whole question of fuel in Australia.

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (9.24 am)—I thank those members who have contributed to the debate on the Petroleum Retail Legislation Repeal Bill 2006. I hope we will see agreement to this bill that will remove two pieces of legislation that, as previous speakers have said, have become outdated and ineffective. The success of the Oilcode will provide all industry participants with a national approach to terminal gate pricing, set a minimum standard for a wider range of contractual arrangements, and provide access to downstream petroleum dispute resolution schemes. A new approach to terminal gate pricing will provide a transparent regime that will ensure that all customers, including independents, can access terminal gate pricing information and have the option to buy petroleum products on a temperature-corrected basis at the terminal gate. Improvements to tenure arrangements for common agents and increased disclosure requirements will benefit small business participants. The Oilcode’s dispute resolution scheme will provide a low-cost and rapid means of addressing disputes as an alternative to legal action. These changes are likely to lead to increased competition in the sector, with the potential for positive impacts on fuel prices, particularly in rural and regional areas. Development of the downstream petroleum reform package, including the Oilcode, follows extensive consultation over the past four years with industry associations, industry, consumer groups, state and territory agencies and relevant Australian government portfolios. I would like to thank all of those who have provided valuable input into this process.

I will speak for a moment about the amendments proposed by the member for Batman. He has moved some amendments requiring government action on alternative fuels. While he is one of the opposition’s more progressive members, he is behind the times on the issue.
Mr Martin Ferguson—Don’t you shake.

Mr IAN MACFARLANE—I would have said that anyway, but they’ve written it in here. We like his policy on uranium and particularly on nuclear energy—

Mr Martin Ferguson—What about flow-through shares?

Mr IAN MACFARLANE—We should not digress. No government ever has done more to support alternative fuel than ours and we are now seeing results. By 5 pm last night, the AusIndustry hotline had fielded some 3,800 calls from motorists looking for information on the LPG initiative that the Prime Minister had announced the day before. Yesterday, BP announced that it was increasing ethanol sales in Queensland, with a projected target of an eight-fold increase.

The Australian government is keen to offer as many choices as practical to the motorist. We believe that these reforms to the retail petroleum sector will aid those choices and help make them more affordable to motorists. We cannot support the opposition’s amendments, which serve no purpose. We commend the bill to the House.

Question put:

That the words proposed to be omitted (Mr Martin Ferguson’s amendment) stand part of the question.

The House divided. [9.31 am]

(The Speaker—Hon. David Hawker)

<table>
<thead>
<tr>
<th>AYES</th>
<th>81</th>
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<tr>
<td>Noes</td>
<td>59</td>
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<td>Majority</td>
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AYES

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

NOES

Adams, D.G.H.  
Andren, P.J.  
Beavis, A.R.  
Bowen, C.  
Burke, A.S.  
Crean, S.F.  
Edwards, G.J.  
Ellis, A.L.  
Emerson, C.A.  
Ferguson, M.J.  
Garrett, P.  
George, J.  
Gillard, J.E.  
Griffin, A.P.  
Hatton, M.J.  
Hoare, K.J.

NOES

Albanese, A.N.  
Beazley, K.C.  
Bird, S.  
Burke, A.E.  
Corcoran, A.K.  
Danby, M.  
Elliot, J.  
Ellis, K.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Georganas, S.  
Gibbons, S.W.  
Grierson, S.J.  
Hall, J.G.  
Hayes, C.P.  
Irwin, J.
Mr Katter—Mr Speaker, I called ‘No.’ As I understand it, under the standing orders of the House, if someone calls ‘No’ it means we have a division.

The SPEAKER—The member for Kennedy would be aware that in order to have a division it requires at least two voices. However, the member for Kennedy—

Mr Katter—There were two—they weren’t loud, but they were there!

The SPEAKER—The member for Kennedy can ask to have his vote recorded.

Mr Katter—I so request, Mr Speaker.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr FITZGIBBON (Hunter) (9.38 am)—by leave—I move:

Page 3, after Schedule 1 (after line 9), insert.

Schedule 1A—Amendments to deal with abuse of market power, unconscionable conduct and price monitoring in relation to petroleum marketing

Trade Practices Act 1974

1 Subsection 46(1)

After “taking advantage”, insert “, in that or any other market, “.”.

2 After subsection 46(1A)

Insert:

(1B) In determining whether a corporation has a substantial degree of market power the court will take into account the following principles:

(a) the threshold of ‘a substantial degree of power in a market’ is lower than the former threshold of substantial control; and

(b) the substantial market power threshold does not require a corporation to have an absolute freedom from constraint – it is sufficient if the corporation is not constrained to a significant extent by competitors or suppliers; and

(c) more than one corporation can have a substantial degree of power in a market; and

(d) evidence of a corporation’s behaviour in the market is relevant to a determination of substantial market power.

3 After subsection 46(2)

Insert:

(2A) In determining for the purpose of this section whether a corporation has a substantial degree of power in a market, the Court may consider the corporation’s degree of power in a market to include any market power arising from any contracts, arrangements, understandings or covenants, whether formal or informal, which the corporation has entered into with other entities.

4 After subsection 46(3)

Insert:

(3A) In determining for the purposes of this section whether a corporation

(a) has a substantial degree of power in a market; or

(b) has taken advantage of that power for a purpose described in paragraph (1)(a), (b) or (c);
the court may have regard to the capacity of the corporation, relative to other corporations in that or any other market, to sell in that or any other market a good or service at a price below the cost to the corporation of producing or acquiring the good or supplying the service.

5 Before paragraph 51AC(3)(a)
Insert:
(aa) whether the supplier imposed or utilised contract terms allowing the unilateral variation of any contracts between the supplier and business consumer; and

6 Before paragraph 51AC(4)(a)
Insert:
(aa) whether the acquirer imposed or utilised contract terms allowing the unilateral variation or any contract between the acquirer and small business supplier; and

7 After section 95ZE
Insert:
95ZEA Direction may be given to Commission
(1) A House of the Parliament, a Committee of a House, or a Committee of both Houses of the Parliament may give the Commission a written direction;
(a) to monitor prices, costs and profits relating to the supply of goods or services by persons in a specified industry; and
(b) to provide to the Parliament a report on the monitoring at a specified time or at specified intervals within a specified period.
(2) The Commission must, in preparing such a report, have regard to the need for commercial confidentiality.
(3) The Commission must make copies of the report available for public inspection as soon as practicable after it provides Parliament with the report.

Labor’s support for the repeal of the Petroleum Retail Marketing Sites Act and the consequential Petroleum Retail Marketing Franchise Act is a great leap of faith. It is a leap of faith in the hopeful belief that an unregulated market will work better, more efficiently and more effectively than a market regulated by an antiquated piece of legislation now 26 years old, written and designed for another era. But we are not just taking a leap of faith. Our support for the Petroleum Retail Legislation Repeal Bill 2006, as indicated by the member for Batman, is predicated on the government’s indication that it will finally bring forward amendments to the Trade Practices Act which will protect consumers and of course protect this market. In other words, we do not mind an unregulated market in the modern sphere but, at the same time, we do not believe that adequate protection for small business, independent petrol station operators and consumers will be present without the strengthening of the Trade Practices Act, specifically part IV and, even more specifically, section 46.

People will not be surprised, given the events of this week, when we saw the illusion of what was being portrayed by the Prime Minister as a plan to bring petrol prices down, that, in the context of that, we are not just going to take the government at its word. This morning I have moved those amendments that Labor believe are necessary to also bring the Trade Practices Act into the modern era. This is what these amendments do. This is an unusual bill; it is a repeal bill. It gives the opposition scope to move amendments to any other bill, and that is what we have done this morning—moved appropriate amendments to the Trade Practices Act to ensure proper protections are in place. Whilst the Minister for Industry, Tourism and Resources—who is in the House at the moment—and I might disagree at the margins on what form those amendments
should take, I know the minister agrees and I think the majority of the government agree. I know the Independents agree.

Dr Emerson—I agree.

Mr FITZGIBBON—Of course. Not only is it time that we should modernise the regulatory regime covering retail petrol but it is also time we modernise the Trade Practices Act. This is not something we have just created. The necessity to modernise the Trade Practices Act flows from a number of Federal Court and High Court decisions, each of which demonstrates that the legislature’s intention in designing and framing the Trade Practices Act has not been achieved. You will find that in the comments of the justices presiding in each of the cases, in particular as they relate to the test of substantial market power in the case of Boral. You will find it in the finding that a firm with market power has taken advantage of that market power in a case such as Safeway. This is clear.

I recall that the chairman of the ACCC at a recent Senate committee hearing on these issues himself agreed that the legislature’s intention in framing and putting through these acts of parliament in this place had not been achieved. But this is not just about petrol retailing, as important as that is. It is about protecting small business in a range of sectors from larger predators and it is about protecting consumers from the consequences of the antics of those larger predators.

The world has moved on substantially, but some things always remain the same. In an industrial agreement, the bargaining power between an employer and an employee will never be equal and the same applies to small business. A small business can compete with a larger retailer on a level playing field, but if the larger competitor is willing—and they are in the minority—to misuse his market power then it is not on a level playing field. It is bad for small business and it is bad for the consumer. I challenge the government on this occasion to get up today and support Labor’s amendments.

Mr MARTIN FERGUSON (Batman) (9.44 am)—I rise to speak in support of the amendment moved by the member for Hunter. In doing so, can I firstly echo the comments made by the member for Hunter. Not only has the Labor Party taken the government on trust but also, perhaps more importantly, has the Australian community. We all accept, as the Minister for Industry, Tourism and Resources said in his second reading speech, that the fuel market in Australia has changed dramatically in recent times with the entry of the major retail chains Coles and Woolworths. It has taken the government many years and many ministers to finally bring forward this legislation. The opposition has always been supportive of trying to work out a modern structure for an entirely different industry from that which existed when the legislation before the House was first approved. In that context and further to the comments by the member for Hunter with respect to the Trade Practices Act, on behalf of the opposition, the Independents and the Australian community, I remind the government of undertakings given in negotiations around this package with respect to other changes to the Trade Practices Act for which we need public reaffirmation today.

The undertaking was that the government accepts a need to introduce further reform to the Trade Practices Act, to implement its response as soon as is practicable not only to the Dawson report but also to a range of other aspects of the act. These include, firstly, to provide that a corporation must not take advantage of a substantial degree of power in that or in any other market; secondly, to provide that, for the purposes of determining the degree of the power that a corporation has in a market, the court may have regard to any market power the corpo-
ration has that results in contracts, arrangements or understandings with others; thirdly, to include two new elements to be considered in relation to a breach of section 46 which could include whether a corporation was selling relevant goods or services at a price below cost and whether a corporation had a reasonable prospect or expectation of recoupment, that is, to recover the losses it suffered by selling at a price that is below cost. In that context, the opposition has been willing to support the endeavours of the government.

In those negotiations, I have dealt first hand with the Minister for Industry, Tourism and Resources. As a former trade union official, I have always operated on the basis that a shake of the hand must be honoured. I therefore have respect for and accept his word. It is more important—because ministers and shadow ministers come and go—that these requirements as to specific further amendments are recorded publicly as an expression of a view and acceptance by government and opposition as to what is to be done. I seek that undertaking and will then seek to make some additional comments with respect to the amendment moved by the member for Hunter.

Mr KATTER (Kennedy) (9.47 am)—Some people may want to become famous and be deeply appreciated by the people, such as John McEwen in Australia. In the United States ‘Teddy’ Theodore was famous for three things, one of which was that he broke up Rockefeller’s control of the oil industry. When I went to university, albeit briefly, we were taught in economics that, if there is a monopoly, supply and demand does not work and, if there is an oligopoly, supply and demand does not work either. Oligopoly means there are very few buyers or sellers. In this case, there are very few sellers: there are only four sellers in Australia and that is called an oligopoly. We have great free-traders on both sides of the House. The ALP has to come clean and say they were the champions of free trade. They started all of this rubbish. If they want to talk about economic principles, I wish they would read about it and acquire a little bit of knowledge. Maybe a little bit of knowledge is a dangerous thing in the case of people in this place.

Supply and demand determines price—read Paul Samuelson’s textbook Economics—only when there is an infinite number of buyers and sellers. We have four sellers here. I do not speak from a lack of knowledge on this. When a colleague of mine—and I do not hesitate to say that he is a good friend—Neil Turner, in the Queensland state house, and I decided we had had enough and that we disagreed with the direction of the party leadership, we had discussions with Venezuelans. They said, ‘Don’t worry about the price.’ We said we would have to bring in a 30,000-tonne tanker and find, at that time, nearly $20 million, which would be difficult. They said, ‘Don’t worry about that. We will stoke you for two or three months, but we will not do that unless we have a guarantee from the Queensland government that there will be a minimum price because every time we send a tanker load to compete against the majors they drop the price and we are left with the petrol, regardless of the agreements with the people we distribute to.’

People just broke the agreements and would not take the petrol. Because of the fear that the majors would drop the price if anyone else tried to get into the ball game, what was needed was a minimum price. To bring the price of petrol down you needed a minimum price, but without that protection in the market, without some involvement by government in the marketplace, there is no way anyone is going to pay $30 million for a tanker load. What happened to John Newman on bringing in ethanol from Brazil? He lost literally millions of dollars. I supported
the government in trying to stop Brazilian ethanol coming into Australia. Clearly, you can buy ethanol through the bowser in Brazil at 68c. When we say we have a free market operating in this country, why can we not get it here at 68c? I will tell you why: because we have an oligopoly. You just broke whatever power you had to restrain the majors.

Australia has been very unfair to the Fraser government, particularly to Doug Anthony, who put in place this protection to try to overcome the oligopoly situation. I would say that they did not go far enough, but the fact is that they made an effort. The current government and I regret to say here the opposition—and I applaud what they are attempting to do here—cannot fool around with the oil companies. It is like Woolworths and Coles. I am sorry: you can put whatever you like in the Trade Practices Commission but their power and control in this country are such that those laws will never be enforced. In fact, the antitrust legislation—

Mr Martin Ferguson—It was Theodore!

Mr KATTER—No, not Theodore. I am wrong there. I was talking about Roosevelt. That was a slip of the tongue, but I can see where my mind was going. Roosevelt did not introduce the antitrust law. In fact, he was the one who enforced it. (Time expired)

Mr FITZGIBBON (Hunter) (9.52 am)—On my first, limited contribution to the debate on the Petroleum Retail Legislation Repeal Bill 2006 I spoke about the first aspect of Labor’s amendments. Those amendments were designed to restore the Trade Practices Act to its former glory and in particular to provide the ACCC with the capacity to show, firstly, that a firm has a substantial degree of market power and, secondly, that it has taken advantage of that market power. The second tranche of my amendments are just as important. They provide the power to either house of this parliament or to any committee of this parliament to refer to the ACCC the power it requires to undertake formal monitoring of prices in any market. However, my amendments are about the petroleum retail market.

We have been calling upon the Treasurer for weeks now to pick up a pen and a piece of paper and to simply write to the Chairman of the ACCC, Graeme Samuel, to provide him with the powers that he requires to formally monitor petrol prices and to demand from oil companies, or any other retailers or wholesalers, the information he needs to determine whether price gouging is taking place. It is not a big thing to ask. We do not understand why he will not do it—whether he is protecting someone, whether he does not want a particular company or companies exposed or whether he will not do it simply because it was the opposition’s idea. I am not sure which of those it is. It will not cost him anything. It is not a difficult thing to do, and he has plenty of support staff—in fact, I wrote the letter for him and invited him to put it on his letterhead, sign it and send it off. But he refused to do so.

The question has to be asked: why do we want the Treasurer to solely hold the power to make these decisions? I can understand why the legislature, in the beginning, wanted to put in some protection and to not allow the ACCC chairman to act alone to decide at any time that he will have an inquiry into someone or something. You can understand the legislature wanting safeguards, which is why the opposition have resisted the temptation to simply give the chairman the power to run off and have an inquiry into any matter he wants or to demand information from any company because it suits him. But at the same time, we do not believe it should be the sole domain of the Treasurer. We believe that if a house of this parliament or a committee of this parliament has formed the view that there is something not quite right in any particular market—and in this instance we have
petrol in mind—that committee or that house of the parliament should be able to refer that power to the chairman. It is a simple proposition and it is a responsible proposition.

If we had suggested that the chairman should have that power without it being referred, the government would have had an opportunity to put up an argument and to oppose us. But it cannot argue against this proposition that we have put forward. How can the government possibly argue that a house of this place or a committee of this place should not have the power, having heard the evidence, to refer to the chairman of the ACCC that power? There is plenty of reason to refer the power. The evidence is not conclusive but there is plenty of evidence in the petroleum retail market that something is not quite right.

Every motorist in this country instinctively believes as they watch the weekly price cycle that something is not right. In the end it might not be proven, but let us have the inquiry. Let us give the ACCC chairman the power not just to look at retail prices. We can all look at the price board and form our own opinion about what petrol prices are doing, but it does not tell us anything about what is happening along the value chain. It does not tell us anything. The ACCC chairman needs to look not just at the prices but behind the prices. How disappointing was it when the Prime Minister came in here with his great illusion this week—with great fanfare—to announce his energy policy? He could not even swallow his pride and say: ‘I think the opposition and the Independents have it right. It is time to give the ACCC chairman the chance he requires to potentially have an immediate impact on petrol prices and to finally give motorists and their families and business some relief from spiralling petrol prices. (Time expired)

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The question is that the amendments be agreed to. I call the honourable member for Fraser.

Mr McMULLAN (Fraser) (9.57 am)—Thank you, Mr Deputy Speaker. I was temporarily distracted by the whip, who was helping me. I rise to support the amendments moved by the member for Hunter, particularly insofar as they relate to the issues of abuse of market power and unconscionable conduct. These are amendments of general application. It is particularly appropriate in the immediate case that they apply to the area of petrol, and that is why the amendments are being initiated here. I welcome that and support that but, in the years in which I have been dealing with this matter, it has become more and more evident that section 46 is the gap in the trade practices regime of this country. It is the gap in the competition regulation of this country.

The former head of the ACCC, Allan Fels, made it clear that he thought that while in every other area there might be need for some finetuning, the Trade Practices Act in Australia works very well. In my view it is in some sense an international leader, but there is a gaping hole that relates to this issue of abuse of market power and unconscionable conduct, typified by section 46 and to a lesser degree section 51.

The High Court’s determinations, which in hindsight are probably correct, have clearly led to the situation where the original intention of the Trade Practices Act—to deal with questions of abuse of market power by major corporations to the original disadvantage of small business and the ultimate disadvantage of consumers—has not been implemented, because the act has been read down to a degree that makes it relatively in-
effective. The member for Hunter referred to the case of Boral, which is the most infamous of examples.

What we need to deal with here are a range of issues which are addressed in the amendments. In the long-term, there will probably need to be more, but these are very substantial and deal with the most important issues with regard to the following: the threshold test for determining whether a corporation has a substantial degree of market power; the question of power in more than one market; the question of agreements entered into which can, when taken into account, constitute an agreement that provides the potential to abuse market power; and two criteria. The first criterion is the capacity to sell at below cost, which is evidence of abuse of market power, not in one case—one can have a loss leader—but in a continuing, ongoing manner that causes detriment to small competitors and drives them out, which was the principle behind the Boral case.

The second criterion—and I want to concentrate on this in the last minute or two—which the amendments address directly, is the capacity for unilateral variation of contracts. There is nothing more evident of an imbalance in market power than the capacity for unilateral variation of contracts. Who would willingly enter into a contract that says, ‘Yes, we agree these are fair terms but you can change them whenever you feel like it’? No-one would intelligently enter into that—no worker, but they are being forced to do so under the industrial relations legislation; and no small business, but they are forced to do so time and again. If only one of these amendments were picked up—and I support all of them—it should be the capacity to deal with unilateral variation. This would transform the lives of franchisees and small businesspeople around this country, particularly those in the petroleum industry.

If we are going to have respect for free market capitalism in this country, we need to create a framework for handling the imbalance of market power between small and large business and between employer and employee. It is the failure to realise that that lies at the heart of the government’s failure to address this hole in the Trade Practices Act. It lies at the heart of the refusal to make the referral to which the member for Hunter refers, because the government cannot tell the difference between the interests of the largest Australian companies, which lobby against all these changes, and the interests of the economy. (Time expired)

Dr EMERSON (Rankin) (10.02 am)—I support strongly the amendments moved by the member for Hunter and seconded by the member for Batman. These are amendments to the Trade Practices Act that affect the Australian economy more broadly but that specifically arise in relation to concerns about anti-competitive behaviour in the petroleum retail industry. They are pro-competitive amendments and, given that the government is supposed to be a party that supports competition and free enterprise, I would strongly urge it to support these amendments. They are well considered; they have been developed over a long period of time. If the coalition government truly is a party of competition and free enterprise then it should support the amendments. We will all be very interested to hear from the minister during the summing up of this consideration in detail debate.

The amendments deal more effectively with the abuse of market power and predatory pricing. There has been an emergence of greater competition in many aspects of the petroleum industry. Initially, after the establishment of the market by the ‘big four’ multinational oil companies, that competitive influence was brought to bear through the entry of independents. They have done a ser-
vice to Australia in behaving as a competitive alternative to the major suppliers. More recently, the emergence of Coles and Woolworths supermarkets, through the shopper-docket arrangements, have provided extra competition. But that is no guarantee whatsoever that the entire industry is going to behave competitively.

Indeed, you would have to suspect that the areas in which anti-competitive behaviour might be more evident would be in remote and regional markets where the market is more segmented and there is not the flow-through of traffic and, therefore, the influences of competition. But even that does not mean that in major urban markets we are assured of competitive behaviour in all circumstances.

A number of commentators and many parliamentarians point to fluctuations in prices during the course of a week as a source of concern. I would say that that does not of itself prove anti-competitive behaviour—although the popular conception is that, when retailers put their prices up and down at the same time during the week, that must constitute evidence of anti-competitive behaviour. However, it can be. It is possible that they can get together and agree to put their prices up or down to the same extent. We should be concerned about this sort of practice, but we have to look behind what has actually happened.

One of the deficiencies of the Trade Practices Act, including section 46, is the burden of evidence that needs to be brought to prove that there has been anti-competitive pricing. As speakers on the Labor side have pointed out, the courts have tended to rule against the Australian Competition and Consumer Commission on this. There was a recent court case where circumstantial evidence was not allowed, even though the circumstances seemed to be providing quite strong evidence of anti-competitive pricing and anti-competitive behaviour.

The member for Hunter has moved amendments that would give greater power to the ACCC to look behind some of the behaviour that goes on and to determine whether in fact predatory pricing or anti-competitive behaviour has occurred. On that basis, I would be bewildered if the government did not see merit in these amendments; therefore, I would strongly urge it to adopt the amendments moved by the member for Hunter and seconded by the member for Batman.

Mr Windsor (New England) (10.07 am)—We are talking about an important issue today. It is a great shame that it had to be brought in on the back of the Petroleum Retail Legislation Repeal Bill 2006. It is also a great shame that government members—and I understand the structure of third reading debates—are not participating in this debate, given the issues. It is a shame that the amendments will get voted down, strictly along party lines. I would be interested to hear the comments of the Minister for Industry, Tourism and Resources on the substance of the issues being raised, such as unconscionable conduct in petroleum marketing, and the amendments proposed by the honourable member for Hunter to the Trade Practices Act. It is also a shame that members have not had the benefit of time to examine these amendments more closely to determine their impact on the operations of the Trade Practices Act. It is also a shame that members have not had the benefit of time to examine these amendments more closely to determine their impact on the operations of the Trade Practices Act. I ask the minister to take this debate seriously, and to address some of the issues. I ask the government whether it has any intentions in the future, perhaps in another vein, to address—

Mr Fitzgibbon—He’s going to read the amendments now.

Mr Windsor—Well, that is a start. I am pleased to see that the minister is moving
towards addressing some of these issues. I hope he takes them seriously. Even though these amendments will probably get voted down, along party lines, I hope the issues will be addressed in another fashion.

The member for Rankin raised the issue of the independents creating competitive pressures in the petroleum industry. I draw to the minister’s attention some of my concerns. Last week the government announced some significant changes in energy policy. Two of the fuel companies, Caltex and BP, announced they were going to cut the price of E10—ethanol 10 per cent fuel—at certain service stations across Australia. Many people assumed this was a cut in the wholesale price. There has been a 3c cut in the retail price at some service stations. I have been buying E10 fuel from a small independent retailer in a small community who retails Bogas, or Caltex E10 fuel, and has for about six or seven years. I called in there the day after this great announcement that the price of E10 was being dropped by 3c, having heard the government commend itself for not having had to mandate the use of E10 to achieve this great outcome of the 3c discount in price. My retailer, who has been selling ethanol for at least six to seven years, and buying from those same companies, had just received an invoice increasing the wholesale price of E10 by 1.8c a litre. That highlights some of the underlying issues we should be debating, not only in terms of petroleum products, but where the might of the corporation can overcome the competitive aspects for the independent players in the field. Some of those issues may be raised again when the media ownership debate comes forward.

The member for Rankin also said that we need to examine the amendments the member for Hunter has put forward to see whether we have the opportunity to look behind the scenes at the behaviour of the fuel companies and how they operate. The member for Hunter mentioned a moment ago that there is no real transparency in terminal gate pricing. There is great inconsistency in the way wholesale prices are reported. (Extension of time granted)

The consumer is in a haze when trying to ascertain the retail and wholesale price levels of fuel, the country/city issues, the terminal gate price issues, the various margins that apply at certain times in the week and on public holidays, et cetera. There is no real transparency in those issues. The member for Rankin said we should have an instrument that can look behind the scenes at that behaviour. In this place in recent months we have changed the electoral laws so that we cannot look at the behaviour of some of the major corporations in terms of their political activities by way of donations. I do not mean to get off the track—

Mr Katter—Spot on! That is the track.

Mr WINDSOR—The member for Kennedy, quite rightly, says that in his view that is the track. We need the capacity for transparency. If we are talking about the Trade Practices Act and transparency in the pricing and other behaviour of major corporations, including fuel companies, and all their international connections, surely we must look in our own backyard—at who is paying the piper. The ethanol debate is a classic example. It is a shame that the minister has been caught up in this, but there is absolutely no doubt that the fuel companies are calling the tune.

We traditionally follow the United States in nearly everything we do. The United States has recognised that its population cannot be reliant long term on the Middle East and others for the provision of energy, and it is starting to address those issues through renewable energy and other activities. The United States is invading the marketplace
and putting in place policy that actually drives the energy debate, rather than—as we would do; as we are doing now—allowing the fuel companies, which are international corporations, to drive the debate for it. I think that is a great failing on the part of this government.

The LPG business the other day—and it is a bit like the way you cannot criticise your mother—is not going to do much good. I think everybody recognises that. Even if, at the end of the day, people did accept that the government would not change the taxation regime in the future, that the fuel companies were all going to play a straight game and not gouge the price and that the fitters of the additional equipment, the cylinders et cetera, would not profiteer on the way through, there is a whole range of uncertainties there.

The consumer, the customer, has seen the government put in place in 2001 a renewable energy policy, some mandatory renewable energy targets for renewable fuels. Six years later, we are producing less than we were when we started the policy. To the Labor Party’s shame, too, I notice in their second reading amendment that they are still talking about 350,000 megalitres—less than one per cent of the fuel needs of the nation. The rest of the world is marching on, and we are still playing games with old numbers from 2001: 350,000 megalitres of renewable energy. I think the member for Kennedy mentioned in a speech the other night—a very good speech too, I thought—that we are at about 30,000. There is no way that even the targets that the Prime Minister set out during his cup of coffee with the fuel companies last year have been achieved. They were supposed to be achieved by the end of June or July, I think it was. There is no way that the 2006 targets have been achieved.

It is obvious to anybody in the marketplace that the fuel companies in this country are not going to make any significant changes on renewable energy, ethanol and these other products unless there is a mandate such that it opens up the process of distribution through the bowser. There is no way that those companies are going to do that. Take a look at America and see what they have done in the States. They recognise that at a policy level. They are agripoliticians, they are state and federal politicians, and they put in place mandates which forced the fuel companies to accept the product and start to market it through the normal processing chain, for a whole range of health, environmental and other reasons. They have had an enormous impact on the agricultural sector and the renewable energy sector. The fuel companies now embrace it in the States. The car companies now embrace it. We could do the same. (Time expired)

Mr MARTIN FERGUSON (Batman) (10.18 am)—As is evidenced by the participation on this side of the House, we regard this debate as exceptionally important. I will tell you why. I think this debate reflects sadly on the government’s performance generally. The basis of the Petroleum Retail Legislation Repeal Bill 2006 is to reflect a new legislative regime in response to what we all believe is a major change in the structure of the Australian retail petroleum industry. The view of the whole parliament was that we required legislation, because we had an understanding that the new structure of the petroleum industry in Australia was out of step with the legislative framework. It was our view that the legislative framework potentially created a subcompetitive retail environment, as the Minister for Industry, Tourism and Resources said in his second reading speech, which potentially imposed higher costs on Australian industry and consumers. That is important at the moment because it is at a time of record high oil prices. We all appreciate that there is no immediate solu-
tion to the issue of record high oil prices because of a variety of factors, including a huge demand in developing countries such as China, with India yet to come on stream.

I am therefore utterly amazed that, given that on Monday this week the Prime Minister saw fit to make a prime ministerial statement to the Australian community—not just to the Australian parliament but to the Australian community—on the issue of energy, with a special focus on transport fuels and that statement went to a total of 23 pages. It dealt with a range of new options, such as an appropriate government focus on trying to spread the use of LPG in the Australian motoring community—and another push, can I say in response to the member for New England, for the ethanol and biofuels industry.

Unfortunately, in terms of the ethanol industry, there is no capacity for government to direct sugar producers in Australia to turn their sugar production towards ethanol and thereby receive a lower price than they are receiving internationally at the moment for the sale of their sugar. In some ways, some issues in Australia are driven by market forces. I would have thought that the member for New England would have understood them, because he prides himself on representing the private sector in the Australian community.

But—having said that—this is a key debate. I would have thought that, given the nature of this legislation, in association with the Prime Minister’s major statement to the Australian community about transport fuel in Australia, there would be some interest in this debate on the government side of the House. I raise this very seriously, because there is no doubt in my mind that, over the next couple of weeks, in all the coalition seats around Australia, all of a sudden, glossy publications will appear in the Australian householder’s letterbox or alternatively in the local newspapers.

It is interesting to note, in terms of that self-promotion out in the Australian community, that all of a sudden we received an email from the Special Minister of State last night, saying, ‘Government has now resolved that you haven’t got enough to spend on publications.’ With no justification, our publications allowance has been increased overnight from $125,000 per annum for each seat in Australia to $150,000 per annum, with a carryover of roughly 45 per cent in an election year, effectively meaning that in an election year you will have over $200,000 per year of taxpayers’ money to spend on promoting your re-election.

Rather than spending their time sitting in their offices over the last couple of days preparing those publications, which are provided by a government media unit to circulate throughout the whole Australian community at taxpayers’ expense, I would have thought that government members could have found some time to come into the House to debate this major legislation and also to express their views about the appropriateness of the Prime Minister’s ministerial statement on Monday on transport fuels.

Mr Lloyd—Look behind you. You don’t seem to have much support there!

Mr MARTIN FERGUSON—In that context, as raised by the Minister for Local Government, Territories and Roads, who is participating in this debate, let us see who was sitting behind one another. The second reading motion was moved, appropriately, by the Minister for Industry, Tourism and Resources. It is interesting to note that, on the government’s side, there are 87 members yet only two members of the backbench deemed it appropriate to come into the House and speak in support not only of this legislation but also of the Prime Minister’s statement on
transport fuels. Three spoke in total. That is equivalent to the number of Independents who spoke in this debate, and there are only three in this House. Then we go to the opposition, and the minister for local government wants to raise the issue of the willingness of members to come into this House. (Extension of time granted)

Mr Katter interjecting—

Mr MARTIN FERGUSON—I am sure the member for Kennedy is going to be given the call again, because I know he makes a worthwhile contribution to these debates. Let us go to the opposition. Interestingly, we have 60 members in the House; 23 of our caucus participated in this lower house debate—that is, over a third of our caucus participated in what we regard as a major debate. I will tell you why. This is not only a debate about the Petroleum Retail Legislation Repeal Bill 2006 but also a broad-ranging debate about transport fuels and, perhaps more importantly and even more broadly, transport, oil security and energy security in Australia generally. It is for that reason we have moved further amendments. The Minister for Industry, Tourism and Resources has indicated to me he will be making some comments in respect of the issues I previously raised, going to the reform of the Trade Practices Act and the outcome of negotiations between the government and the opposition.

The member for Hunter has sought to move an amendment to beef up the government’s legislation and to keep the finger on the industry and on government with respect to the application of this legislation in a practical form. This is important, because the legislation also includes a new mandatory oil code. That mandatory oil code will seek to achieve a number of key objectives. Firstly, it will allow collective bargaining amongst independents to give them more market power. Secondly, it will introduce terminal gate pricing arrangements that are supposedly to provide greater transparency in wholesale pricing and open access to all customers. Thirdly, it will establish minimum standards for fuel reselling. Fourthly, it will establish an independent and cost-effective downstream petroleum dispute resolution scheme in Australia. The opposition support the intent of that oil code, and that is why we support the repeal of the current petroleum retail legislation. It goes hand in hand with not only the undertakings given by the government to the opposition on potential reform of the Trade Practices Act but also the additional issues raised by the member for Hunter.

Our amendment is about further improving the whole range of legislation that goes to protecting the Australian consumer and making sure the petroleum retail industry is competitive. For that reason, just as we have to from time to time check up on all aspects of life, we believe that the Trade Practices Act ought to be given some additional powers. That takes me not to the performance of the Minister for Industry, Tourism and Resources but solely with those of the Treasurer. It ought to be the Treasurer in the House today, not the minister for industry, addressing this issue. It is his responsibility.

The worry of the opposition goes to the manner in which the Treasurer undertakes his duties. I want to make some specific comments about these issues. The opposition’s very firm view is that the Treasurer has been sitting on his hands for three years. We say that because he has failed, despite numerous requests—not just from the member for Hunter but from a range of people in the Australian community, especially the busi-
ness community—to introduce the 2003 Dawson recommendations and 2004 Senate recommendations on trade practices reform.

He likes to talk about how he is assisting Australian industry. I tell you what: Australian industry is crying out for this legislation, and it is sick and tired of the non-performance of the Treasurer and his failure to bring forward this legislation. We contend, as business says to us privately, it reflects the height of laziness not just of the government but perhaps more importantly of the Treasurer himself. I believe this is exceptionally important. It is not just about industry. It is also about the rights and responsibilities of this government to Australian consumers. We are elected to this parliament to try and do our best for the people we represent, and that includes Australian consumers. I believe Australian consumers deserve more from this government, not only in relation to petroleum marketing but across the board.

I go to the Dawson and Senate recommendations. Those recommendations go to the crux of the debate before the House today, because they refer to strengthening section 46 of the Trade Practices Act. (Extension of time granted) That strengthening of section 46 is exceptionally important, because section 46 goes to the abuse of market power. That is what this legislation is about. It is about a change in structure of the petroleum retail industry to make sure we avoid an abuse of market power. That is about trying to make sure that we conduct ourselves so as to look after the interests of consumers in an appropriate way. It is not just about the retail sector of the petroleum industry; it goes across the industry generally. In broad terms we accept that the government supports the strengthening of section 46. We want to see the colour of its legislation. I do not think we are asking for too much. We are simply asking to see the outcome of the Treasurer’s work. Surely it is sitting on the Treasurer’s desk at this time. I say this to the Treasurer today. Get your act together. Your performance to date with respect to these key proposals is unacceptable. It is unacceptable to the Australian community, it is unacceptable to business and it is unacceptable to this parliament.

That is why we call on the government today to support the opposition’s section 46 amendments as moved by the member for Hunter. I will tell you why they are important. These amendments seek to allow a court to take into account these key principles which go to the basis of a free enterprise system, one that prides itself on the independence of the market: firstly, that the threshold of a substantial degree of power in a market is lower than the former threshold of substantial control; secondly, that the substantial market power threshold does not require a corporation to have an absolute freedom from constraint, it is sufficient if the corporation is not constrained to a significant extent by competitors or suppliers; thirdly, that more than one corporation can have a substantial degree of power in a market; and, fourthly, that evidence of a corporation’s behaviour in the market is relevant to a determination of substantial market power. These principles must be enshrined in legislation. We depend on the independence of the courts, but it is a requirement of the government to give the courts the power to actually act. We are about beefing up some weaknesses in the existing legislation, as is the responsibility of legislators. The government have not taken into account these factors, which seem very fair and clear to me. If you want an example of that, just go to the Boral case referred to by the member for Hunter.

The other important point is that the government should ask the ACCC to formally monitor petrol prices—what is wrong with that?—and accordingly report every six
months on price movements, particularly in regional Australia; which is so often spoken about by not only the member for Lyons but also the members for Kennedy, New England and Calare, the Independents who have appropriately spoken in this debate. I am at a loss to understand why the government is opposed to this concept. It is about transparency and accountability. That is what the minister in his second reading speech said the change in the legislation is about; it is about a new competitive model guaranteeing transparency and accountability. Last year the best explanation the competitive watchdog could come up with was, and I quote, that ‘something funny is going on with refiner margins’. Let us give the appropriate authorities some capacity to actually make sure that ‘something funny’ does not occur in the future.

I simply say in conclusion that motorists deserve a better explanation. It is in the interests of industry and in the best interests of government that we are able to prove what we argue in this House. After all it is the industry’s reputation that is being damaged as motorists blame them for price gouging—not just the government. In response to the Prime Minister’s statement on transport fuels, could the minister advise—because I am sure that this work was done in the costings—what expected take-up the government sees for each of the next five financial years in LPG with respect to the conversion of vehicles and the production of new vehicles? What expected growth does it see in each of those five financial years in the spread of ethanol and biofuels? I do not think you need to mandate them; they will stand on their own feet if they remain price competitive. (Time expired)

Mr KATTER (Kennedy) (10.33 am)—We have heard an excellent contribution from the member for Batman, but unfortunately in two areas he was factually wrong. We receive $450 a tonne for sugar at the present moment. At current petrol prices that would reflect back to the sugar industry at $480 a tonne. But nobody in the industry believes remotely that we are going to stay at $450 a tonne. For the last five years we have been at $269 a tonne. I usually do my figures at $360 a tonne. We can give you petrol at a much cheaper price than you are getting it at the present moment. I have said repeatedly in this House, as we are screaming and crying about the price of petrol, that we should just bring in a tanker from Brazil. They retail petrol over there at 68c a litre. There is a distance factor involved so the equivalent price might be 75c. They are retailing it at 75c. It seems to be a point that I fail totally to get through. People say that I get passionate and forceful, but I do not know what I have to do to get it through to this parliament that that is the price over there. You can ring the Brazilians and find out. It may go up in sympathy with the world petrol price; in fact I think it probably would. Our sugar has increased in price because the Brazilians have taken a lot of their cane out of sugar production and put it into oil production, which of course is much more lucrative and attractive.

The point here is that the argument that would allow them in here is of no use. We are right now negotiating. There are no independents left in this country. We are informed that, on present trends, within two years 75 per cent of the market will be held by Caltex and Shell, and their partners Woolworths and Coles. The other 25 per cent are little fellas. You cannot set up an ethanol plant on the basis of getting contractual arrangements with 200 or 300 outlets. That is just not the real world. The only plant being built in Australia is being built by one of the major independents—that is the only way you are going to get it—and that major independent has now been bought out by Caltex. The government keeps preaching free enter-
prise, national competition policy. The Independents have come into this place and repeatedly asked—and ours are the only voices that do this—in which area did we get competition? We most certainly did not get it in petrol. We most certainly did not get it in airlines. We most certainly did not get it in transportation, which is down to about three companies in Australia now: Toll, Linfox and another one. Where exactly did we get this promised competition? In food retailing and supermarkets we are down to just two players with 82 per cent of the market. Back in 1990 they had only 50.5 per cent of the market. So it has failed miserably.

I have great respect for the Prime Minister, but his policy of incentivism and moral suasion with respect to petrol in Australia has failed miserably. The only answer out there, the only clear-cut answer, is what the member for New England and his area and my area can provide to Australia, which is petrol at a price under 80c a litre. We can do that right now, but we have to have somebody to sell it to. I ask members in this House to please understand that the oil companies do not buy at spot market prices. They own the oilwells. They have contractual obligations that date back 30 and 40 years in other cases. When we discussed it with the Venezuelans, they said: ‘Forget about price. Whatever the price is we can undercut it. Don’t worry about the spot market price. That has nothing to do with the price of production.’ It is something that all of us know. In this country we should know it, because when we had the price at the wellhead, it was $3 a barrel and the international spot price was $7 a barrel. There is no relationship between the price the oil companies buy at and what the world spot market price is. They are entitled, under the free market system—and I agree with that—to take the market price out there, but they are not entitled to close down the industry and not allow ethanol in.

Mr FITZGIBBON (Hunter) (10.38 am)—This has been a wide-ranging and I think fruitful debate, and some very good points have been raised. I reinforce the fact that the opposition is heavily supportive of the alternative fuels industry, including LPG, ethanol, biodiesel and CNG, and of course we have been pushing hard for the establishment of a gas to liquids industry in this country. But this will turn out to be a very disappointing debate if the Minister for Industry, Tourism and Resources does not take the opportunity to answer some very important questions that we have posed throughout the course of the debate. Of course, the first question is: is he going to support our very important amendments to the Trade Practices Act and, if not, why not? Secondly, is he going to support our attempt to extend the referral powers of the Treasurer to both houses of this parliament or to any parliamentary committee? Those are, of course, the referral powers to allow the chairman of the ACCC to inquire into prices—in this case, petrol prices—if he sees a prima facie case to do so. If not, why not? This is a very responsible approach on our part. The third question is just as important, if not more important. We need the industry minister to tell us—

Mr Ian Macfarlane—Give me a chance, Joel.

Mr FITZGIBBON—We will give you a chance after I conclude. How many people—and/or vehicles—does he expect will take up the government’s LPG grant as announced in the Prime Minister’s energy statement on Monday? This is a very important question, because we are assessing this fuels statement on the basis of its impact, on the basis of how many people it is likely to assist. We know it is not going to help anyone that is stuck on petrol. But, given the amount of money which has been allocated and given the framework which has been announced, how many people will have the opportunity
to take up LPG and receive that grant? My back of the envelope calculation is about 400,000 out of 13 million. That equates to something less than three per cent of motor vehicles in any given electorate. That is three per cent or less in the electorates of Robertson, Dobell, Paterson, Parramatta, Adelaide and Braddon. In any seat you want to name, it is three per cent or less.

I am happy for the industry minister to rise to his feet when I conclude this contribution and tell me that I am wrong, but I tell you what he needs to hope. He needs to hope I am very wrong. It is not much help to him if he gets up and says, ‘The member for Hunter is wrong to say it is less than three per cent; it is in fact three per cent’ or it is four per cent or five per cent or even 10 per cent. It is not a very efficient fuels policy if it does no more than help even 10 per cent of those families and businesses that are bleeding out there because of the impact of high petrol prices.

So, minister, we are issuing you with a very important challenge. Get up here to this dispatch box and tell us the answers. Are you supporting our trade practices amendments and, if not, why not? Are you supporting the expansion of the referral powers of the ACCC and, if not, why not? Are you going to tell us—we know you have got the numbers; it would be incompetent of the government if you did not have the numbers—how many people are going to have an opportunity to access your LPG grants scheme? Of course, we would like some breakdowns by electorate as well if you have the capacity to give us that information.

I have said this has been a free-ranging and productive debate. We know the government needs to move on to its legislative program, and we are prepared to be cooperative. I am prepared for this to be my last contribution to this debate. But, if we do not get the answers that we are looking for from the minister, we will have to get up again and again and again until he gives us the answers. So it is his turn now. Minister, just give us the answers we require. Tell us how many people will benefit from your LPG grants scheme.

The DEPUTY SPEAKER (Mr Quick)—Before I call the minister, I would like to inform the chamber that it is my understanding that the minister will not be closing the debate.

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (10.46 am)—I thank those opposite for their contributions, misguided though most of them were. With respect to the question asked by the member for Hunter, I remind him that if he reads the Prime Minister’s statement—the one he describes as illusional, but then admits that there will be hundreds of thousands of motor cars converted to LPG by private motorists, without calculating the ones that will be converted and bought new by the business sector—in that area alone, the relief is going to be—

Mr Price—What’s the number?

Mr IAN MACFARLANE—I have waited half an hour; I would prefer not to be interjected on while I try to answer the question. Those motorists who will benefit from LPG have the opportunity now to choose this as an alternative fuel. There is no cap on the scheme, there is no means test and there is no exclusion of vehicles. My understanding is that somewhere in excess of three million vehicles currently in the fleet can be converted to LPG. To save the member for Hunter doing his sums, that is about a third of the vehicles in the fleet. There are about 10 million vehicles out there. Of course, this is not the only part of the energy policy the Prime Minister announced on Monday—

CHAMBER
Mr Fitzgibbon—You haven’t given us the number.

Mr IAN MACFARLANE—I cannot give the number because I cannot read the minds of those 3½ million vehicle owners—

Mr Fitzgibbon—How do you cost it if you don’t have an estimate of how many?

Mr IAN MACFARLANE—I cannot read the minds of those 3½ million owners as to whether they will support this proposal and use LPG as an alternative fuel and save money that way or use ethanol and take advantage of some of the discounts that are being offered there. The opposition has already admitted in this House that hundreds of thousands of vehicles will be converted to LPG as people take advantage of the scheme.

I now turn to the ACCC powers that are being requested by the member for Hunter. The ACCC can take action under the Trade Practices Act 1974 if there is evidence of anticompetitive behaviour—and that includes anticompetitive behaviour in the fuel sector. Currently, the ACCC monitors petrol, diesel, ethanol, autogas and E10 prices in metropolitan areas and about 110 country areas across Australia. It can also undertake additional random monitoring in remote areas and will investigate complaints about prices whenever they are made.

Anyone has the opportunity to refer such matters to the ACCC. The opposition is suggesting that we have another inquiry. We are currently in the middle of our 47th inquiry into fuel prices. As the Prime Minister said in his speech on Monday, Australia enjoys prices which are comparable to the rest of the OECD countries, once you remove the excise, and, with excise on, we have the fourth cheapest fuel in the OECD. So the suggestion that Australians are paying more for their petrol than Europeans, Americans or Canadians is sheer nonsense.

With regard to the section 46 proposals, the government is very keen to introduce legislation as soon as the Dawson legislation passes through the Senate—the very same legislation the opposition spoke of earlier and which was opposed by the Labor Party. The government amendments to section 46 in response to the member for Batman will clarify and improve the operation of the provisions of that act. Specifically, they will, firstly, state that a corporation which has a substantial degree of power in a market shall not take advantage of that power, in that or any other market, for any proscribed purpose in relation to that or any other market; and, secondly, they will clarify that, in determining the degree of power that a corporation has in the market, the courts may have regard to the power of the corporation in the market that results from contracts, arrangements or understandings, actual or proposed, with other parties or results from covenants that the corporation is bound by or entitled to benefit from. Thirdly, they will clarify that the matters set out in section 46, which the courts may have regard to in determining the degree of power the corporation has in the market, do not limit the matters the court may consider; and, fourthly, they will provide that, without limiting the generality of section 46, in determining whether a corporation has breached section 46 the courts may have regard to whether the corporation was supplying goods or services at a price less than the cost of such goods or services and had a reasonable prospect or an expectation of being able to recover any losses incurred by supplying the goods or services at that price.

I say again that we oppose the member for Hunter’s amendments, which do not belong to this bill and will be dealt with after the passage of the Dawson trade practices bill through the Senate. I urge members to support the bill as introduced.
Mr FITZGIBBON (Hunter) (10.49 am)—What a very disappointing response from the minister. I posed three tests for him. Will he support our important amendments to the Trade Practices Act? At least we got an answer: no. Will he support our proposition to expand the referral powers to the ACCC? It was a disappointing answer: no. At least we got an answer. But probably the most important question was a very specific one: how many people do the minister and his department expect to take up the opportunity to secure a grant for conversion to LPG? He completely squibbed that question. Let us not have this rubbish: ‘We don’t know how many people might take up the opportunity—

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (10.50 am)—I move:

That the question now be put.

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

Mr Price—Mr Deputy Speaker, is the minister allowed to interrupt the debate like that and move that the question be put?

The DEPUTY SPEAKER (Mr Quick)—Yes.

Mr Fitzgibbon—Mr Deputy Speaker, can you confer with the clerks and confirm with them that the minister has the capacity to gag the debate, interrupting my contribution, without, at the very least, moving that I no longer be heard?

The DEPUTY SPEAKER—I will consult the clerks but it is my understanding that the question is before the House and the minister is entitled to put the motion that the question be put.

Mr Price—While someone else has the call?

The DEPUTY SPEAKER—The Chief Opposition Whip, I understand—

Mr Price—I apologise, Mr Deputy Speaker, but on a point of order: the member for Hunter was on his feet. I am not disputing that the minister can move the motion he did, but he did not have the call at the time and I do not understand why the member for Hunter was not allowed to continue his contribution.

The DEPUTY SPEAKER—it is my understanding that any member, but especially the minister, can rise and put the motion that he put, irrespective of who is speaking. I have been informed by the Clerk that, after a question has been proposed from the chair, a member may move without notice, and whether or not any other member is speaking, that the question be now put. The matter should be put immediately. I thank the clerks for their wisdom and guidance.

Question put.

The House divided. [10.54 am]

(Ayes—Mr Quick)

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baird, B.G. Baker, M.
Baldwin, R.C. Barresi, P.A.
Bartlett, K.J. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Broadbent, R. Brough, M.T.
Cadman, A.G. Causley, I.R.
Ciobo, S.M. Cobb, J.K.
Costello, P.H. Downer, A.J.G.
Dutton, P.C. Elson, K.S.
Entsch, W.G. Farmer, P.F.
Fawcett, D. Ferguson, M.D.
Forrest, J.A. Gambaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartsuyker, L. Henry, S.
Hockey, J.B. Hull, K.E. *
Hunt, G.A. Jensen, D.
Question agreed to.

Question put:

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

The House divided. [11.01 am]

(The Deputy Speaker—Mr Quick)

AYES

Ayes………….. 58

Nees………….. 83

Majority………. 25

AYES

Adams, D.G.H. Albanese, A.N.
Andrew, P.J. Beazley, K.C.
Bevis, A.R. Bird, S.
Bowen, C. Burke, A.E.
Burke, A.S. Corcoran, A.K.
Crean, S.F. Danby, M.*
Edwards, G.J. Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, J.A.
Gibbons, S.W. Gillard, J.E.
Grierson, S.J. Griffin, A.P.
Hall, J.G.* Hayes, C.P.
Hoare, K.J. Irwin, J.
Irwin, J. Katter, R.C.
Jenkins, H.A. King, C.F.
King, C.F. Livermore, K.F.
McMullan, R.F. Milne, A.
O’Connor, B.P. Owen, J.
Price, L.R.S. Roxon, N.L.
Roxon, N.L. Sercombe, R.C.G.
Sercombe, R.C.G. Snowden, W.E.
Snowden, W.E. Tanner, L.
Tanner, L. Thomson, K.J.
Vanvakinou, M. Wilkie, K.
Windsor, A.H.C.
* denotes teller

NOES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baird, B.G. Baker, M.
Baldwin, R.C. Barresi, P.A.
Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (11.07 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (REPEAL OF INOPERATIVE PROVISIONS)
BILL 2006

Second Reading

Debate resumed from 22 June, on motion by Mr Costello:

That this bill be now read a second time.

Mr FITZGIBBON (Hunter) (11.08 am)—I move:

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

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

(1) notes that while technically operative the following provisions are unnecessary and should be repealed:

(a) in Income Tax Assessment Act 1936: s 26(b), s 26(e), s 94, s 102, s 108, s 109, Part II Subdivision 3D, Part II Division 6A, Part II Division 9C, and Part II Subdivision 11B; and


(2) notes that the following provisions of the Income Tax Assessment Act 1936 are rarely used or enforced: s 44(1)(b), s 95A(2), s 99B, and Division 6D of Part II; and

(3) calls on the Government to present to the Joint Committee of Public Accounts and Audit, within six months, proposals for the redrafting or repeal of these provisions to further simplify the operation of income tax law”.

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

Mr Martin Ferguson—I second the amendment and reserve my right to speak.

Mr FITZGIBBON—I have just made a very broad-ranging debate much broader. This debate on the Tax Laws Amendment
(Repeal of Inoperative Provisions) Bill 2006 is now a very broad-ranging one that goes to just about any issue that members of this parliament want to raise. With this amendment, members should now feel free to speak on just about any issue they wish. We are repealing 4,100 pages of the Income Tax Assessment Act and measures that go to wholesale sales tax and FBT. My second reading amendment makes it even broader. I invite members on both sides of the parliament to be as broad ranging in their contributions on this bill as they wish.

Dr Emerson—As long as they mention the word ‘tax’.

Mr FITZGIBBON—The member for Rankin is absolutely correct: as long as they mention the word ‘tax’. Tax on the people can come in many forms. I probably should have restricted my invitation to only members on my side, because there are not too many speakers on the other side.

Mr Ciobo interjecting—

Mr Martin Ferguson—There’s one!

Mr FITZGIBBON—Sorry, the member for Moncrieff is here. I also invite the member for Moncrieff to make a broad-ranging contribution to this debate and if, like the Special Minister of State, he wants to contradict the Prime Minister’s energy statement, he should feel free to do so. I know he is not happy because, in the member for Moncrieff’s electorate, less than three per cent of his constituents will have the opportunity to take up the only initiative—that is, the LPG initiative—in John Howard’s energy statement that may have brought his constituents some fuel cost relief. So I can understand why the member for Moncrieff would be disappointed in the energy statement. This is his opportunity to get up in the people’s house, to properly represent his constituents and say so, as did the Special Minister of State yesterday when he belled the cat on the Prime Minister’s energy statement.

I hope the Prime Minister was reflecting, as he drove in this morning, in his chauffeur-driven, taxpayer funded, petrol-driven limousine, on his ‘Let them eat cake’ approach. You can imagine him, waving his hand, as the royals tend to do, in his petrol-powered limousine, saying to all others—other than maybe less than three per cent in each electorate—‘Let them eat cake. Let them queue for their LPG conversion, then let them queue for their grant.’ I am not yet sure whether that will be one day, two days, two weeks or three months. Certainly, if they get the conversion next week it would be a miracle, if they were not already booked in but, if they get it next week they will have to wait until after 1 October to claim the cost back. So there is a huge cash flow issue.

But the Prime Minister does not care. He is not affected by any of these measures. If he were serious about LPG, he would have done something about the Commonwealth’s own fleet. It is a case of ‘Let them eat cake, I’m happy in my petrol powered car; let the others line up for the opportunity to convert to LPG.’ What a disgraceful approach to the pressing energy reform issues that are facing this country—our import dependency; our spiralling cost of fuel, and the tax that is attached; and, the impact that is having on Australian families, individuals, not to mention Australian business, small, medium and large.

So I invite the member for Moncrieff to reflect on those points and respond, if he wishes, on behalf of the government. It is up to him, because he is the only one who came in. Can you believe that, despite the fact that the opposition had about 20 speakers on the Petroleum Retail Legislation Repeal Bill 2006—a critical piece of legislation, which goes directly to petrol prices in this coun-
try—there is one speaker on the government side? Were they scared to get up in this place and take the Prime Minister on? Or, even worse, were they told by their whip that they were not entitled to speak on this bill because the government did not want a recurrence of what happened with the Special Minister of State, who belled the cat, who exposed the illusion of the Prime Minister’s energy plan? There is one speaker on such an important bill, a bill on which we had foreshadowed some very important amendments to the Trade Practices Act, which would have protected small businesses and consumers generally not just in petrol retailing but right across the board. It was an opportunity for government members to support that amendment.

Another important amendment is the one that will take away this restrictive idea that only the Treasurer should have the power to empower the ACCC to investigate what is happening with not only petrol prices but prices in addition to petrol prices. We believe that not just the Treasurer but any house of this parliament or any committee of this parliament which sees a prima facie case that something is wrong in a market, particularly petrol, can refer to the ACCC the power it needs not just to look at prices but to look behind prices. More particularly, the big disappointment here was the Minister for Industry, Tourism and Resources. We asked him a very simple question: how many people around the country, and in individual electorates, will take up his LPG offer? He would not give us the answer. We know he knows the answer, but he refuses to give it because it is embarrassing.

Mr Ciobo—On a point of order, Mr Deputy Mr Speaker: I believe the member for Hunter may be confused about which bill we are debating. This has absolutely no relevance to the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006. It is a lame attempt by the member for Hunter to fill in his half hour. I ask you to bring him back to relevance.

Dr Emerson—This is a second reading debate.

The DEPUTY SPEAKER (Mr Quick)—There is no point of order. The member for Hunter will get back to talking about tax laws and their repeal.

Mr FITZGIBBON—The member for Rankin is absolutely correct. The member for Moncrieff should have a look at how wide-ranging the bill is. The second reading amendment makes it even more wide-ranging. Out of respect for the House, I am going to move from this issue very quickly and close by saying this. The minister and the Prime Minister have costed their energy plan. In particular, they have costed the LPG grant. Therefore, it is obvious to anyone who knows anything about finance and how the Commonwealth budget works that they know how many people will have the opportunity to take up the LPG grant—of course they do. That is the only basis on which they can cost it.

We accept that they have to make some assumptions. If it is, say, 2.8 per cent of people, if they want to put a caveat in saying it is plus or minus one per cent, we will be happy with that. Minister, you know the answer to the question. Simply come in here and tell Australia how many people will benefit from the centrepiece of the Prime Minister’s energy policy—the centrepiece, the big bang, the LPG grant. How many people will benefit? My back-of-the-envelope calculation is about 400,000 vehicles or people—depending on how you count it, it varies—out of 13 million, or less than three per cent in each electorate, including the electorate of Moncrieff. Come in and tell us, Minister. That is all we ask. We just want you to be
open with the Australian people and tell us what this means for them.

Given what I believe will be a very small impact, what is there in the minister’s energy proposals that does anything tomorrow, next week, next month or even next year to put downward pressure on petrol prices? Petrol is the fuel on which people will continue to rely. You isolate one fuel as the centrepiece of your policy—

The DEPUTY SPEAKER—I remind the member for Hunter that he should address his comments through the chair and should not use the word ‘you’.

Mr FITZGIBBON—Thank you, Mr Deputy Speaker. If the Prime Minister devises an energy plan that focuses on just one policy, instead of taking up Labor’s blueprint, which focuses on a wide range of fuels, what will happen? It was funny when the Minister for Industry, Tourism and Resources raised the question of supply and demand rather incorrectly yesterday during question time. What will happen is that demand for LPG will rise. And what will happen then if supply cannot increase because of capacity constraint? There are only so many converters and LPG tanks in the country. Of course, the member for Rankin, who has a PhD in economics, knows, and he learnt this in economics 101, I am sure—

Dr Emerson—Inelastic supply, the price will go up.

Mr FITZGIBBON—We do not need to get into the inelasticities, but the answer is that the price will go up. We have seen evidence of that already. I do not want to cast aspersions on the conversion industry. They will do their very best, but if they are inundated by people and put under pressure, what will the temptation be? If you have far more customers than you can deal with, it is a bit like bulk-billing. If you have too many patients you do not bulk-bill. That would only encourage more patients and you cannot handle them. If you are a converter, there is a temptation to say: ‘It was 4,000 yesterday but things are tight, big queues. It might go to 4,500 tomorrow or even worse next week.’ These are the things the government has not considered in this energy policy. Why? Because this is a hastily and recklessly cobbled together policy designed as a political fix. But yesterday, by virtue of the revelation of the Special Minister of State, it blew up in their faces. We are going to keep asking the question. We want the minister to come in here—we know he has the numbers—and simply tell us how many people will benefit.

I turn to the bill at hand, an important bill. I remind members that this is a very wide-ranging debate. The member for Moncrieff has a sterling opportunity, the opportunity of a lifetime, to respond. The Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006 in reality—unfortunately I cannot be complimentary of the government, again—is an enormous failure.

Mr Martin Ferguson—Try to find something nice to say.

Mr FITZGIBBON—The member for Batman wants me to try. I will think about that. This is the government’s attempt—a very weak attempt—to show that it is embarking upon taxation reform.

Since this government came to office in 1996, the tax act—and the member for Rankin knows this only too well—has expanded to 10,000 pages. So 1,000 pages a year over 10 years is not a bad effort. Yet this government was going to reduce taxation burdens and compliance, but there are now 10,000 extra pages. Out of desperation to demonstrate some attempt at reform—and probably off the very good work of the member for Rankin, who was in here on a daily basis embarrassing the government over the enormity of the tax act—the government came up
with this plan to ask the Board of Taxation to look at the inoperative provisions that might exist in the act. So, if you find inoperative provisions and then get rid of them, you can say that you are reducing the tax act in volume terms.

In 2003 the Board of Taxation undertook that exercise, as instructed by the government. It finally reported to the Treasurer in October 2005. The sheer amount of time that it took the Board of Taxation to undertake the task is in itself an indication of how difficult a task it was to get through a tax act that is 10,000 pages long—an act that has been through the trauma of the change from the wholesale sales tax system to the GST. In October 2005, the board told the Treasurer that it had identified 1,900 pages of inoperative provisions. You can imagine the Treasurer’s disappointment. He had gone to 10,000 pages. He thought he had a bit of a stunt, a bit of a plan, a political fix to get the Board of Taxation to give him some recommendations that would show that he was on the job—that he was reducing the size of the act. But 1,900 pages was not going to deliver for him by any means. So what did he do? He sought to make it larger. He went digging for other provisions, many of them going to wholesale sales tax and other areas that were not the focus of his original proposal. Remember; we are talking about income tax not wholesale sales tax. In any case, the Treasurer managed to grow the number of pages to some 4,100, and that is the issue we are considering today.

It is the operative provisions of the tax act that are of concern to tax practitioners and others who deal with the tax act, not the inoperative provisions. I do not see too many people running around concerned about parts of the tax act that do not apply to them or are not relevant to them anymore. They are worried about the operative provisions. Major commercial publishers have agreed to print an archived volume of the repealed provisions, so even these repealed provisions will not disappear from the shelves of tax practitioners. Savings provisions come into operation by virtue of the Acts Interpretation Act, which ensures that repeal does not affect the operation of those parts of the act which were in force at the time the taxpayer undertook the activity. So to claim that 4,100 pages have been cut out of the tax act is grossly, deliberately and misleadingly exaggerated. The major problem is the operative provisions.

The economic benefits of this measure are not significant whereas real reductions in the compliance costs of tax for small business and for individuals would enhance returns, economic growth, employment and tax revenue and would lead to lower prices in more competitive markets. This bill is a missed opportunity for our Treasurer, who we know is lazy. That is the bottom line here. We know that his backbench knows he is lazy too; that is why he ran away from the leadership fight.

Dr Emerson—Too lazy to challenge.

Mr FITZGIBBON—Too lazy to challenge? That might be pushing the ‘lazy’ angle just a little too far. But we know that the very small level of support the Treasurer would have had in any leadership challenge is largely a reflection of his laziness. I know that is what his backbench think. They think he is a lazy Treasurer who relies on the economic foundation that Labor laid when last in government, which has now led to 15 years of continuous economic growth. He has sat back and just enjoyed it—no real reform; he has ridden on Labor’s wave.

The Treasurer relies on spin. He is pretty good in question time—almost as good as Paul Keating, I would suggest, and I think he has largely modelled himself on that style. He is pretty good in question time with the
spin but, when it comes to the substance, there ain’t much happening! His backbench knows that. And I think the member for Moncrieff might know that—he might take the opportunity in this wide-ranging debate to indicate his view on that very issue.

While Labor welcomes the bill, we call upon the government to do something about the operative provisions of the act that will actually make a difference to people. That is what we are trying to achieve by way of our second reading amendment. It should also be noted that the government is not just repealing provisions; it is changing the law in only small ways. The best example is the change to section 26(e) in respect of assessable income of goods in kind. This has been rewritten, and the operation of the act was changed in a minor way. The point is that this bill is mistitled. When savings provisions and ‘re-writes’ are considered, the bill involves much more than the repeal of inoperative provisions, as does the example in section 26(e). But they are not the kinds of changes I am talking about. This determines that goods received in kind are assessable income, but it is never used due to the operation of the FBT.

Let me talk about this concept. Once upon a time we did not have FBT, so there was a tax law to make sure that, if an employee were given a gift in replacement of a salary, then that gift or that additional amount of money would be taken to be assessable income of the employee. That does not happen anymore because the FBT takes priority over that law and there is no reason to go back to that law. So there has been a little bit of tweaking there, but it does not matter. It is a nonissue for Australian taxpayers and Australian businesses. It is just another example of a wasted opportunity.

I have with me a report entitled Beyond 4100. The title is self-explanatory. It is written by the Tax Institute of Australia. It was written to back up what I am saying. In point of fact, I have probably backed up what they have said. I am happy to give them the lead. They are the real experts. They have more resources than I have to look at these things in greater detail. They also have more corporate history in these issues than I have. They are saying that it is okay to repeal these provisions—they do not greatly affect people anyway—but that you have to go beyond 4,100 pages and get your teeth into the things that do matter to people. You have to make some real reductions in areas that will make a difference to Australian taxpayers and every entity that has an obligatory interface and relationship with the tax act and the Australian Taxation Office.

In the second reading amendment, we have borrowed, if you like, the ideas of the Tax Institute. We have looked at them: they seem to make sense; they seem to be efficient; they seem to have efficacy; and they seem to be pretty good ideas. It is not for the opposition to write law in this place. It is an area in which you must tread very warily and where a comma or a full stop in the wrong place can make a difference. The lazy Treasurer has the resources of two departments behind him—Treasury and the tax office—and therefore has the capacity to do something meaningful about the tax act. Some real changes could be made to lift the compliance burden on individuals and businesses, to introduce a more competitive environment into the Australian economy and to raise productivity levels and economic growth.

So, I say to the Treasurer, ‘Rather than sit back and rest on the Labor reforms of the eighties and the nineties, have a look at Beyond 4100 and Labor’s amendments—they highlight the important parts of Beyond 4100—and take this opportunity to make a real difference by tidying up the tax act, re-
ducing the compliance burden and, therefore, spreading the benefits of that reform right throughout the Australian economy. This will basically give individuals and businesses the break they have been looking for a long time.

Mr CIOBO (Moncrieff) (11.32 am)—It was interesting to hear the member for Hunter attempt, as he did, to fill half an hour in responding to the government’s positive steps to slash some 4,100 pages of tax laws, including 2,600 pages specifically from the income tax law. Almost one-third of the income tax law and over half of the Income Tax Assessment Act 1936 are being repealed in the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006. So the bill, at its very core, is good news.

I have been in parliament for a relatively short period of time—about five or six years—but I think it would be very rare to have the opportunity to come into this chamber and debate a bill that proposes to remove one-third or some 4,100 pages of the tax act. I am pleased to associate myself with this bill and to support it in the chamber because it is a positive move forward.

Dr Emerson—Mr Deputy Speaker, I rise on a point of order. In accordance with the standing orders, there is a requirement on members of parliament to be accurate in their statements or at least to attempt to be. There is no way that this legislation removes one-third of the Income Tax Act. The member was counting other tax acts as well, and he should be more honest in his statements.

The DEPUTY SPEAKER (Mr Haase)—I understand your point of order. Thank you, Member for Rankin. I believe the speaker is attending to that responsibility.

Mr CIOBO—What I specifically said is that it is almost one-third of the income tax law and over half of the Income Tax Assessment Act 1936—and that is a fact. I will very happily turn to statements of factual correctness. The member for Hunter certainly allows a very wide berth when it comes to whether or not things are truthful.

The member for Hunter has established quite a precedent. I would be very pleased to hear the member for Rankin make a couple of factual statements. The member for Hunter touched on leadership. Perhaps he could start with whether or not he still supports the former member for Werriwa. We know that the member for Hunter was the key supporter, the key backer, the key numbers man and the key driver of that failed Labor Party leader, Mark Latham. That is the track record that the member for Hunter brings into this chamber. I would ask one of the other roosters in the Australian Labor Party whether or not there is still support there.

Mr Martin Ferguson—Mr Deputy Speaker—

Mr CIOBO—Mr Deputy Speaker, I thought this was a wide-ranging debate. The member for Hunter invited me to address issues of leadership.

Mr Martin Ferguson—I rise on a point of order, which goes to the question of relevance and the issue of tax. I do not think what goes on in either party room is relevant to this debate; otherwise we might have a debate about where he stands on his support or otherwise for the Prime Minister or the Treasurer and their leadership struggles. I suggest you bring him back to the debate.

The DEPUTY SPEAKER—I understand your point of order. I call the member for Moncrieff.

Mr CIOBO—Mr Deputy Speaker, I was invited by the member for Hunter to make comments on leadership, and I am. The member for Hunter was not pulled up by the previous Deputy Speaker on issues of leadership. This is a wide-ranging debate. Tax laws are a key part of former leaders and their
various policies. I am happy to answer the member for Hunter’s remarks. I am happy to make reflections on whether or not the member for Hunter is in a position to make comments on leadership, because it was the member for Hunter, as I said, who was such a strident and fierce supporter of the former member for Werriwa, Mark Latham—the man who has been charged with criminal offences.

Dr Emerson—Mr Deputy Speaker, on a point of order: I am just thumbing through the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006 and I cannot find any section in the legislation that deals with the material that this member is now traversing.

The DEPUTY SPEAKER—Thank you, Member for Rankin. I understand your point of order. I am sure the member for Moncrieff will attend to his responsibilities in speaking to this bill.

Mr CIOBO—Mr Deputy Speaker, I recognise that the Labor Party is putting you in a difficult position, as the Deputy Speaker previously in the chair was happy for the member for Hunter to address leadership issues. I am not seeking to exacerbate the position in which you find yourself, but simply to answer the request by the member for Hunter for me to address the issue of leadership. I am reflecting on the fact that the member for Hunter, as a finance spokesman for the Australian Labor Party, appears to have some significant and pronounced deficits when it comes to character judgement—and perhaps even judgement with respect to policy. If the member for Hunter backs Mark Latham, the former member for Werriwa, then you would have to be concerned about Mr Latham’s decisions and policy statements, which the member for Hunter supports.

Dr Emerson—Mr Deputy Speaker, I take a point of order. The member for Moncrieff has 20 minutes to share his views on tax reform in this country, and he has used the first 4½ minutes to talk about anything but. If he really does not have anything to say about tax reform and the legislation before the parliament, I would suggest, respectfully, that you sit him down.

The DEPUTY SPEAKER—Thank you for your advice, member for Rankin. The member for Moncrieff, I am quite sure, understands his responsibilities in this House and the necessity to speak to this legislation. I call on him to do so.

Mr CIOBO—Thank you, Mr Deputy Speaker. I am happy to talk about this government’s track record on tax. I am pleased to talk about what the Howard government is doing to lighten the taxation burden on the general population in a literal sense—which we have a strong and proud record of doing—and also in a figurative sense. The bill immediately before the chamber today is a rare bill, which I am pleased and proud to support. The bill slashes 4,100 pages from income tax law and deserves the full support of both sides of the House. Not surprisingly, the Australian Labor Party—which we know from past form stands in the way of anything that reduces the levels of taxation on the Australian people—apparently does not support this bill. That is the conclusion I am forced to draw from the remarks of the member for Hunter.

We have seen, based on the Australian Labor Party’s track record, that it stands opposed to tax cuts. Recently the Howard government delivered some $36 billion worth of tax cuts. We rely on the numbers we have in this chamber and on our majority in the other place to move those cuts through both houses so that the Australian people are able to enjoy less of a tax burden. The Australian peo-
people recognise that it was the Treasurer, Peter Costello, and the Prime Minister, John Howard, who delivered $36 billion worth of tax cuts for them. Those tax cuts were delivered only about five weeks ago. So Australians today are paying less tax thanks to the sound economic management of Peter Costello and John Howard.

Our track record stands in stark contrast to the rhetoric we hear from the Australian Labor Party. When you compare the 13 years of Labor in government to the past 10 years of the coalition in government, a couple of key factors make the difference between the two governments apparent in people’s minds. I will touch on those because they are worth reflecting on. First and foremost are economic responsibility and economic governance. Under the coalition, Australians today are enjoying a 4.8 per cent unemployment rate—the lowest unemployment rate this country has seen for over 30 years. This government succeeded in bringing that about, not with the assistance of the Australian Labor Party, but with its absolute and total objection to it. It seeks to stop every reform we make to improve the lot of ordinary Australians.

This government’s reforms are delivering 30-year lows of unemployment. That is no thanks to the Australian Labor Party. In contrast, when we were in opposition in the past we supported any good policy announcements the Australian Labor Party made when it was in government. But we do not get that kind of cooperation from the Australian Labor Party today on Work Choices and on other labour market reforms, which I believe the member for Rankin probably generally supports. The Australian Labor Party stands in blunt opposition to the kinds of reforms that have brought unemployment in this country down to 4.8 per cent, to 30-year lows.

What is the Labor Party’s track record on unemployment? The answer to that question is one million unemployed Australians. That was its legacy, the legacy of the current opposition party, who hold itself out as an alternative government. Let us talk about interest rates, which have become a favoured topic of the Australian Labor Party of late. Under the coalition, interest rates are now averaging—

Dr Emerson—Mr Deputy Speaker, I take a point of order.

Mr CIOBO—Oh, the Labor Party does not like to talk about interest rates because of their 17 per cent—

The DEPUTY SPEAKER—The member for Moncrieff will resume his seat.

Dr Emerson—Reluctantly, Mr Deputy Speaker, I again draw your attention to the fact that this legislation repeals inoperative provisions of the income tax act and other acts. While it is a wide-ranging debate on tax, the member for Moncrieff is not talking about tax at all.

Mr CIOBO—This is a classic case of the Australian Labor Party once again engaging in acts of hypocrisy. They say they want a wide-ranging debate on taxation. I am simply highlighting the way in which the Australian people now have an easing of the tax burden on their shoulder thanks to the Howard government. The member for Rankin does not want to hear it, but I will go on because it is worth saying.

It is important that people understand the reason why they are better able to meet home
loan repayments, the reason why they have greater job security under this government and the reason why the government’s tax take is lower than it was under Labor. On all of these measures, I am very pleased to talk about the coalition government’s track record. I invite the member for Rankin to talk about the Labor Party’s track record, because, on every measure, Australians are better off under 10 years of coalition government than they ever were under the Australian Labor Party. As I said, interest rates are only one of those ways. At 7.8 per cent currently, with average interest rates of just over seven per cent under this coalition government, interest rates stand in stark contrast to the average under the Australian Labor Party of over 12 per cent. An average of 12 per cent and over for the Australian Labor Party, an average of just over seven per cent for the coalition; 13 years of Labor, 10 years of coalition—let the facts speak for themselves. And that is before I even touch on the peak of interest rates under the Australian Labor Party. The member for Rankin was probably in the chamber at the time. It was 17 per cent under the Australian Labor Party, with one million unemployed Australians. That is the legacy of the Australian Labor Party.

Let us also talk about why the coalition government is able to reduce taxation. Let us talk about why the government is passing on $36 billion worth of tax cuts to the Australian people. The simple reason is that this government has run nine budget surpluses, budget surpluses that the Australian Labor Party were not able to run. The track record under this government is the repayment of some $96 billion of Labor Party debt. Under the coalition, in 10 years, we have seen $96 billion of debt that was a legacy of the Leader of the Opposition and a legacy of members of the Australian Labor Party, which this government has paid off in full, saving Australians some $4 billion per annum in interest. That is money—some $4 billion each and every year—that we are now able to dedicate to roads, to health, to education, to tax cuts; the kinds of expenditure that the Australian Labor Party would never even have dreamed of when their period in office was coming to an end in 1996. These are the kinds of advantages that the Australian people enjoy today thanks to responsible economic management under the Treasurer, Peter Costello, and under the Prime Minister, the member for Bennelong, that the Australian Labor Party were unable to deliver because they were not disciplined when it came to spending in government.

I would also like to touch on what the member for Hunter spent half of his speech addressing—that is, energy policy. I was pleased today to see that the member for Batman and the member for Hunter were not disagreeing. It makes a pleasant change, because earlier this week we heard the member for Batman and the member for Hunter at loggerheads on ABC radio, embarrassingly for the two Labor members, one following the other on ABC radio. We had the member for Hunter attacking the government’s policy on excise, and we had the member for Batman defending the government policy on excise.

Today, when the member for Hunter was touching on excise, I note that he made no remarks about what Labor would do with excise. He was happy to talk in general terms about excise, but there was nothing specific from the member for Hunter. I invite the member for Rankin to perhaps outline to the House what the Labor Party’s policy is on excise and whether or not the Labor Party is going to cut excise, as the member for Hunter suggested would be the case. I would be very interested to hear some kind of commitment from the member for Rankin about Labor Party policy on excise, because I would remind the House that, again, it was
the coalition government that not only cut excise in 2001 but also froze the CPI indexation of excise. As a result of that coalition government pronouncement, fuel prices today are approximately 7c cheaper per litre than they would have been had that Labor Party policy stayed in place. Make no mistake: it was the coalition government that froze the excise indexation to CPI; no thanks to the Australian Labor Party. It was this government that stopped the excise indexation to CPI.

I should also say that the reaction that I have had from my constituents to the Prime Minister’s announcement that we would subsidise, to the amount of $2,000, the cost of converting vehicles to LPG so that people can take advantage of the 40 per cent cheaper price, on average, of LPG has been very positive. I genuinely know that people in my electorate of Moncrieff, the city of the Gold Coast and elsewhere will be embracing the opportunity to convert their vehicles to LPG, especially given that now, as a result of this $2,000 subsidy from the Howard government, the cost of that conversion will pay for itself in about four months—not two years, as was previously the case, but four months.

It is also worth mentioning that the Western Australian Labor government—they seem to be good blokes over there in the west, Mr Deputy Speaker Haase; I am sure you would probably understand—are happy to pay an additional $1,000 towards the cost of conversion. But where are all the other state Labor governments when it comes to easing the burden on Australian taxpayers with the price of fuel? Where are the other state Labor governments when it comes to making some kind of contribution towards easing the hurt that Australians are feeling at the petrol pump? The Howard government is doing it to the tune of $2,000. The Western Australian Labor government is doing it to the tune of $1,000. Perhaps the member for Rankin can ring his mates in the Queensland Labor Party. The Premier is out there. He is in election mode today, Member for Rankin. Why don’t you pick up the phone and see whether you can get Peter Beattie and the Queensland Labor Party to also help out with a $1,000 subsidy? I encourage the member for Rankin to also make some remarks in that respect—as to why the Labor Party in Queensland, absolutely rolling around in funds from the GST, with bigger budgets from the GST than they have ever had, doesn’t help out. I invite him to pick up the phone and ring his mate Peter Beattie and get a $1,000 commitment from the Premier in Queensland. I would welcome it. Perhaps the member for Rankin could also indicate whether he would welcome it.

But I want to talk specifically about some of the hypocrisy, and it is hypocrisy, that I heard from the member for Hunter, who made disparaging remarks when he played the man—that is, the Prime Minister—about the fact that the Prime Minister, to use the words of the member for Hunter, ‘was in his petrol powered limousine, saying “Let them eat cake”’. This is from the man who presumably—and I notice he did not answer my question—also got a Comcar in to the House this morning, the same man who is accusing the Prime Minister of acting in a nonchalant way. It is a complete and total act of hypocrisy from the Australian Labor Party, and it does them no justice whatsoever.

With respect to petrol pricing, if there is truly going to be some immediate relief, let it be from the GST. The GST amount has been increasing as a result of the increasing price of petrol, and the Australian Labor Party is the beneficiary of it in every state and territory. Let the state governments tomorrow come out and say that they are happy to take less GST. They have more money than they have ever had previously. I simply summa-
rise to say: I welcome this bill. I invite comments from the Labor Party as to its form when it comes to taxation. Let the Australian people remember they are $36 billion better off from tax reform. (Time expired)

Dr Emerson (Rankin) (11.53 am)—The Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006 removes inoperative provisions from the Income Tax Assessment Act. It is not the inoperative provisions that create the complexity of the Income Tax Assessment Act but the operative provisions, which are unchanged in this legislation. Nevertheless, Labor supports it. The member for Moncrieff is wrong on that account and on a number of other accounts, and I want to take the opportunity to convey to the parliament the number of errors that the member for Moncrieff made when he started talking about matters that were at least tangentially relevant to this legislation. He claimed in his speech just given that this legislation removes 4,100 pages from the income tax law. That is completely untrue. It removes 1,900 pages from the income tax law, and the Treasurer included other legislation—indirect tax laws—in order to bulk it up and get to the 4,100 pages that the member for Moncrieff asserts come out of the income tax law when in fact they do not.

The member for Moncrieff ran out of petrol after about five minutes and went on to make a number of completely erroneous assertions. He was talking about interest rates. He is probably too young to remember that in 1982 the Treasurer of this country, now the Prime Minister, John Howard, presided over 90-day bank bill rates of 22 per cent. That was not fully reflected in home loan mortgage rates because there was an upper limit of 13½ per cent on mortgage rates. In those days, poor people could not get into a home. Fast forward to 2006 and poor people again cannot get into a home, even in a deregulated system. That is because, as the Reserve Bank points out—and the member for Moncrieff is wrong again—housing affordability today is worse than it was many years ago, even when interest rates were very high at periods during the 1980s. But the member for Moncrieff has asserted that housing affordability has never been better. It has never been worse, and that is because of the house price boom—the bubble that has been created through the mismanagement of this government—in combination with rising interest rates.

Interest rates have risen three times already since the 2004 election, when the Prime Minister promised that interest rates would be at record lows. They had already risen four times before that. The last seven changes in interest rates have been upwards. The market is factoring in a 90 per cent probability of a further interest rate rise before the end of this year, and there is also in prospect another interest rate rise before the next election some time next year. We certainly do not need any lectures about interest rate rises or promises about interest rates from the member for Moncrieff.

The member for Moncrieff went on to say that the coalition supported Labor’s reform program. The coalition never supported superannuation. It opposed with every device it possibly could the spreading of superannuation to the working men and women of this country. The coalition never supported the introduction of the fringe benefits tax or the capital gains tax in order to finance reductions in the top marginal rate of income tax and the second-top marginal rate of income tax. Those were very important economic reforms, but the coalition absolutely opposed them. The coalition opposed the introduction of an assets test in 1984, when Labor had already anticipated the problem of the ageing of the population. That was an important reform opposed by the coalition. The coalition opposed the petroleum resource rent tax,
which collects a fair share of revenue from the huge increases in oil prices. Oil prices are now above $US70 a barrel. The PRRT was designed to ensure that the community gets a fair share of that. That measure was opposed by the coalition. So let us not hear this rubbish about how the coalition in opposition supported Labor’s reform program.

The member for Moncrieff then went on to say that the government has run budget surpluses but that Labor did not run budget surpluses. I draw his attention to Budget Paper No. 1. If we go to page 13-5, we see that budget surpluses were run by Labor in, for example, 1987-88, 1988-89, 1989-90 and 1990-91. What was significant about two of those? They were 1.7 per cent of GDP. What are the budget surpluses now? They are 1.0 per cent of GDP. The member for Moncrieff is again wrong, but he has taken his tuition from the Treasurer. The Treasurer said in this parliament on 10 May 2000:

First of all, we put the budget into surplus on a headline basis, which the Labor Party never did. Then we say, ‘We ought to put the budget into a surplus on an underlying basis,’ which the Labor Party never did.

That was a completely false statement made in this parliament by the Treasurer. He has given tuition to the member for Moncrieff to continue with these completely false statements. Labor produced headline surpluses in 1987-88, 1988-89, 1989-90 and 1990-91.

Mr Martin Ferguson—We actually had to do the hard work of saving.

Dr EMERSON—That is right. In a short, 20-minute speech, where the member for Moncrieff had already run out of petrol after five minutes, he made several completely false statements. He then asked questions about Labor’s position on excise. The Leader of the Opposition has said that it would not be economically responsible to cut excise on fuel—certainly at this stage when there is no room because of the government’s economic mismanagement to further stimulate the economy. This is because of what I have just said: that further interest rate rises are very much a prospect. There is a 90 per cent probability of an interest rate rise before the end of the year—after the three interest rises we have seen already following the Prime Minister’s statement in the 2004 election that interest rates would be kept at record low levels.

Then the member for Moncrieff said that I should get on the phone to Peter Beattie and tell him to provide an extra subsidy of $1,000 for LPG conversions. In the parliament two days ago the Prime Minister was saying this, just after the Treasurer had said that it is all the states’ fault—that there is this fiscal expansion feeding into price pressures and feeding into interest rate pressures—because they are running deficits. So you have the Treasurer saying the states are not running budget surpluses anymore and that that is a problem and then you have the Prime Minister and the member for Moncrieff saying that they should create bigger deficits by providing a LPG conversion subsidy themselves. It is about time that the coalition got its act together. Who is the member for Moncrieff siding with: the Prime Minister or the Treasurer, because they are at odds? I thought he was the Treasurer’s man; but he has backed the Prime Minister. He comes and goes. He is very flaky.

In relation to the inoperative provisions being removed from the Income Tax Assessment Act, I would point out that, far from reducing the complexity of the Income Tax Assessment Act, far from making it simpler, in just 10 years the coalition has added 100 extra tax breaks to the income tax system—so-called tax expenditures. This is what the Business Council of Australia has said about the increase in complexity of the Income Tax Assessment Act:
Much of this complexity is due to the need to administer tax concessions targeting particular groups, or to prevent large-scale exploitation of existing ‘holes’ in the tax base by administrative means.

What an indictment of this government. The Business Council of Australia is right: this government has made the income tax system far more complex. Removing inoperative provisions does not make it any simpler; it is the operative provisions that make it complex. Now there are a lot more operative provisions as a result of the government poking 100 more holes in the Income Tax Assessment Act. When the government came into office, the Income Tax Assessment Act ran to 3,600 pages. That was back in 1996. It has now passed 10,000 pages. So it has gone from 3,600 to 10,000 pages. What sort of undertakings did the government give in relation to simplifying the tax system in this country? On 31 January 1996 the present Prime Minister, the then Leader of the Opposition, said:

... I will be establishing a small business deregulation taskforce. That taskforce will have a specific brief from me as Prime Minister, to report within six months of the new Government taking office. Its main responsibility will be to advise on ways in which the regulatory and paper burden on small business can be reduced by up to 50%.

After that, on 24 March 1997, in a ministerial statement the Prime Minister conceded:

The volume of tax legislation has become a tidal wave which threatens to overwhelm small business.

He said in the same statement:

During the election campaign we committed ourselves to the goal of reducing the burden of paperwork and red tape on small business by 50 per cent in our first term. I am confident that our response to the Bell report, along with other initiatives that we have already taken, will make a substantial contribution to that objective by the end of our first term.

They did nothing other than add to the complexity of the Income Tax Assessment Act. They added to the burden of red tape on small business. On the Alan Jones program about a year later, on 14 August 1998, Alan Jones asked:

Will the number of pages in the Tax Act be reduced by the introduction of a GST?

The Prime Minister said:

Yes it will because some of the anti-avoidance measures which take up a lot of pages are going to disappear. I don’t know by how many pages but it will be some reduction I understand.

If we go forward another year to see what has actually happened, we see that nothing has happened other than that they started working on this new GST, this new monster tax. So far from simplifying the system, they were massively increasing the complexity of the tax system in this country. On 22 September 1999 the Treasurer appeared on the Alan Jones program. Alan Jones said:

It’s unreadable and unintelligible, there’s a massive GST program that’s going to overtake us ...

The Treasurer said:

Well I think that’s right.

So there is a massive GST program that is going to overtake us. He probably said that ‘that was the Prime Minister’s fault because that was his great big tax adventure, not mine’. On the Alan Jones program he went on to say:

And that’s why we’ve got to get the number of pages of the Tax Act down. That’s what we’re working on right at this moment.

So on 22 September 1999 they were working on getting the number of pages in the Income Tax Assessment Act down. Rubbish. They were working on coming into this parliament every second day with a tax laws amendment bill to further increase the complexity of the tax act, to poke more holes in the income tax base, and to create an extra burden on small business and on anyone who pays income tax
in this country. Let us go forward to a quote from Gary Banks, the Chairman of the Productivity Commission. He said on 22 December 2003:

The Income Tax Assessment Act—often taken as a regulatory ‘barometer’—has grown particularly rapidly since its inception. At nearly 7,000 pages, the ITAA is now nearly 60 times longer than the paltry 120 pages that did the job when it was first introduced in 1936.

That quote was made in 2003. So the Productivity Commission was complaining about the size and complexity of the Income Tax Assessment Act. Let us now look at 2004. Appearing on the ABC radio program *Life Matters* with Julie McCrossin, the host, was Michael Inglis, who is a Sydney based tax barrister. Mr Inglis said:

But I can’t resist. When I spoke to you last time, April of last year, Income Tax Act, 8,500 pages. Do you know what it is currently?

Julie McCrossin responded:

I want you to tell me—

I bet she did. Mr Inglis said:

We did a great service last year we really improved things.

He said:

Currently, in fact it’s a few months old, 10,500 pages for your income tax legislation. Add in GST, FBT, super, 13,500 pages, 9.5 million words.

That was on 15 January 2004.

The government has promised and promised and promised to make the Income Tax Assessment Act simpler. What does it come up with? It comes up with a bill to remove the inoperative provisions, whereas it is the operative provisions of the Income Tax Assessment Act that make it more complex. This legislation does in fact remove up to 50 per cent of the volume of the Income Tax Assessment Act 1936. This legislation is best understood not as a tax policy but as a forest policy. This legislation was designed to reduce the number of trees that are cut down to produce the Income Tax Assessment Act. It is a forest policy, not a tax policy, because it effectively does nothing to simplify the Income Tax Assessment Act.

Another way of thinking of the task of simplifying this legislation is to compare it with the human genome project, which had the goal of identifying all of the approximately 20,000 to 25,000 genes in human DNA and to determine the sequences of the three billion chemical base pairs that make up human DNA. It took 13 years to unravel the human genome. It has taken this government 10 years to try to simplify the Income Tax Assessment Act. More progress has been made on the human genome in 13 years than this government has been able to make in more than 10 years to simplify the Income Tax Assessment Act, and still it has made no meaningful progress. There are virtually no legislative changes in this bill that simplify the Income Tax Assessment Act. How do we know that? We are told that by the explanatory memorandum. This bill simply pulls out redundant provisions and does not simplify the Income Tax Assessment Act at all.

While we are on the subject of simplicity, yesterday the Treasurer announced that he was implementing a new GST-simplified accounting method for restaurants, cafes and caterers. In his statement, he said:

Businesses with an annual turnover of up to $2 million will be eligible for the SAM.

That is the simplified accounting method. The statement ends:

Further information on the new simplified accounting method can be found at www.ato.gov.au. That is the website of the Australian Taxation Office. When you go to the website, you see that there are no details about the new simplified accounting method for the GST for restaurants, cafes and caterers whose turn-
over is less than $2 million. This new method is coming in on 1 October. We have had a bit of a debate in this parliament about airbrushing transcripts and on whether they appear or not. The Treasurer has announced a new simplified accounting method for the GST about which there are no details. He just wanted the announcement effect. A new simplified accounting method for the GST reminds me of another proposal—that is, the proposal of the Australian Labor Party called the ratio method. When I developed the ratio method and it was adopted as Labor Party policy, it was warmly received by the small business community. In fact, a spokesperson for COSBOA, on 8 August 2001, said:

I can say with absolute clarity that the members of the association who were in the room were very impressed with the idea because it was simple.

We had a Labor Party proposal to simplify the GST for small businesses with turnover below a specified level. It sounds like that is exactly what the coalition is doing, but we will not know until we see the detail when it is finally posted on the ATO’s website. We do know that in 2001 the Treasurer thought this was a terrible idea. The Treasurer issued a press release on 12 October 2001 headed ‘Beazley’s big BAS bungle’. In referring to the ratio method, he stated:

... it can only work if businesses pay more GST than they are liable for!

If this—

that is, the ratio method—

amounts to less than the actual liability, then companies will choose it and open up a large revenue hole. But Labor says it has to be revenue neutral. It can only be revenue neutral if Labor can get an equal number of companies to overpay to make up for those that cherry pick the advantage.

That sounds like a critique of the new simplified accounting method—or has the Treasurer had a change of heart? We will only know when that information is posted on the website. But when the ratio method was released, apart from the spokesman for COSBOA saying it was a terrific idea, the minister’s department—the member for Groom was then the minister for small business—did a critique on it which was released by him to the media and which basically said that it sounded like a pretty good idea. The ratio method was described as having the potential to be a vote winner, after the then shadow Treasurer, Simon Crean, unveiled it.

So there was Labor, back in 2001, proposing real measures to simplify the GST, real measures for tax reform. This government has taken 10 years to produce a piece of legislation that does nothing more than remove inoperative provisions, retaining all the complexity of the Income Tax Assessment Act. It fails every test of tax reform. Whenever it sits a test of tax reform, it fails, and it deserves to be condemned for doing so.

Mr HAYES (Werriwa) (12.13 pm)—Before us today we have a Clayton’s tax simplification bill. This is the sort of bill you have when you are not serious about tax simplification. The Treasurer introduced the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006 in June and he did so with much fanfare. He made the claim that the bill would repeal over 4,100 pages of inoperative tax law. He claimed that a third of the income tax law and over half of the Income Tax Assessment Act 1936 was gone. He claimed that this was a major reduction in the volume of tax law. He made all these claims, but he was wrong, and he knew he was wrong. I suspect we have heard from only one member of the government’s backbench on this issue because, quite frankly, they know it is wrong as well. They do not
want to come into this place to defend the Treasurer’s exaggerated claim.

The member for Moncrieff came into this place with a view to taking some responsibility for the unpredicted resources boom and the commodity prices that we are currently enjoying—to which the boost in employment is attributed. But, to his credit, he indicated that the government did not predict the skills shortage and also that the government made cuts to TAFE and further education and abolished the Australian National Training Authority. All these things just fell into the government’s lap, yet if you listened to the member for Moncrieff you would think we were riding on the back of a resources boom as a consequence of the election of the Howard government back in 1996.

I am sure that no other member believes that—unless it is on the ministerial script for today—but I thought the member for Moncrieff put in a sterling effort to back up the unsustainable claim that this is about reform. They should not make these extravagant claims, because they know this is not reform—this is window-dressing, at best. If the Treasurer counts numbers in the same way that he relies on this as amounting to a reform of the tax act, it is no wonder that he was not serious about making a leadership challenge. We need to get it straight that 4,100 pages will not be removed from the tax act as a result of this bill. The major publishing companies have already agreed to print the archive volumes of the repeal provisions. The repeal provisions will not disappear from the shelves of the tax practitioners; they will not disappear from our life to that extent. The pages might be moved to a different volume of the tax act, but they will remain on tax practitioners’ shelves gathering dust.

This bill does not act to reduce the complexity of Australia’s tax laws. The Treasurer knows that. He knows that the only way to reduce the complexity of the tax laws is to change the operative provisions. Repealing inoperative provisions and shoving them into another volume that gathers dust in the corner of someone’s office does not reduce the complexity one little bit. It does not make the system simpler. The simplicity of any system, particularly a tax system, will always be driven by the provisions that operate, not by the provisions that do not operate. A bit of window-dressing to the act, or a bit of pruning of the pages, does not amount to introducing simplicity into our tax system.

The things that matter to anyone who operates any system are the things that generate operations. So, unless we give attention to simplifying the operative provisions, we are simply masquerading this notion of simplification. The driver of the complexity of the tax system is and can only be the operative tax provisions. The complexity of Australia’s tax system will only ever be reduced if we address the operative provisions of the tax act. The system will only ever become less complex if the government gets serious about tax law and does not just tinker with it when it suits it.

As has been pointed out previously, there are currently more than 240 tax expenditures—tax breaks, concessions and the like—which erode the revenue base and make the system more complex. In the 60 years between the introduction of the Income Tax Assessment Act in 1936 and this government coming into power in 1996, in excess of 150 additional tax expenditure lines have been created. In the decade this government has been in power, another 89 have been added to that mix. In addition to these concessions, in 2000 alone nearly 90,000 private, binding tax rulings were given. These rulings create precedents which add to the complexity for tax practitioners who in-
interpret the tax arrangements and, indeed, to the complexity of the act itself.

You do not need to be a tax expert to work out that the system has become complex. Blame for the complexity of Australia’s income tax system can pretty much be laid at the feet of the current government and, more particularly, the Treasurer. Yet the Treasurer comes into this place and says the bill will slash dozens of pages from the tax act. If this is the criterion for removing the complexity, I fear it will never happen whilst this government holds office. The Chairman of the Productivity Commission, Gary Banks, said in 2003:

At nearly 7,000 pages, the Income Tax Assessment Act—the 1936 and 1937 statutes read together—is now nearly 60 times longer than the paltry 120 pages that did the job when it was first introduced in 1936

He goes on to say that, notwithstanding the admirable recent attempts at tax simplification, that is the position. I would also like to quote something the Chairman of the Productivity Commission said which was not quoted by the member for Rankin but which adds a little more colour to this:

To take a fanciful turn, were this rate of growth to continue unabated, I am informed that by the end of this century the paper version of the Tax Act would amount to 830 billion pages; it would take over 3 million years of continuous reading to assimilate and weigh the equivalent of around 20 aircraft carriers!

That is not my view, and I am sure he is taking slight licence in saying that, but it is not bad commentary coming from the Chairman of the Productivity Commission. He was not actually seeking to heap accolades on the government over their management of the complexities of the taxation act at that point. I agree that the predictions are somewhat fanciful; nevertheless, they highlight that unless we get serious in our attempts to reduce the complexities of the tax act—if we just tack bits on here and there—we simply will not be addressing its shortcomings and the act will simply grow. This government has become a serial offender when it comes to tinkering with the tax act. It has added bits here and bits there to accommodate special interest groups or their mates, and the act has grown in its volume as a direct result.

The amendments, layer upon layer, can only produce complexity. That is exactly what this government has presided over when it comes to the tax act. Sure, the bill before us does involve the rewriting of some provisions. However, as the rewriting still requires navigation between a 1936 act and the 1997 act, probably not much can be said for its quality. The government talks about efficiency and simplicity but if its performance is measured by the impact it has had on the tax act it has to be regarded as a dismal failure.

Labor moved a quite complex second reading amendment to this bill, one which I support. It is based on some of the uncontroversial recommendations of the Taxation Institute of Australia in its report Beyond 4100. I am sure that the members opposite are aware that recently the Taxation Institute released this report, which outlined a range of areas in which there could be real reform in income tax. While the bill could be best described as a bit of plastic surgery—although, unfortunately, when you come out of this operation you still are wearing the same nose as when you went in—the Taxation Institute was proposing real and substantive reform to the taxation act. It is true that some of the institute’s recommendations would be more readily accepted than others, but it is certainly a worthwhile contribution to the ongoing debate about reform of the Australian tax system.
That said, the most uncontroversial recommendations of the report recommend that provisions that are almost never used and those that can not be readily enforced should be repealed or redrafted. These provide the basis of Labor’s second reading amendment and I encourage the government to support the amendment and support a genuine attempt to simplify the Australian tax law.

Tax is never far from the minds of working Australians, especially at this time of year when everyone seems to want to make their annual trek to the accountant’s office to file their return. But I am sure that many would love to be able to file those returns themselves, to have a system which was less complex, a system that would lend itself to being user friendly and where people could go about their business while paying to the Commonwealth their fair share of reasonable tax. I am sure that that is what most workers would prefer to do.

The growth in the volume of tax law and its increasing complexity, which brings with it compliance costs, continues to be a concern for taxpayers and taxation practitioners. There seems to be a litany of tax bills presented in this place as the government goes about its way of tinkering here and there, making modifications to the taxation system. As it includes and excludes various provisions, and as it attempts to curb tax minimisation on the one hand and open up new opportunities to avoid paying tax on the other, these complications continue to expand.

The government has come in for some criticism of late, as you would recall, when it comes to tax. Bear in mind, we all know that this government is the highest taxing and highest spending government in Australia’s history, and I do not think that is an underserved criticism. I think there is some accuracy in that statement.

Interestingly, the OECD Economic Survey of Australia Volume 2006/12, released in July of this year, made some comments not only on Australia’s fiscal position but also on its tax system. The OECD says:

Tax revenues for the immediate year ahead have been under-predicted in each of the last four budget years by an average of $6.8 billion, about 0.8% of GDP, with the fiscal balance underpredicted by $7 billion.

In addition to this interesting comment on the systematic failure of the government’s revenue predictions, the OECD makes a couple of other interesting comments when it comes to the taxation system itself. In that regard, the OECD says this:

Recent cuts in the higher rates of personal income tax and the widening of thresholds are to be welcomed. However, the extent of the changes in the 2006/07 Budget suggests that the focus of any future tax cuts should switch to reducing high effective marginal tax rates faced by many households in the lower income deciles.

That’s correct—the OECD is saying that the focus of tax cuts should be switched to reducing the high effective marginal tax rates now borne by people in our lower income households.

As I read it, I could not help thinking that I had heard that sort of suggestion before. In fact, I had. That was actually Labor’s response to the squandered opportunity that was the last budget when this government sold Australia out. It was Labor’s response to a budget that once again spectacularly failed Middle Australia and spectacularly failed working families in this country. It is a call I have made in this place before, and I will be making it again and again until this government gets serious about fixing the system. When you put in, you should be entitled to expect to get your fair share out.

Of course, suggesting that the focus of the tax cuts should be on reducing high effective marginal tax rates is not the only comment...
the OECD makes when it comes to Australia’s taxation system. Other interesting comments made by the OECD on the government’s opportunity in relation to the complexity of Australia’s tax law include:

The government should continue to seek opportunities to reduce the complexity of the tax law.

That is not talking about how we simply go and prune a few pages off the tax act or how we can take a few pages out of that act and store them in an archived volume somewhere else where you will still have to refer to them to navigate through the taxation system. What the OECD is saying very clearly is that this government should take those opportunities to address the complexity of Australia’s tax law. If anything, quite frankly, this government has got to wear that criticism.

Everyone will recall that last year, with much fanfare and flourish, the member for Wentworth released his own contribution to the Australian tax debate. He presented some 280 options for tax reform last year, yet today he is silent. It is only the member for Moncrieff who decided to come and back up the Treasurer on this piece of art. I can only imagine that the member for Wentworth is still sitting in his office thinking that the Treasurer may have somehow overdramatised his claim that this bill was the culmination of a serious effort to reduce the complexity of Australian taxation.

To give him his credit, the member for Moncrieff did come down to the chamber to try to make a spirited contribution in this debate. As I said earlier, I think all he wanted to point out is the fact that the country is presently riding high on a resources boom and, as a consequence, this government wants to claim all the responsibility it can for that. He was the lone voice. If the Treasurer can only muster people like the member for Moncrieff to run a diversion— (Time expired)

Mr SWAN (Lilley) (12.33 pm)—I too wish to speak on the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006. When the new tax system was introduced, the government said:

... a modern tax system is one of the keys to Australia’s future economic growth and dynamism.

According to the government:

The existing tax system is out of date, unfair, internationally uncompetitive, ineffective and unnecessarily complex.

The solution they gave was A New Tax System because, as they said at that time, ‘systemic problems require systemic solutions’. According to the explanatory memorandum for the bill we are considering today, the government are making ‘continuing efforts to reduce unnecessary complexity in the tax laws’. If this is the best they can do, they have got a long way to go.

This bill repeals 4,100 pages of inoperative tax laws. Of course, that is welcome, but it will not fix the underlying problems with the tax law: the complexity of the laws and the burden that creates for taxpayers of all sizes. In 1996 the tax law was 3,500 pages long; today, after more than 10 years of Peter Costello’s treasurership, it is 9,500 pages long. It has gone from 3,500 pages to 9,500 pages. As Gary Banks, the Chairman of the Productivity Commission, observed in 2003:

Were this rate of growth to continue unabated, I am informed that by the end of this century the paper version of the Tax Act would amount to 830 billion pages; it would take over 3 million years of continuous reading to assimilate and weigh the equivalent of around 20 aircraft carriers.

Repealing superfluous tax law is always welcome, but what has the government done? It has not, for example, streamlined annual income tax returns. It has not simplified all of the tax offsets, deductions and exemptions that make it difficult for people to work out their tax liability. On top of that,
the Treasurer’s tally of 4,100 pages of repealed laws includes several inoperative sales tax acts—acts which have not been operative for six years, and acts which do not relate to income tax.

I note that the Taxation Institute of Australia is calling for a more comprehensive rewrite of tax laws. The BCA has made this point:
… regulation should be simple, clear, well explained and sensitively enforced.
If you want an example of regulation that is not any of those things, you do not have to look much further than the income tax system.

As I have said before, Labor sees tax reform, guided by the principles of competitiveness, efficiency and fairness, as an investment in the drivers of growth. By international standards, Australia’s income tax system is too complex. While other countries have been getting on with the task of simplifying their income tax systems, we have been adding to its complexity. According to the OECD’s personal income tax database, the comparative complexity of Australia’s tax system has been increasing relative to other countries.

While taxes have traditionally been seen as the primary mechanism for governments to raise revenue and deliver services, they are also increasingly viewed as an important factor in the conduct of the market. All this bill will do is repeal the inoperative provisions—that is, it is a fresh coat of paint when the tax system needs a major overhaul. Last year there were 15,000 separate tax rulings and determinations. That is around 290 a week—58 each business day or one every 7.3 minutes. This means that 15,000 times a year taxpayers and their agents find the tax laws so unclear that they need a ruling from the tax office about how the law applies to their circumstances.

To me, this is as clear an indication as you could get that our tax law is far too complex and requires serious reform. The new tax commissioner said earlier this year that the complexity of the tax legislation does not trouble the average taxpayer. I was certainly surprised to hear that. He said that the average taxpayer does not care whether you have 10 pages or 10,000 pages of tax law. He said that a typical taxpayer earns income and has some deductions and that’s it. A typical business has business income, trading stock and operating expenses and that’s it. He also said that 78 per cent of taxpayers use a tax agent so they do not face the complexity themselves.

That is very disappointing. It is a narrow view of the costs of the regulatory burden. Why do ordinary taxpayers have to fork out more than $150 to have a tax agent fill out their tax return—the tax commissioner certainly has not answered that question—and why can’t it be simpler for more taxpayers? The 15,000 tax rulings last year tell us that, for businesses of all sizes, there are too many sections of the tax law that are impossible to interpret. Tax lawyers may have to consult half a dozen pieces of tax legislation to answer a straightforward tax question. That complexity means that corporate taxpayers are spending tens of thousands of dollars on advice or ATO rulings.

This kind of complexity is an impediment to doing business. For example, businesses are often stalled from making acquisitions, disposals or forming a consolidated group while they wait for legal advice or an answer from the tax office. Tax complexity can harm the efficient allocation of resources and, in the long run, that puts growth at risk, which is why we do need some substantial action in this area and that is not, unfortunately, contained in this bill.
The government have begun the process of reducing the burden of regulation, but there is little evidence that they understand why it is important. Earlier this year the British government made a call for what was called sensible debate on risk in policy making. It is little wonder that its call on regulation and risk has struck a chord around the world. The British government pointed to the detrimental effect of overregulation, its impact on business and the competitive culture of nations. Looking at regulation through the prism of risk is a worthwhile, new way to frame the debate on regulatory reform. The British PM put it in these terms:

… we are in danger of having a wholly disproportionate attitude to the risks we should expect to run as a normal part of life. This is putting pressure on policy-making … to act to eliminate risk in a way that is out of all proportion to the potential damage. The result is—

lots—

… of rules, guidelines, responses to ‘scandals’ of one nature or another that ends up having utterly perverse consequences.

Labor believe in smarter regulation. We believe in regulating where it is necessary. So easing the regulatory burden is an essential component of Labor’s agenda. Real change on this front requires structural reform. Part of the key to reform lies in fixing up the regulation impact statement process to ensure that regulation which fails the cost-benefit test does not get up. The government has not been up to the mark in this area at all. On top of that, we need to review industry by industry and, where appropriate, wind back the existing regulatory burden by (1) specifying the objective of each regulation and quantifying its benefit to business and consumers; (2) quantifying the cost of the regulation on the prices that firms charge and its impact on their capacity to remain innovative and competitive; and, (3) removing or redesigning regulation that is expensive but offers little benefit to either the consumer or the markets.

Percentage targets or rules such as the ‘one in, one out’ approach are useful if they do provide discipline and we set our sights high. We should also explore greater use of sunset clauses to ensure the regulatory burden is regularly assessed on a ‘use it or lose it’ basis. But the ultimate test is high standards at a lower cost to business, and that must be our objective. Yesterday the Treasurer announced the government’s response to the Banks report *Rethinking regulation*. I think it is pretty fair to say that the Treasurer’s announcement showed a lack of passion for this important policy area. I look forward to the government embracing a new approach to regulation but, unfortunately, it was not on display yesterday at the Treasurer’s press conference.

The red tape burden on business has significantly increased under the Howard government and an attempt to reverse that trend is welcome. In particular, we welcome a five-yearly review of regulation to continually review and remove unnecessary regulations. The Banks task force report *Rethinking regulation* was a comprehensive review of business regulation, but the government’s response must be a wholesale change of the culture regarding regulation. Before the government announced its response to the Banks report, Labor had already made the following proposals: (1) impose limits on regulation, such as introducing a rule that a regulation must be abolished before any new regulation can be introduced; (2) explore new, flexible, low-cost regulatory models being adopted by our competitors, such as the United Kingdom; and, (3) reform regulatory impact statements to ensure that the economic costs of red tape do not outweigh its benefits.

Labor has long been arguing for a new wave of productivity-enhancing reform to
lock in prosperity for tomorrow, not just today. Despite the government’s response to the regulation task force report, there is a level of complacency in government policy settings that does not respond to the urgency of the challenges we face. Nowhere is this more evident than in the area of competition policy and regulatory reform. Quite simply, in these areas the government has hit the snooze button. Competition policy and regulatory reform have barely moved forward since the mid-1990s. Australia was only one of three OECD countries to see productivity growth accelerate in the 1990s, with productivity growth reaching three per cent a year—its highest growth rate for 40 years. In 2004-05, productivity fell by 1.3 per cent—the first fall since 1986-87, the largest since 1982-83 and only the sixth fall in over 40 years. In the 1990s, Australian productivity was moving rapidly towards US levels. We are now almost back to where we started.

The most tangible evidence of our deteriorating competitiveness lies in our trade performance. Despite record commodity prices, our trade and current account deficits remain near record highs. The BCA recently warned that the performance of the Australian economy is slipping and we are heading for trouble. In the face of this ever-intensifying global competition, Australia needs to be more productive, not less. And to do so, Australia needs a new wave of competition policy to lift the economy up and sustain our living standards into the future. Federal Labor is developing a new competition policy agenda not just for the first term of the next Labor government but for the next 20 years. Dealing with the regulatory burden and improving our tax laws are among the key challenges—challenges that this government simply does not get.

Mr KATTER (Kennedy) (12.47 pm)—On the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006 and bankers, I can remember doing a doorknock on the Gold Coast to help the candidate of the party I was then in. The gentleman said, ‘I used to be an accountant; I would like you to come in and see why I am now not an accountant.’ He had a copy of the taxation act that applied some 15 years prior to that date and a copy of the current taxation act. The taxation act when he started working as an accountant some 20 years previously was less than three-quarters of an inch thick—smaller than the thickness of my little finger. The current act—and I am flying by memory here—appeared to be about a foot thick. The volumes of the act came to some 12 inches. He said, ‘Nobody can be familiar with that, and if we make a mistake we are liable now to criminal charges.’

The father of the English-speaking people, none other than Alfred the Great, when he wrote down the first laws in British history said, ‘I have not presumed to put down many laws in writing for I do not know what will be suitable for those that follow after me.’ That is very humble and simple. I mean—are the tax laws working now with this huge act compared with 20 or 30 years ago? Is the federal government reeling from a lack of income from taxation? Their tax take has more than doubled in the 12 years that they have been in office. They have hardly been badly served by the tax department; it has been a marvellous success story.

A little knowledge is a dangerous thing. We are continuously told in this country how wonderfully well off we are. If you look at the internal economy, then I think the government would get about 80 per cent. They have done a good job and their Public Service has done a good job. But if you look at the outside world, you find that this country has nothing now that it can sell to the outside world. Look at sheep and wool, which was our biggest export item in 1990—nearly 10 per cent of the entire Australian export earn-
Sheep numbers have dropped clean in half following the deregulation of that industry. The beef industry, with moderately good prices, is down 26 per cent. Sugar is down 15 per cent. Dairying is down around 15 per cent. I do not know about wheat, but, of the big five, four of them are down dramatically. They are simply vanishing. They cannot compete against a 49 per cent average OECD subsidy, and they cannot compete against people who work for $8 or $9 a day. I think $8.50 is what a Filipino is paid for agricultural work in the Philippines, for example, from where they are trying to bring bananas at the present time.

We had manufacturing but we do not have manufacturing now. Under the free trade agreement our motor vehicle industry will naturally close down. We cannot possibly compete against the giant economies-of-scale plants in the United States. Even there they are sometimes moving out to cheap-labour countries. In countries like Japan they mobilise finance so as to be highly competitive on their assembly lines with state-of-the-art technology. We cannot afford to do that in a tiny home market of 20 million people. I do not think there is anyone in Australia who would see the motor vehicle industry as anything but doomed. And that is the last manufacturing that takes place in Australia now. I rang the Baxter boot company to buy a pair of boots—they make very good country boots—and they said, ‘By the way, Bob, we are moving out of manufacturing.’ I think they started in 1856, but they cannot any longer compete against competitors that have their boots made in China, so they will be closing down their manufacturing arm. It was about eight or nine months ago that I spoke to him.

So manufacturing is gone and agriculture is going. What exactly can this country produce? I happen to represent the biggest mining province on earth, for the sake of the better term, given the amount of mineral riches that are compressed into a small area in north-west Queensland. We were producing $5,000 million worth, but the price of metals has trebled so I suppose we would be producing about $10,000 million worth now. Australia’s exports in total were about $90,000 million last time I looked. We can process the minerals we are producing at the moment but we cannot process the output of extra mines that are coming on line—Lady Annie, Lady Loretta, Douglas River, Rocklands to name but a few. These are mines that are in the pipeline for development. But we have no electricity on the northern grid—we have run out of power. People are building small, extremely expensive gas-fired power stations in order to get by. That is the best they can do. But we have our friendly national competition policy! As the Treasurer told me in answer to a question, ‘If a mine wants a power station, then let a mine build a power station.’ With all due respect, that demonstrated his towering ignorance to the Parliament of Australia. Power stations of their very essence have to be multi-user facilities. No individual project, no matter how big, can warrant a power station. We built a power station at Gladstone. It was one of the biggest in the world at the time it was built. It had no customers.

The government is saying that their fiduciary and monetary settings are excellent, as is their approach to taxation. They say they have balanced the budget. If I could unilaterally double my income at the press of a button, I could balance my budget too. This government has more than doubled its income by massively increasing taxation receipts. When they came in they were collecting about $100,000 million a year. Now they are collecting way in excess of $200,000 million—I think the figure is about $230,000 million. They say that some of that is GST. It is, but then they are paying less money to the
states—and I am not for one moment saying that the states are innocent in this massive spending spree by government.

So it looks good, but it is like the locomotive going along at 100 kilometres an hour. It is beautiful in the locomotive looking at the scenery going past. But someone up the front says, ‘We’re running out of diesel.’ You say, ‘It looks all right to me. We’re going along fine. We’re going along at 100 kilometres an hour.’ The diesel, as far as the economy is concerned, is finance, and if you keep borrowing at the rate of $60,000 million a year, there comes a time when you have to pay it back. All us who have been in business know that at some period in our lives we had great growth in our land values or something of that nature and we said ‘Jeez, this is Christmas. I am now worth $2 million.’ And we went out and spent the $2 million. While we were spending it, it was great fun, but of course the party was over when we had gone through the $2 million and we had no income. That is the situation for Australia. We do not produce anything that we can sell to the rest of the world.

To return to mining, we cannot process our metals. We are being reduced to a quarrying operation. The last three mines opened in North Queensland were owned by Indians. They did not have the electricity available to process the product. They put it in a ship and took it home to India to process; they were not going to take it to a port in Australia. Who really could blame them? I could not really attack them. I could attack the government. Gladstone was a power station built without any customers. It not only had an excess of capacity allowing for growth; its total capacity allowed for growth. That is the reason why Australia secured the aluminium industry. I am exaggerating a little bit, Mr Deputy Speaker Adams, because you had an aluminium industry, albeit a very small one, down in Tasmania. But the big, massive-scale aluminium industry, which is the second-biggest export earner for Australia, was started by the Gladstone power station, which was built as an infrastructure item by the state government, with no customers. Now it would be the most flagrant breach of national competition policy. It could not happen today. If we rolled the clock back and we had had a national competition policy and the various other government policies then, there would be no aluminium industry in Australia today. I do not know how much of a coal industry we would have, either, because no individual mine had the money nor was it big enough to be able to build a railway line and a port at Gladstone. The government had to do that.

This place does not understand individual projects. They do not understand them at all. They do not understand the point of view of the businessman. There is hardly a single person on the whole front bench of the government who has ever been a businessman—who has ever backed his judgement with his own money. Bjelke-Petersen had a saying: if you have not backed your judgement with your own money, you should not be making decisions with other people’s money. I think the success of his government proved that adage to be very correct indeed.

Today we are discussing the collection of taxation and the abolition of a lot of excessive tax laws. I applaud the government for cutting back that foot-thick document maybe to about nine inches. Do we really need all of these laws? I always think it is the hallmark of socialist government that they feel they can pass all the laws and make you good. I have found laws to be the refuge of evil people. Give me the freedom of no laws any day over the restrictive practices of excessive law.

The collection of taxation in Australia has increased. I hope I have got the correct figure
here, because even I am a bit staggered by this figure. One of the government reports said that the cost to government of collecting the GST is $500 million a year. I would have to emphasise to the House that I would question that, but that was the figure that was published in this particular government report. Undoubtedly, there is a huge cost in collecting GST; there is no doubt about that. Many thousands of public servants were employed in addition to those who were already employed when the GST came in.

Was this the optimal way to travel? Sir Leo Hielscher was a Queensland Treasurer. He was offered a World Bank position—a very great honour for Australia—which he rejected. He was twice offered a position with the Reserve Bank or the senior position in federal Treasury here in Canberra—I do not know which it was, but it was one of the two—and he rejected that also. I think he looked forward to retirement; he had been on the board of many Queensland businesses, and I do not think he wanted to leave Queensland, as a lot of senior public servants do not. But, whatever his reasons, he was a very distinguished treasurer, and one of the great architects of the juggernaut economy of Queensland. This juggernaut has carried government after government successfully into election victories because of the fat that was built in during that period under Bjelke-Petersen, Sir Leo Hielscher and many other luminaries.

When the then federal Treasurer, who I think may have been the current Prime Minister, was talking about GST originally, Bill Gunn, who was the Deputy Premier of Queensland—and I suppose he was running the state when Joh was going to Canberra—had me up. I used to be his right-hand man. He said, ‘What about this GST?’ I said, ‘Intelligent people are saying it’s a good idea.’ He said, ‘No, it’s a stupid idea.’ I said, ‘They’re finding it difficult to collect taxation.’ And he said, ‘No, financial transactions tax.’ I said, ‘What’s that?’ He said, ‘One per cent. Every time you use your credit card or write a cheque, we take one per cent. The banks become the collectors and it costs us nothing; it costs the people of Queensland nothing. We just take one per cent.’ I said, ‘Won’t people work in cash?’ He said: ‘What are you going to do? Carry $1,000 around in your pocket to save $1?’ I said, ‘No, not likely.’ He said, ‘Well, there’s your answer.’

According to advice from the Parliamentary Library that I have taken over a period of years, it would appear that you would collect a lot more from one per cent than you do from 10 per cent GST. GST is terribly unfair to us people who live in country Australia. The cost of living in places like Normanton and Hughenden is 20, 30 and 40 per cent higher than the cost of living in Brisbane. GST is added to that, increasing dramatically the burden that we must carry. Of course, there is no relief for people in these towns who are on fixed incomes, retired or living on the pension. People say, ‘Yes, but the cost of housing’s cheap.’ You try building a house when the cost of a bag of concrete in Canberra is $6 and the cost in Cloncurry is $15—that was quoted to me over the phone today.

We would say that the GST is a grossly unfair tax. It falls heavily upon us people in country areas. One of the massive sources of revenue for the Australian government is the tax on petrol. Lucky you if you live in Sydney or Melbourne or Brisbane, where you have got commuter transportation systems. But outside the metropolitan areas, as you would be well aware, Mr Deputy Speaker Adams, we do not have any commuter transportation systems. I say to my brother, who is a lecturer at the university: ‘When you go to work of a morning on the train, you get subsidised to the tune of 50 per cent. When I go to work in the morning in my motor car, I
pay 100 per cent tax. This is because of the escalating price of fuel. That was true in the middle of last year but it is not so true now; it is about 30 per cent to 50 per cent. Whatever it is, it is no longer 100 per cent. But the tax was 100 per cent on the price of fuel. The price was about 70c, the tax was 28c and then the GST went on top of that.

People who live outside the metropolitan areas get hit three times under the tax arrangements as they now stand. Why implement the GST when you had available to you the financial transactions tax? As I said previously, a little knowledge is a dangerous thing. At this stage, I have only a little knowledge on this and I need to get a lot of knowledge.

Mr Dutton—Hear, hear!

Mr KATTER—I am freely and frankly admitting that, which is more than the member for Dickson’s colleagues do. And if you are pitting yourself, my friend, against Sir Leo Hielscher, who was offered the World Bank position, then good luck to you, son. The member for Dickson will not, in 10 lifetimes, get anything on the record similar to what Sir Leo put on the record.

It is not my idea, I would emphasise to the member, but the idea of the most successful state government economically—probably in the nation’s history. This country, at the present moment, rides in the coal truck. Where do you think the coal is coming from? And who do you think put it there? They put it there with government payment for infrastructure. There was no money put up by private industry at all, so, if we had this government’s policies, we would not have any coal industry in Australia. I am giving the member for Dickson a little bit of a lecture so he can have some serious knowledge instead of the superficial knowledge that he has.

At least when I have not been happy that I have done enough work on it, I admit that. But I know this for a fact: we do not tax the purchase of money. If you are saying how much was spent in Australia today, a huge volume of that—it might be a third or a quarter or some figure like that—is spent buying Australian money. Again, I am just a poor, simple Cloncurry man, so I would not know. But Mr Tobin—he got a Nobel Prize for economics, so I think he might know a bit more than some of the members in the House—suggested that we should put a tax on the purchase of money. George Soros, one of the most successful money makers in recent history, said exactly the same thing, and that is the reason we are not putting the tax on, because it is a stock market and it is those speculators. (Time expired)

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (1.07 pm)—I thank the members who have made a contribution to this debate on the Tax Laws Amendment (Repeal of Inoperative Provisions) Bill 2006. I begin by making a confession to this House that, up until the contribution by the member for Kennedy, I thought the most disastrous contribution that could ever be made to the Australian economy would be made by Kim Beazley as Prime Minister, given the way in which he tried to wreck the economy under the Keating government. The ignorant display by the member for Kennedy, then, is a very poor reflection on his contribution to this debate. I also want to thank, in particular, the member for Moncrieff, who made a very sound contribution to the debate.

This bill implements a variety of changes and improvements to the tax laws. In 2003, in accordance with the government’s aim of reducing complexity in tax laws, the Board of Taxation began a project to identify inoperative provisions in the tax laws. In October last year, it reported to the Treasurer that it
had identified 2,100 pages of inoperative provisions in the income tax law and recommended that they be repealed. The government, of course, accepted that recommendation.

As well as the 2,100 pages of provisions identified by the Board of Taxation, this bill repeals a further 500 pages of income tax provisions that were subsequently identified as inoperative and 1,500 pages of inoperative provisions from other taxation acts. In total, the bill repeals over 4,100 pages of inoperative provisions, including over half of the Income Tax Assessment Act 1936, almost a third of the entire income tax law and 48 sales tax statutes that are wholly inoperative. Repealing the inoperative material will not only significantly reduce the length of the tax law but also make it easier to use and lower the compliance costs borne by those who use that law.

As well as repealing inoperative material, the bill makes some other improvements designed to make the tax laws easier to use. For example, it replaces multiple definitions of some terms with a single definition. Rationalising definitions in the tax law has been argued for by some taxpayer representatives and was recommended by the Banks task force report, Rethinking regulation, in January 2006. That sort of improvement will bring more consistency to the tax laws and make it simpler for taxpayers to understand and meet their obligations.

The flow-on effects of repealing the inoperative provisions will provide further benefits for taxpayers and tax practitioners. The Commissioner of Taxation has advised that approximately 200 public rulings that refer to provisions that are being repealed will be either revised or withdrawn. The commissioner is also working with tax professionals to improve the readability of other public rulings affected by the bill. Repealing the inoperative provisions and making the other improvements are important parts of the government’s continuing efforts to reduce the complexity of the tax law. The government will look for similar opportunities in the future to improve the tax laws and reduce the regulatory burdens and compliance costs faced by business and other taxpayers.

Before I conclude, I would like to make some comments on the second reading amendment in response to the member for Hunter. The first point I would make is that the member for Hunter has moved an amendment to repeal over 100 sections of the income tax law. The member for Hunter also moved an amendment to repeal a number of provisions that I am advised do not exist or are in fact being repealed by this bill. So it is worth making the point that Labor should never be trusted with numbers. Labor have no economic credibility.

The fact that, on the advice that I have, the member for Hunter has moved an amendment to repeal a number of provisions that do not even exist or are in fact being repealed by this bill really shows how devoid he is of any credibility in this area. The member for Hunter wants to position himself as part of the alternative government of this nation, but he cannot even get his own amendments right. The government will have a look at those 100 or so sections. I will take some further advice. Hopefully that advice will say to me that the member for Hunter has not got it all wrong, but I suspect he probably has.

Removing inoperative provisions is of course an ongoing process. I remind the House that the process has seen the removal of over 4,100 pages of legislation covering literally thousands of sections. I also wish to correct the honourable member on another error that he made in his presentation to this House. The government has not presided
over the growth of the income tax law to 10,000 pages, as asserted by the member for Hunter. In fact, the whole act does not number 10,000 pages, and, in any case, this government is repealing 2,600 pages of that legislation. That is a third of the total size of the income tax law.

I also want to respond to some erroneous claims by the member for Rankin, who claimed that the bill only withdrew 1,900 pages from the income tax law. Again, I repeat for the benefit of the member for Rankin that the bill does in fact remove 2,600 pages from the income tax law and 1,500 pages from other tax laws, making 4,100 pages in total. In conclusion, I thank members for their support of the government’s ongoing efforts to improve the quality of the tax laws and to make the tax laws and how they operate in this country more efficient. I commend the bill to the House.

Question put:

That the words proposed to be omitted (Mr Fitzgibbon’s amendment) stand part of the question.

The House divided. [1.18 pm]

(The Deputy Speaker—Hon. DGH Adams)

Ayes.......... 83
Noes.......... 55
Majority....... 28

AYES
Abbott, A.J.
Andrews, K.J.
Baird, B.G.
Baldwin, R.C.
Bartlett, K.J.
Bishop, B.K.
Broadbent, R.
Cadman, A.G.
Ciobo, S.M.
Costello, P.H.
Elson, K.S.
Farmer, P.F.
Ferguson, M.D.
Gambaro, T.
Georgiou, P.
Hardgrave, G.D.
Henry, S.
Hull, K.E. *
Jensen, D.
Jull, D.F.
Keenan, M.
Kelly, J.M.
Ley, S.P.
Lloyd, J.E.
Markus, L.
McArthur, S. *
Mirabella, S.
Nairn, G.R.
Neville, P.C.
Prosser, G.D.
Richardson, K.
Ruddock, P.M.
Scott, B.C.
Sliper, P.N.
Somlyay, A.M.
Stone, S.N.
Ticehurst, K.V.
Truss, W.E.
Turnbull, M.
Vasta, R.
Washer, M.J.
Wood, J.
Fitzgibbon, J.A.
Gash, J.
Haase, B.W.
Hartsuyker, L.
Hockey, J.B.
Hunt, G.A.
Johnson, M.A.
Katter, R.C.
Kelly, D.M.
Laming, A.
Lindsay, P.J.
Macfarlane, I.E.
May, M.A.
McGauran, P.J.
Moylan, J.E.
Nelson, B.J.
Pearce, C.J.
Randall, D.J.
Robb, A.
Schultz, A.
Secker, P.D.
Smith, A.D.H.
Southcott, A.J.
Thompson, C.P.
Tellner, D.W.
Tuckey, C.W.
Vaile, M.A.J.
Wakelin, B.H.
Windsor, A.H.C.

NOES
Albanese, A.N.
Beazley, K.C.
Bevis, A.R.
Bowen, C.
Burke, A.E.
Burke, A.S.
Corcoran, A.K.
Crean, S.F.
Danby, M. *
Edwards, G.J.
Ellis, A.L.
Emerson, C.A.
Ferguson, M.J.
Georganas, S.
Gibbons, S.W.
Grierson, S.J.
Hall, J.G. *
Hayes, C.P.
Irwin, J.
Kerr, D.J.C.
Livermore, K.F.
McClelland, R.B.
Melham, D.
O’Connor, B.P.
Forrest, J.A.
Gilliard, J.E.
Griffin, A.P.
Hatton, M.J.
Hoare, K.J.
Jenkins, H.A.
King, C.F.
MacKnight, L.J.
McMullan, R.F.
Murphy, J.P.
O’Connor, G.M.
Question agreed to.

Original question agreed to.

Bill read a second time.

Third Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (1.25 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CUSTOMS LEGISLATION AMENDMENT (BORDER COMPLIANCE AND OTHER MEASURES) BILL 2006

Second Reading

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

That this bill be now read a second time.

Mr BEVIS (Brisbane) (1.26 pm)—I move:

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

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

(1) notes the delay in introducing the Accredited Client Program;

(2) notes the waste and cost blow-outs in the associated Cargo Management Re-engineering project;

(3) notes the broken promise to industry regarding the abandonment of duty-deferral;

(4) notes the absence of any security enhancing measures in the Accredited Client Program;

(5) calls on the government to conduct and publish the results of a thorough cost-benefit analysis of the Accredited Client Program, examining both the original duty deferral payment scheme and the revised payment scheme; and

(6) notes the introduction of further legislation to amend provisions that the bill inserts into the Customs Act before the bill has even been passed”.

The DEPUTY SPEAKER (Hon. DGH Adams)—Is the amendment seconded?

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

Mr BEVIS—The Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2006 has already been dealt with in the Senate, and at the outset I want to commend the work of my colleague Senator Ludwig for his handling of this bill and the work that he has done on behalf of the Labor Party in relation to the matters contained in this bill.

This is an omnibus bill and contains a variety of measures. Some are minor housekeeping matters such as corrections to previous drafting errors; others include significant enhancements to security and Customs powers, and a belated attempt to get the trade modernisation ball rolling again. Labor support this bill, but we are concerned about a number of specific items, in particular the arrangements for the accredited client program.

It could be said that the bill is a great example of the tardy and haphazard approach this government has towards customs and trade related issues. Indeed, even before this bill had been before a chamber of the parliament the government had already introduced yet another bill seeking to amend some of the provisions it will insert into the Customs Act. Incredible as it seems, there is another bill to amend this bill even before it has been through the parliament.
It is worth noting that on this new bill the Law Council of Australia raised 'its traditional concern as to the unrelenting piece-meal changes to the act'. What is most remarkable about Senator Ellison’s reign as Minister for Justice and Customs is the obvious and complete lack of planning. The senator should truly be seen as a great composer of a symphony of errors. Is it any wonder that the Australian trade community is slowly being strangled to death by the minister’s red-tape rollout? Not even the parliament is able to keep pace with it. Leaving aside the debate on the amendments to the amendments, I will now address each schedule of this bill.

The first schedule addresses a gap in the current law, whereby Customs can dispose of a certain perishable item seized under appropriate circumstances but, when it comes to explosive materials as well as certain hazardous chemicals and biological agents, Customs is powerless to dispose of them even when it lacks the capacity for safe storage. The bill sensibly remedies the situation by allowing the disposal, including destruction where necessary, of such goods where their retention would constitute a danger to public health or safety. That is a sensible measure and Labor supports it. We do not want our Customs officers or members of the travelling public unnecessarily exposed to such risks.

I turn to schedules 2 and 4 of the bill, together, as they both cover the government’s identification card regimes. Schedule 2 seeks to close gaps in our existing security regime. As it stands, five years after the September 11 attacks, the ability of Customs to control access to designated areas such as those used for examination of baggage or questioning of aircraft passengers is overly restricted. In particular, holders of either an aviation security identification card or a visitor identification card have had, in effect, unfettered access to these areas, even where access is not required for the fulfillment of the cardholder’s duties. For example, there is nothing to stop a shop attendant from accessing the areas outside their hours of employment. This schedule will enable Customs to issue a written direction to a holder of a security identification card of restricted access, either completely or in part, to such areas. I might add here that, although Labor supports this amendment, we are interested in the actual implementation of this change and will be keenly watching to make sure that it works as intended.

Schedule 4 also relates to those identification cards and aims to make it easier for Customs to keep its database up to date. Following commencement, card issuing authorities will be required to notify Customs if a card expires or has been revoked within seven days of it happening. Customs will also be able to request relevant information from the issuing authorities. Labor supports these important steps forward in tightening security at airports and at related facilities, but we do wonder if it could be more pre-emptive in cases where issuing authorities know that a particular card is due to expire by a certain date.

Schedule 3 aims to ensure that the act complies with the Australia-United States Free Trade Agreement. It mostly relates to the importation of specific goods or minor technical corrections. The change to the definition of ‘a person of the US’ is made to ensure that it is not confined to a natural person and that the distinction between US-originating and non-US-originating goods accurately reflects the agreement. Labor supports these amendments also as part of ensuring that Australia is fulfilling its obligation under international agreements and treaties.

I would like to highlight the compliance burden associated with bilateral agreements
and the need for the government to heed Labor’s call to redouble its efforts on multilateral negotiations. Schedule 5 will activate the Accredited Client Program provisions that were first introduced as part of the international trade modernisation amendments in 2001. As the name suggests, this program is supposed to provide accredited importers with a simplified system for processing consignments. The anticipated benefits for participants, Customs and the country as a whole have changed markedly from the original 2001 proposals. These have been delayed by the inability of the Minister for Justice and Customs to deliver on time the Customs cargo management re-engineering project. Labor is pleased to see the government finally stirring from its lethargy, but we do have a number of criticisms of the government’s approach in this area, which I will go to later. My second reading amendment draws attention to the poor performance of this government in areas relating to trade facilitation and calls for a cost-benefit analysis of the Accredited Client Program.

Schedule 6 will provide Customs officers and delegated persons with necessary protections from a number of drug related offences. It will mean officers who possess or facilitate the trade of narcotic goods under approved circumstances will be protected from criminal responsibility. This is an obvious improvement to the act which will ensure Customs officers and their delegates can assist the Federal Police with their investigations and operations relating to the importation of illegal drugs. Once again, Labor is happy to support these changes.

I now refer to the Senate Legal and Constitutional Legislation Committee’s report on this bill, which was completed in May 2006. In the process of examining the bill, the committee received submissions and testimony from a number of witnesses, including the Customs Brokers and Forwarders Council of Australia, the Australian Customs Service, the Law Council of Australia, the Australian Federation of International Forwarders and the Australian Federal Police. The committee made three main recommendations in its report which were, firstly, that the changes to the unauthorised entry regime in schedule 2 be amended to limit the issuance of written notices directing a security card holder not to enter a restricted Customs area to circumstances where an immediate criminal or security threat or emergency is present; secondly, that an independent cost-benefit analysis of the Accredited Client Program be undertaken, taking into account the removal of the duty deferral mechanism; and, thirdly, subject to the preceding recommendations, that the Senate pass the bill.

Most of the evidence received by the committee related to the Accredited Client Program in schedule 5, which again is also the area of greatest concern to Labor. Although some of Labor’s concerns were not included in the committee’s majority report, it is worth noting that the vast bulk of them were and that government senators represented a four-two majority of the committee’s permanent membership. The committee’s majority report raised a number of significant issues. It is worth mentioning that government senators make up four of the six members on that committee. In regard to the development of the Accredited Client Program, the committee has the following to say in terms of its process and outcomes:

... the committee is not satisfied that the consultation period ... has encompassed all interested parties.

And also:

... in more recent times the process appears to have become fractured.

I digress to note that, once again, the reality of consultation by this government does not match the version circulated by Customs.
The report cited the ‘divergence in opinion between some of the industry bodies’ as evidence of this and suggested that anticipated benefits to participants in the program were based on those that would flow to a single section of the importing community, namely ‘a select group of larger companies’ that form part of the business partner group. As such, alternative models for the Accredited Client Program that could deliver benefits to a wider cross-section of the diverse importing community have been overlooked. Indeed, the government’s regulation task force made recommendations on broadening the appeal and benefits of the Accredited Client Program in its *Rethinking regulation* report released in April this year. The government has finally responded to recommendation 5.54, which, although late, would still have been welcome except for the fact that all we have been promised is to consider the matter further down the track.

The committee was also concerned that the bill did not contain any provisions relating to disputed payments, which could lead to unnecessary uncertainty for participating companies in the event that such a dispute arises. The committee also noted the absence of security standards in the legislation, in particular that no criteria are prescribed in the Customs Act or associated regulations against which assessment and compliance can be measured. With regard to the removal of full monthly duty deferral from the ACP model, the committee stated:

New costings and evaluations should be performed to fully elucidate the advantages of the ACP.

In expanding on these matters, I would like to make a few comments about Labor’s own concerns with the ACP. As I mentioned earlier, this program is part of the broader international trade modernisation process, which commenced back in 2001. It has turned out to be the latest episode in a growing saga of government bungling and mismanagement.

Of course, the last season will be hard for the government to top. Who can forget the fiasco surrounding the integrated cargo system, which started out as a $26 million project and has since ballooned past the $200 million mark? At production costs similar to those of a Hollywood blockbuster, it looks more like the *Titanic*. I cannot help but notice that the minister is now looking to purchase a ship about the size of that ill-fated vessel as part of his grand vision for a floating prison in Indonesian waters. The minister was already playing the part of the captain of the *Titanic* late last year when he ignored all warnings about the approaching iceberg and proceeded headlong into the darkness with a faulty system ill-prepared for disaster. The ensuing chaos saw the ports clogged and massive delays in the clearance of cargo. In a stinging review, consultants gave the government zero stars for its performance. Industry has since filed claims for compensation worth almost $9 million, which are now being assessed. Just like the *Titanic*, there were only enough lifeboats for the first-class passengers. The very few parts of the new system that did function properly were those related to revenue collection.

It was not only shipping containers that were delayed whilst Customs clamoured to fix the mess. The ACP, being reliant on the new system, was effectively put further on hold. And now that the government has actually come to introduce its Accredited Client Program, it too looks like a turkey. In respect of flawed outcomes, the two main disappointments for industry and Labor were the broken promise to industry on duty deferral and the absence of any security standards. Full duty deferral was intended to create two key incentives that would encourage importers to participate. Firstly, it was meant to dramatically reduce the paperwork required...
of participating importers by bringing into place a single payment declaration, thereby reducing transaction costs for both the client and for Customs. Secondly, it was also meant to deliver a cash flow benefit to the participants as their liabilities for duty and processing charges payable would be deferred until the end of the month.

Unfortunately, the compromise scheme that we have before us today eliminates the cash flow benefit entirely and fails to significantly reduce the transaction costs. This is because the compromise scheme, which requires payment for any given month on the 15th day of that month, is now a complicated hybrid of deferred and advanced payments. Liabilities incurred over the first 15 days will in effect be deferred, but those expected to be incurred for the second half of the month will be brought forward, meaning that participants will have to estimate the likely value of what they expect to import. In the following month this estimate is reconciled with the actual and any discrepancy is settled.

With the withdrawal of these benefits, the only importers left with much incentive to participate became those which stood to profit from the alternative cost recovery scheme—that is, the large companies. If those were to be the benefits to importers participating in the program, what were meant to be the gains for Customs and the wider Australian community? One was that Customs was to enjoy corresponding cost savings that resulted from the simplified processing arrangements. But, just as those savings will now be lower for business, so too will they be lower for Customs, which will also have to provide guidance to importers in predicting their expected imports for the second half of each month.

By far and away the biggest benefits behind the ACP were to flow from having trustworthy importers securing their own supply chain, thereby freeing up Customs resources and enabling Customs to better target the use of them. Although importers already have an incentive to do this to some degree out of their own self-interest, the purpose of duty deferral and a simplified clearance process was to provide a reward to those that complied with security standards set by the government.

The government did not just strip the ACP of any meaningful reward. As noted by the Senate committee report, the government failed to include any substantial or additional security standards for the accredited clients to comply with. This not only goes against the original intent of the Customs International Trade Modernisation Initiative but also is inconsistent with the approach being taken by our larger trading partners, particularly the United States with its ACE program.

Flawed outcomes are quite often the direct result of flawed processes, and this case is no exception. Indeed, the abandonment of duty deferral was desired by neither Customs nor the minister, who was keen to point out to the committee during budget estimates hearings on 25 May this year that the policy was in Treasury’s hands and not his. It would be fair to say that the process could have been far more transparent as well as more consultative. That is Labor’s opinion, it is the opinion of the committee and it is the opinion of a very large section of the trading community. So one of Labor’s messages to Customs and to its minister today is: fix the process and you may find that you will have a better chance of getting the outcomes that you claim to seek.

Of course we only need to look at the direction in which this increasingly arrogant government has been heading since seizing control of the Senate chamber to realise that it will not heed anybody’s advice. With the
government’s reckless sabotage of the Senate and its processes, regard for proper process, transparency and accountability—which have never been hallmarks of this government—have long since faded into the past.

Starting with the initial hearing into this bill, Labor have been trying to gain an understanding of how this compromised scheme was put together. And let me tell you, Mr Deputy Speaker, the more we have found out about it, the more worried we have become. Right now, we are looking forward to responses to a series of questions taken on notice by the government during the last round of budget estimates hearings in the Senate, and we can only hope that they will put to rest our concerns.

In the meantime, we have found ourselves in an adaptation of yet another Hollywood blockbuster, Dan Brown’s *The Da Vinci Code*, where Labor have been going back and forth between Customs, the department, Treasury and various industry groups, trying to get to the bottom of how the government came up with their final ACP model. As I have already said, we know that both Customs and the minister preferred the duty deferral option. In a sense, the only real difference between the minister and Labor on this issue is that we have been willing to roll up our sleeves and do the hard work in fighting for the best outcome for business, consumers, Customs and the government. The minister took the original proposal, which included full duty deferral, to Treasury for costing as part of the 2004 budget process. As I mentioned earlier, we are still waiting for a number of responses from the government, including the costing of this original proposal, but let me share with the House what we have learnt about it so far.

According to Mr Jeff Buckpitt, the National Manager of the Compliance Branch of the Australian Customs Service, Treasury rejected this proposal based on their concerns ‘about the financial impact of the program on the budget bottom line’. The size of this impact was calculated at $89 million over four years. It was explained that this cost was the result of duty payable in the month of June being deferred until July, which of course is in the subsequent financial year. Because of accounting conventions, this movement of payments from one year to the next showed up as a loss for the given year in which the liabilities were incurred.

Again according to Mr Buckpitt, the approximate value of duty being pushed from one budget to the next was roughly $20 million, which ‘would be the full duty payable in the month of June’ and which, over four years, was expected to add up to the $89 million that I mentioned. So a sensible and practical policy was junked because of an estimated accounting loss. I will stress that—it is an accounting loss. In the end, the government would still have received every single dollar that it was owed by pushing $20 million into the next financial year.

In the place of that proposal, a more complex scheme was put before the parliament which, without a doubt, added to the administrative costs of both Customs and, more importantly, business. But we already know that the government is not serious about tackling red tape—you only have to look at the GST operation to see that. In effect, this scheme means that the government will be willing to impose real costs on itself and business in order to avoid an accounting cost—an approach that would probably make the executives at Enron blush. Mr Deputy Speaker, if this seems to you like a warped approach to policy-making, all I can say is that it has happened and that it comes from ignoring many calls by my colleague Senator Ludwig for a thorough cost-benefit analysis of these matters.
But there is another dilemma with all of this, and only the government can put it to rest by releasing the details of Treasury’s costing. I might quickly add that we have been waiting for this for more than two months, and the absence of a government response only gives us cause for further concern. If the information that has been placed on the public record so far is correct, Labor have serious cause for concern that they may have got it all wrong. We will not know either way until the government provide further clarification, and we can only encourage them to do so as part of the process in clearing the air on accountability and what is an important matter for Customs, government and business alike.

It appears as though there are a number of holes in the details of the costing that the government has revealed to date, and it is incumbent upon it to fill those holes with the remaining pieces in the puzzle. Labor are happy to extend to the government the opportunity to lay all the facts on the table before we jump to any conclusions on this matter. But it has to be said that we have been waiting for a long time. In fact, we waited too long for the ACP to be introduced in the first place. Now that it has finally happened, the government should be showing greater eagerness to waylay any concerns about the revised program so that importers, their clients and the public can have full confidence as the program moves forward.

It has been more than 70 days since Labor asked Treasury for their costing on a program that, by and large, has cross-party support. The government have a clear choice: they can turn back the erosion of transparency and accountability that we have witnessed under their watch, particularly since they gained control of the Senate, and clear the smoky air surrounding the development of this program, or they can continue on their merry way and risk limiting the benefits of the trade modernisation initiative.

If the government ignore Labor’s offer to work with them, we will be forced to revisit these issues after we win government next year and they will have wasted more of the parliament’s time, not to mention putting business through unnecessary changes. When we do revisit this issue, we will deliver a program that provides real security benefits and that, at the same time, appropriately rewards traders who assist in the process. In the meantime, although the measures in the bill fall well short of Labor’s aspirations, it does at least make gestures towards improved trade facilitation. For the reasons I have outlined, I commend the bill and my second reading amendment to the House.

Mr RICHARDSON (Kingston) (1.51 pm)—I rise today in support of the Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2006. The broad purpose of this bill is to amend the Customs Act 1901 and to implement and clarify various Customs policies and procedures which relate to border protection, compliance and other matters. The overall purpose of this bill is to provide the Australian Customs Service with the appropriate powers necessary to exercise their important responsibilities in the most effective and efficient manner possible. At the end of the day, we ask the men and women of the Australian Customs Service to undertake a task which is vital to the security, wellbeing and prosperity of this nation. In order for them to do that job properly and effectively, we must provide them with adequate and appropriate powers.

Schedule 1 of this bill deals with dangerous goods and will allow the CEO of Customs or a regional director for a state or territory to dispose of goods seized by Customs if the CEO or regional director is satisfied that retaining the goods would constitute a
danger to public health or safety. This amends the current act, which only allows for such disposal in relation to perishable goods and live animals seized by Customs in the event that they create a risk to public health or to other crops and animals. By extending this power to deal with all goods seized by Customs we enable Customs to dispose of such items as hazardous biological agents and explosive material. Essentially, this amendment is simply common sense. It enables the officials at the Australian Customs Service to deal with the ever-increasing threat from goods which the original act did not envisage as potentially hazardous to the public health and safety of our people when it was implemented.

Schedule 2 of the bill deals with unauthorised entry, and specifically with sections of airports and wharves designated to be 234AA sections. These portions of the airports and wharves are designated to be used by Customs to hold and question ship and aircraft passengers and to examine their personal baggage. Under the current system, any individual who holds a security identification card can enter a section 234AA place as long as they are doing so for the purposes of their employment. The amendments in schedule 2 enable a Customs officer to restrict entry by holders of security identification cards to section 234AA places. There are regularly situations where it would be necessary for Customs to restrict such access, including during peak times of activity, in order for them to conduct their investigations properly and ensure the security of personal baggage.

Schedule 4 of the bill deals with the provision of information to Customs by issuing authorities in relation to holders of aviation security identification cards and visitor identification cards. All employees working at international airports are required to hold an aviation security identification card and all visitors to an international airport are required to hold a visitor identification card. Both of these cards are considered security identification cards for the purposes of the legislation. A holder of either card is potentially able to enter restricted areas at international airports which are under the control of the Australian Customs Service.

This bill amends the Customs Act to enable an authorised officer from the Australian Customs Service to request required identity information from issuing authorities for the purpose of updating information initially provided after the issue of either an aviation security identification card or a visitor identification card. The bill also amends the act to require issuing authorities to notify Customs when a card has expired or is revoked. Again, these amendments are common sense. These cards are necessary for airport employees to undertake their jobs. However, if these people are to be granted access to areas which are tightly controlled by the Customs Service, it is necessary that Customs are able to obtain up-to-date information about who they are. This is simply a common-sense amendment to ensure the integrity of those areas of international airports under the control of the Australian Customs Service.

Schedule 5 of the bill amends the Customs Act to implement the Accredited Client Program, which would enable accredited importers to utilise a streamlined entry, reporting and duty payment procedure for the importation of goods. This bill inserts the provisions relating to the payment of a duty estimate and import duty on imported goods entered and reported under the Accredited Client Program. The amendments contained in this bill also align the payment of processing charges associated with the Accredited Client Program with the payment of import duty.
Schedule 6 of the bill relates to the protection of Customs employees from criminal responsibility. Under the current provisions, officers of Customs engaging in an act in the course of duty and individuals acting under instructions from officers of Customs receive protection from criminal liability for certain acts. Those acts include the possession, conveyance and facilitation of conveyance of prohibited imports, prohibited exports and smuggled goods. Under the current legislative arrangements, this protection from criminal liability does not extend to include the possession, conveyance and facilitation of conveyance of narcotic goods. This bill seeks to amend that and extend the protection. This amendment does no more than ensure that individuals under the instruction of Customs Service officers and/or employed by the Australian Customs Service are not prosecuted for unwitting breaches which occur while they are simply acting in the course of their employment.

In addition to the amendments I have already discussed, there are several technical and minor amendments to the act contained in this bill. This bill simply seeks to—

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
Aviation Security

Mr BEVIS (2.00 pm)—My question without notice is to the Minister for Transport and Regional Services. I refer the minister to the answer he gave regarding the open gate at Australia’s busiest airport. Minister, isn’t it the case that, even though you tried to reassure the House that the gate was not a security point, shortly after question time yesterday it became one, when security personnel were posted to that very gate? Why didn’t the minister put guards at the gate to protect Australians, when he is prepared to put guards at the gate to protect the Howard government against bad media coverage?

Mr TRUSS—The situation is clear. The gate was the gate to a building site. It was the gate to reconstruction work that is going on in the Qantas hangar at Sydney airport, and it was not a part of the security system for the airport. The security system for the airport was another fence that had been constructed at the back of the construction site. Security was not in any way at risk as a result of the activities that have occurred at Sydney airport. The gate was open because it was open to a construction site where construction work was going ahead. The gate was closed in cases where it had access to runways and other airside activities.

Greenhouse Gas Emissions

Mr NEVILLE (2.01 pm)—My question is addressed to the Prime Minister. Has the Prime Minister’s attention been drawn to a plan by Labor state governments, endorsed by the federal opposition, to introduce an emissions trading scheme? Prime Minister, what will the impact of this scheme be on different parts of Australia?

Mr HOWARD—To get to the second part of the question first, it will have a devastating impact on the state of Queensland, and it is already apparent from the reaction of the Premier of Western Australia that he understands the impact—

Mr Bowen—Mr Speaker, I raise a point of order. I draw your attention to page 538 of House of Representatives Practice, which makes it clear that a question about a specific policy of another party has not been allowed by previous occupants of the chair. I ask you to rule this question out of order.

The SPEAKER—I thank the member for Prospect. I listened carefully to the question.
It certainly asked the Prime Minister about an impact on federal matters. The Prime Minister is in order. The question is in order.

Mr Howard—My attention has been drawn to the plan, and I heard the Premier of New South Wales and the Premier of South Australia waxing lyrical about the plan on radio this morning. What the Labor states want and what the federal opposition wants is a European modelled emissions trading scheme starting in 2010. It has the long-term goal of reducing emissions by 60 per cent by the year 2050. It will involve a $12 to $14 carbon tax, higher electricity bills and a 37 per cent reduction in coal-fired power generation. Electricity generators and gas pipelines around Australia will be the first targeted, and additional sectors will be added over time.

The hardest hit states under this plan will be the resource-exporting states of Queensland and Western Australia. Workers will see their jobs disappear and jobs exported to other parts of the world. States like South Australia that are reliant on drawing electricity from the national grid will be even more exposed. The analysis to be released by the states today indicates that, under Labor’s proposal, retail electricity prices in Darwin will rise by nearly $200 a year, wholesale prices in Western Australia in each year are expected to be on average 40 per cent higher and states such as Tasmania that have a higher relative use of electricity will have higher relative increases in power bills.

These proposals very closely echo the proposals of the Leader of the Opposition in his various blueprint speeches delivered last year and this year, which involve cutting emissions by 60 per cent by the year 2050, ratifying Kyoto, setting mandated emissions target reductions and establishing a national emissions trading scheme.

According to ABARE, a 50 per cent cut in Australian emissions by 2050 would lead to a 10 per cent fall in GDP, a 20 per cent fall in real wages, a carbon price equivalent to a doubling of petrol prices, and a staggering 600 per cent rise in electricity and gas prices. These are not the calculations of my office. They are not the calculations of the federal secretariat of the Liberal Party. They are the calculations of the Bureau of Agricultural and Resource Economics, a very respected federal government body.

So, to borrow a phrase that is beloved by the Queensland Premier, let me say to Mr Beattie: why don’t you stand up for Queensland? Why don’t you stand up for jobs in the coal industry in Queensland? And why don’t you tell your Labor mates in New South Wales and South Australia that you are not going to have any truck with a proposal that would cripple the resource industry in Queensland, export jobs from that great state and impose unbearable, higher petrol prices on Australians at a time when we face the prospect of even higher fuel prices?

Greenhouse Gas Emissions

Mr Albanese (2.06 pm)—My question is to the Prime Minister. Is the Prime Minister aware of comments made by the Treasurer on 18 January this year in relation to emissions trading in which he said:

A market based solution will give the right signal to producers and to consumers. It will make clear the opportunity cost of using energy resources, thereby encouraging more and better investment in additional sources of supply and improving the efficiency with which they are used. That has to be good for both producers and consumers and better for the environment.

Does the Prime Minister agree with these comments? Is this why the Treasurer and the then environment minister took to cabinet in 2003 a proposal to establish a market based national emissions trading scheme for greenhouse gases?
Mr HOWARD—I am aware of those comments made by the Treasurer and, like all the other comments the Treasurer makes, they make a great deal of sense.

Opposition members—Not all of them.

The SPEAKER—Order! Members on my left!

Mr HOWARD—They do. My colleague the Treasurer makes very sensible remarks on national economic management. But there are two very crucial things—

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne!

Mr HOWARD—about the Treasurer’s position that the member for Grayndler did not acknowledge. Firstly, the Treasurer, unlike the party of the member for Grayndler, was not advocating a carbon tax. I know the Labor Party loves taxes but the Treasurer was not advocating a carbon tax. I also know that the Treasurer’s views on this matter are within context—

Opposition members interjecting—

The SPEAKER—The member for Melbourne is warned!

Mr HOWARD—at least and until we have a protocol throughout the world that includes all of the major emitters, and that means the inclusion of countries such as China, the United States and India. Until we have all the major emitters, one country unilaterally embracing an emissions trading scheme will result in great damage to that country. The reason we will not sign Kyoto is that, if we were to sign, we would accept burdens under the protocol that would not apply to our competitors, such as China and Indonesia. We would export jobs, and that is my point.

Mr Albanese—Mr Speaker, I raise a point of order that goes to relevance. This was a question about emissions trading—

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

Mr Albanese—The question was about emissions trading, Mr Speaker.

The SPEAKER—The member for Grayndler will resume his seat and I will rule on his point of order. The member for Grayndler asked a lengthy question that covered quite a number of related areas. The Prime Minister is answering the substance of the question. I call the Prime Minister.

Mr HOWARD—For a country such as Australia, which is almost unique in the sense of being a developed country that is a net exporter of energy, to embrace the sorts of strictures, penalties and burdens being advocated by the opposition without—

Mr Beazley—Mr Speaker, I raise a point of order on relevance. This is about emissions trading, and this proposition of the Treasurer is exactly what was proposed in our blueprint.

The SPEAKER—I remind the Leader of the Opposition that this was a wide-ranging question and the Prime Minister is responding to the substance of it. I call the Prime Minister.

Mr HOWARD—What the Labor Party wants is for a resource-rich country such as Australia to agree to an arrangement that would result in the export of investment and jobs from this country. What this government will not tolerate—

Mr Beazley—Mr Speaker—

The SPEAKER—Order! Has the Prime Minister concluded his answer?

Mr Beazley—Has he concluded his answer? No, Mr Speaker, I raise a point of order. There is an explicit question here about emissions trading. The Treasurer’s position is the Labor Party’s position—exactly the same.
The SPEAKER—The Leader of the Opposition will resume his seat. Again I remind the Leader of the Opposition that the Prime Minister was asked a lengthy question and he is responding to the substance of that question. I call the Prime Minister.

Mr HOWARD—The more the Leader of the Opposition interjects the more he proclaims his sensitivity on this issue. What Labor stands for is a policy that would export resource jobs from states like Queensland to other countries. I want to say on behalf of this government that, while ever we have control of policies in this area, we are not going to sell out the Australian resource sector and we are not going to sell out the workers in the resource industry. We are going to stand up for the resource industries in Queensland and Western Australia, because they are contributing great wealth to this nation.

Mr Albanese—Mr Speaker—

Leave granted.

DISTINGUISHED VISITORS

The SPEAKER (2.13 pm)—I inform the House that we have present in the gallery this afternoon the delegation of the Council of Capital City Lord Mayors. On behalf of the House I extend a very warm welcome to the delegation.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy

Mr KEENAN (2.13 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of today’s consumer sentiment and wage price index data? What risks require disciplined management?

Mr COSTELLO—I thank the honourable member for Stirling for his question. Today’s Westpac-Melbourne Institute consumer sentiment figures show that consumer sentiment suffered a sharp fall of 16.2 per cent in the month of August. That is the second largest fall on record. In particular, that fall of 16.2 per cent in consumer sentiment appears to relate to the interest rate rise which the Reserve Bank of Australia announced following its meeting on 2 August.

Despite the fall in consumer sentiment in the month of August, the fundamentals of the Australian economy are strong. We have the lowest unemployment in 30 years. We have our ninth surplus budget. We have cleared Labor’s $96 billion worth of debt, and the Australian economy is forecast to grow strongly in the year ahead. Today we also had the labour price index released for the June quarter of 2006. It showed that the index grew 1.1 per cent in the June quarter and is 4.1 per cent higher through the year. This was a little higher than expected, with wage costs rising higher in the public sector than in the private sector. They were 4.4 per cent higher over the year in the public sector;
whereas they were four per cent higher over the year in the private sector. Jurisdictions that recorded the fastest growth in public sector wage costs were Queensland, New South Wales and Tasmania.

It is important for the maintenance of a low-inflation environment in the Australian economy that wages are contained and are consistent with productivity growth. We can afford increases in real wages, as long as we have a productivity bonus that backs it up. If there is a productivity bonus that backs it up, an increase in real wages will not necessarily be inflationary. One of the advantages that we have in dealing with strong wage rises at the moment is, of course, productivity, but also we have a much better system of industrial relations than in previous periods. Nothing could be more destructive at the current time than a reversion to centralised wage fixing. The reason for that is that, whilst wage increases might be justified in profitable industries such as the mining industry, any attempt through centralised wage fixation or, indeed, pattern bargaining to bring those wage increases out of highly profitable areas of the Australian economy back into other areas of the Australian economy would be not only inflationary but anti-jobs.

That is why it is so important that we now have the Work Choices legislation in place in this country. If Labor had its way and rolled back Work Choices—if we were to revert to a system of awards whereby profitable industries which can afford wage increases become pacesetters for other areas of the Australian economy—we would end in an inflationary surge, which brought on previous recessions that this country could ill afford. Today’s increase, backed by productivity in a situation of improved labour market arrangements, can be handled, although we need to be vigilant. Rolling back industrial relations reform in this country, at this time, would be a major retrograde step by the political party which has done so much to hold Australia back over the last 10 years.

Mr Beazley interjecting—

Mr COSTELLO—I welcome the continued interjections from the Leader of the Opposition, as he listens to the way in which his policies could destroy Australia at a time like this.

Mr Beazley interjecting—

Mr COSTELLO—I welcome his constant interjections, which he is engaging in from the table at the moment.

The SPEAKER—The Treasurer should not encourage interjections.

Mr COSTELLO—I will make just one last observation. Most people would say that today’s wage growth in the June quarter was a touch higher than expected at 4.1 per cent. Let me make this point about another indicator to undermine the false claims that the Labor Party made about Work Choices. One of the constant refrains that we have heard from the Labor Party was that Work Choices would drive wages down. Yet today we find that wages have increased by 4.1 per cent, even a little higher than expected. On 21 March 2006, we had the Leader of the Opposition telling Neil Mitchell that these workplace changes are about suppressing wages. He was wrong then; he is wrong now; he has been wrong for 10 years. The last thing the Australian economy could afford would be him in any position of economic responsibility.

Aviation Security

Mr BEVIS (2.20 pm)—My question is to the Minister for Transport and Regional Services. I refer to the minister’s answer yesterday and to his answer again today, for which I thank him, where he claimed that a new security fence was in place to secure the airport while construction was under way at Sydney airport. Is he aware that, until the
matter was raised in this House yesterday, people accessing the construction site could get to the secure area of the airport through a hangar simply by removing a wooden chock—not unlike this one—from the hangar door? Minister, is a wooden chock like this the best practical measure the government can find to protect the Australian public from terror attacks at our busiest airport?

Mr TRUSS—I am not sure how many times I have to answer the question before it gets through to the honourable member for Brisbane that the fence that is normally in place around Sydney airport for security purposes has a gate in it which has been left open because of the construction activity that is going on at a Qantas site. To compensate for the fact that that fence is no longer able to fulfil its security function during the construction process, a second fence has been constructed around the work site, dividing the site from the secure area of the airport.

Mr Bevis interjecting—

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

Mr TRUSS—The General Manager of Corporate Affairs of the Sydney Airport Corporation, as I said yesterday, has informed me that the additional fencing that has been constructed meets mandated security standards. At no stage has there been any risk. The temporary fence around the construction site has needed to be accessed so some construction activity could occur, so a second security fence was in place which did meet standards and which has ensured that there has been no improper access to the regions concerned.

Workplace Relations

Dr SOUTHCOTT (2.22 pm)—My question is addressed to the Minister for Employment and Workplace Relations. What does today’s ABS wage data indicate about the government’s workplace relations policies? Is the minister aware of any alternative policies?

Mr ANDREWS—I thank the member for Boothby for his question. As the Treasurer indicated earlier this afternoon, the ABS labour price index data shows that Australian workers continue to experience strong wages growth, something which the Labor Party and the unions said would come to an end with Work Choices. Indeed, managing the economy and making the necessary reforms to the economy, including the introduction of the Work Choices legislation, is part of the reason why we continue to have not only low unemployment in Australia but, in addition to that, jobs growth and wages growth, as this data indicates.

The member for Boothby asked me about any alternative policies. I note that something like nine months after the Leader of the Opposition promised to bring forward his blueprint for workplace relations in Australia and to release it in the first half of this year we are still waiting. The reality is that the Leader of the Opposition will not bring forward a blueprint to roll back reform until he gets the tick-off by the union movement in Australia.

I was interested to note that the Australian Labor Party is advertising its Federal Labor Business Forum for 2006. This is a very interesting document and these will be a couple of interesting days in Sydney. Business has been invited to contribute $5,000 a head to come along and learn about the alternative policies of the Australian Labor Party. I looked through this document—I looked again and again—and I could not find any reference whatsoever to industrial relations. Indeed, I looked through the document at the speakers on the list and I saw such Labor luminaries as Senator Kerry O’Brien, Senator Nick Sherry and the member for Grayndler but not the member for Perth, the
spokesman on industrial relations. He does not feature on the program whatsoever.

So the Labor Party are going to have this two-day talkfest in which business is invited to come along and contribute $5,000 per head to the Labor Party coffers, and yet there will be an elephant in the room which goes unmentioned—the elephant in the room in this case being their industrial relations policy, of which they will utter not a word at the present time. If they were proud of this policy and they thought they had support for it, why wouldn’t they go out to the business community in Australia and say, ‘We’re going to rip up AWAs and this is why we’re going to do it. We’re going to roll back unfair dismissal laws, so that businesses in Australia will be fearful about employing people.’ No, they have no courage to come forward.

**Mr Rudd**—Can’t you read the billboard?

**Mr ANDREWS**—I see the member for Griffith interjecting. He is not on the program either. What we have here is another failure by the opposition to put forward an alternative policy. They will not put forward an alternative policy because they have not been given it yet by the ACTU. They will not put forward an alternative policy to the business community because they know they would get a resounding response from the business community, saying, ‘This will take Australia backwards. This will destroy jobs. This will destroy growth in wages’—something which this government is achieving and continues to achieve.

**Higher Education**

**Mr BEAZLEY** (2.26 pm)—Mr Speaker, with your indulgence: you learn something new every day. Apparently I have not been prepared in public to advocate our industrial relations position. You could have fooled me.

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

**Mr BEAZLEY**—My question is to the Prime Minister. Does the Prime Minister recall telling the parliament in 1999: The government will not be introducing an American style higher education system. There will be no $100,000 university fees under this government.

Is the Prime Minister aware that the 2007 *Good Universities Guide*, published today, shows that next year there will be 96 undergraduate degrees costing over $100,000 and five of those costing over $200,000? Given that the average new mortgage in Australia today is around $220,000, why is the Prime Minister forcing young Australians to choose between a university education and a home of their own?

**Mr HOWARD**—In answer to the Leader of the Opposition, the reference I made to $100,000 fees was a reference to HECS funded fees; it was not a reference, as the Leader of the Opposition knows, to people who paid full fees. At present there are no $100,000 university fees for Commonwealth supported students. Let me say that again: there are no $100,000 university degrees for HECS funded places in this country. That is the situation.

Let me remind the House that 97 per cent of all undergraduate Australian students are in Commonwealth supported places. For all these students the government covers 75 per cent of the cost of study. Universities may admit full fee paying students. There is a 35 per cent cap on the number of full fee paying undergraduate students, and fewer than three per cent of all undergraduate students actually take up this option. What the Labor Party is proposing is a circumstance where if you are English or American or Chinese or Japanese you can pay full fees—

**Ms Plibersek** interjecting—

**The SPEAKER**—The member for Sydney is warned!
Mr HOWARD— but if you are an Australian you cannot. In other words, the Labor Party wants to go back to a policy that discriminates in favour of foreigners and against Australians.

Mr Albanese—Mr Speaker, on a point of order: this was not a question about foreign students. It is a very clear quote—

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

Mr HOWARD— I conclude by reiterating what I said at the beginning of this answer. The reference I made, and I freely acknowledge making it, was to Commonwealth funded or HECS funded places. I repeat: there are none of those in Australia which are costing $100,000. The opposition knows that, and once again the Leader of the Opposition is misleading the Australian people.

Iraq

Dr JENSEN (2.30 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on Australia’s strong relationship with Iraq? Is the minister aware of any criticisms of this approach, and what is his response?

Opposition members interjecting—

Dr JENSEN—Mr Speaker, I will repeat that last point, because I do not think the House heard it.

Opposition members interjecting—

The SPEAKER— The honourable member for Tangney will repeat that last part.

Dr JENSEN—Is the minister aware of any criticisms of this approach? What is his response?

Mr Rudd—Everyone in the world thinks—

The SPEAKER—The member for Griffith is warned!

Mr DOWNER— I thank the honourable member for his question and the interest he has in Iraq. Obviously the Australian government does have a good relationship with the government of Iraq and the people of Iraq, and I think it is important we do so. The Prime Minister has visited Iraq on a number of occasions; the Minister for Defence, Dr Nelson, and his predecessor, Robert Hill, visited Iraq on a number of occasions; and I have as well. This is a very strong relationship, and I know from talking to the Iraqis that they appreciate very much the work we do to help the Iraqi security forces defeat terrorists and insurgents.

As the Leader of the Opposition often likes to point out, this is a very difficult task. We remain committed to the task—to training the security forces and to providing security overwatch from the Tallil air base in the south of Iraq. We also remain committed to protecting our embassy and our embassy staff who are working in Iraq. They are doing a good job. Our embassy staff help with the administration of our aid program to the embattled people of Iraq. Our embassy staff obviously help to promote our commercial interests and advance our political interests, so it is important we keep them going. Indeed, just yesterday I announced the appointment of Marc Innes-Brown, who is an exceptional officer in my department, as the next ambassador to Iraq.

Members will of course be aware of a rocket attack that injured four officers from our security detachment in Baghdad on Monday. One of the corporals—a female corporal; the Minister for Defence will correct me if I am wrong—is still in hospital, but I understand she is in good condition. Our thoughts are with those soldiers, and they are with the diplomats whom they protect. It is tough, but it is vital work.
Yes, this approach is criticised by the Leader of the Opposition and those who work with him. The member for Barton, for example, rather surprisingly was reported in today’s Financial Review and yesterday on the radio as having said that, following Monday’s attack, we should shut down our embassy in Baghdad altogether; we should move it out of Iraq. I would say only this: we will not be doing that. If somebody attacks our embassy, our—I mean the coalition’s, the Howard government’s—ininstinctive reaction is not to close our embassy and run away. We did not close our embassy in Jakarta when it was bombed. We stuck it out. And we are going to do the same thing in Baghdad as well.

Every time Australian interests are threatened or attacked overseas, the Leader of the Opposition’s response is to haul up the white flag. It is always to call for surrender. He says we should surrender in Iraq to the insurgents and the terrorists. He says surrender is the best policy. And we say: to fight determinedly beside the people of Iraq is the best policy. You cannot see John Howard surrendering, as the Leader of the Opposition likes to. And when there is an attack on some Australian personnel, we do not. And you cannot see John Howard putting out a press release saying, ‘Let’s close our embassy.’ No, we are too strong for that, but for the Leader of the Opposition his constant companion is the white flag.

Iraq

Mr BEAZLEY (2.35 pm)—My question is to the Prime Minister. Does the Prime Minister recall an interview he gave on ABC radio on 17 March 2003 when he was questioned about the impact of a war in Iraq on the Australian economy? Does the Prime Minister recall warning:

Obviously if it were to go on for a very long time and there were to be a sustained lift in the oil price then that would start to have an effect. But if the conflict is shortlived then I don’t believe the effect is going to be anything like that.

Prime Minister, will you now describe the impact of the prolonged war in Iraq on the world oil price and the Australian economy?

Mr Downer—Surrender! Surrender!

The SPEAKER—Order! The Minister for Foreign Affairs!

Mr Downer—You are a weak man. You are too weak!

The SPEAKER—Order! The Minister for Foreign Affairs is warned!

Mr HOWARD—I will naturally, as I always do, check the transcript, but I am quite certain that, in the many interviews I gave at that time, I could well have said something to that effect. But let us analyse the reasons why the price of oil is high now. It is overwhelmingly due to the market fundamentals. It is overwhelmingly due to the strength of the—

Dr Emerson interjecting—

The SPEAKER—The member for Rankin!

Mr HOWARD—I will come to Iraq in a moment. It is overwhelmingly due to the massive demand that is coming out of China and, to a lesser extent, India, to the underinvestment in refining capacity and to some of the impact of the situation in the Middle East. If you are looking at Iraq and you want to improve the supply of oil by bringing more oil from Iraq on stream, what you do is defeat the insurgency, not cut and run.

Mr Wilkie interjecting—

The SPEAKER—The member for Swan is warned!

Mr HOWARD—What is happening at the moment is that the Iraqi government is waging a courageous battle against people who almost on a daily basis are trying to
sabotage the oil extraction in Iraq, and the Leader of the Opposition wants to surrender to that insurgency. He wants to create a situation where those who would cripple the capacity of Iraq to be a further major contributor to the world’s oil supply succeed. So, far from what we are now doing, the Leader of the Opposition’s policy of capitulation and surrender would reinforce the position of those who would destroy Iraq’s capacity to stand on her own feet and contribute to an increase in world oil supplies and, therefore, a reduction in the price of petrol at the bowser in Australia.

Mr Price interjecting—

The SPEAKER—The Chief Opposition Whip is warned!

Exports

Mr HAASE (2.39 pm)—My question is addressed to the Deputy Prime Minister and Minister for Trade. Would the Deputy Prime Minister and Minister for Trade update the House on recent figures highlighting Australia’s record export performance? Are there any threats to these record export levels, particularly in Western Australia?

Mr VAILE—I thank the member for Kalgoorlie for his question. Of course, he would be very interested in the latter part of his question, given that he represents the majority of the landmass of Western Australia. The 2005-06 figures show that Australia reached a record export level of $192 billion worth of goods and services out of Australia. That compares to $99 billion worth when Labor was last in office during 1996.

Mr Speaker, if you have a look at where some of the key increases have been, you see that, of our top 20 export products and services, 14 actually hit record levels in 2005-06. An example is coal. There was a 42 per cent increase in the export of coal in 2005-06. The two things that the member for Kalgoorlie would be interested in are obviously iron ore, exports of which were up 54 per cent, predominantly out of Western Australia, and gold, which also comes from the member for Kalgoorlie’s electorate, exports of which were up 29 per cent. So a number of Australia’s key exports are reaching record levels.

In the services sector, the export of education services rose by 13 per cent. The export of tourism and professional and business services also rose, and exports rose in the manufacturing sector in areas such as motor vehicles, up 15 per cent, and medicines, up 18 per cent. All of these contributed to that record level of exports, with $192 billion going out of Australia in the last fiscal year.

This means more job opportunities for more Australians. This export effort has fed into the unemployment level dropping to 4.8 per cent. For the information of the member for Kalgoorlie, although the national unemployment level has dropped to 4.8 per cent, in Western Australia it is 3.1 per cent, significantly as a result of the export industries in that state. We recognise that one in five jobs in the Australian economy rely on export industries. In regional Australia, that is one in four jobs, and many of those are in the member for Kalgoorlie’s electorate in Western Australia.

What are some of the impediments that are confronting our export industries? The Labor Party’s position on workplace relations is one of those. You could talk to many of those great exporting industries in Western Australia, as many of the members of the Labor Party have. The Leader of the Opposition has got himself on a billboard over the road leading into Canberra airport with his shock and awe about ripping up AWAs. The member for Perth is saying to the captains of industry: ‘Don’t listen to what Kim’s saying. We’ll be able to work out how we can manage a flexible workplace if we win office.’
do not know that there is that level of commitment behind the Leader of the Opposition to ripping up the AWAs, as is seen on the billboard near Canberra airport.

We have achieved these export efforts because we have continued to improve the economic environment in Australia. We have continued to create flexibility so we can compete with the rest of the world. The coalition government have been creating jobs. We know the Labor Party just want to destroy jobs.

Higher Education

Ms MACKLIN (2.43 pm)—My question is to the Prime Minister. Is the Prime Minister aware that, according to figures from the Department of Education, Science and Training, there was a drop of almost 10 per cent in the number of year 12 completers going on to university or vocational education between 2000 and 2004? With almost 100 degrees costing young Australians over $100,000, is it any wonder that the number of students completing year 12 going on to university has plummeted? Why has the Howard government made it so much more expensive for young people to go to university and turned 300,000 young Australians away from TAFE at a time when the Australian economy needs 20,000 scientists and engineers and 100,000 extra tradespeople?

Mr HOWARD—I thank the Deputy Leader of the Opposition for her question. I will check the figure. But whether it is right or not makes no material difference to the answer I give, because I would have thought that one of the reasons fewer people might be going on to university now is that it is easier to get a job. What a terrible thing! I think it is a good thing if you can get a job. The Deputy Leader of the Opposition talks about turning people away from TAFE. The last time I checked, they had increased the fees by about 300 per cent. So let me say to the Deputy Leader of the Opposition: if there has been a situation where fewer people are going on to university, that is not of itself—and I do think that, if we are to seriously address the skills issue in this country, we need to get away from the deputy leader’s mindset that the only good education is a university education—

Opposition members interjecting—

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

Mr HOWARD—She was brought up in the culture that says that unless you go to university you are a failure. Can I say that that is one of the reasons that people have been driven out of the skilled trades. That is one of the explanations. So let me say to the Deputy Leader of the Opposition—

Mrs Irwin interjecting—

The SPEAKER—The member for Fowler is warned!

Ms Macklin—Mr Speaker, on a point of order on relevance: the question made it absolutely plain that—

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. The Prime Minister is responding to the substance of the question. I call the Prime Minister.

Mr HOWARD—if the Deputy Leader of the Opposition thinks too many people have been turned away from TAFE, why don’t you talk to Mr Beattie? Why don’t you talk to Mr Iemma? Why don’t you talk to Mr Carpenter, Mr Bracks or Mr Rann?

Opposition members interjecting—

Mr HOWARD—The Leader of the Opposition, interjecting, says, ‘We do.’ Well,
they do not take any notice of you, do they? They have not done anything about it. Can I say to the Deputy Leader of the Opposition that the mindset she brings to this issue is part of the problem. It is the belief that the future of the country is driven entirely by the number of people who seek to go to university. I welcome the fact—

Ms Macklin—Mr Speaker, on a point of order: once again, the Prime Minister is completely ignoring the point made in the question—

The SPEAKER—The deputy leader will resume her seat. The Prime Minister is in order.

Mr HOWARD—Let me simply conclude and say to the Deputy Leader of the Opposition that, if there has been a decline in the number of people going on to university in the early part of the 21st century, I think it might have something to do with the fact that unemployment is at a 30-year low.

Ms Macklin—So that is why we have—

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

Health: Substance Abuse

Mrs HULL (2.48 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister advise the House of the government’s response to the Road to recovery report on substance abuse? Is the minister aware of any criticism of the government’s approach, and what is his response?

Mr ABBOTT—I thank the member for Riverina for her question. I also thank her for the Road to recovery report prepared by the House of Representatives Standing Committee on Family and Community Affairs, which she chaired. The government tabled its formal response to that report in the House last week. One of the principal recommendations of the report was to investigate the effectiveness of naltrexone in treating heroin addicts. The government has committed some $1 million to fund a major trial into this.

Another principal recommendation was not to support the establishment of heroin injecting rooms. I can certainly assure the House that, as long as the Howard government has breath in its body, we will try to oppose any state or territory which is conniving with law-breaking in this way. Let me say that there has been, indeed, some criticism of the government’s approach in opposing heroin injecting rooms. The Leader of the Opposition, for instance, said:

It is wrong for the Prime Minister to stand in the way of NSW Government’s ... injecting rooms for heroin users ...

Here we have it—the Leader of the Opposition: he surrenders on Iraq; he surrenders on workplace relations; he is surrendering on drugs as well.

Ms Plibersek interjecting—

The SPEAKER—Order! The minister will resume his seat. Despite two warnings, the member for Sydney continues to interject. The member for Sydney will remove herself under standing order 94(a).

The member for Sydney then left the chamber.

Mr ABBOTT—Mr Speaker, as far as I am aware, it is not slanderous to quote opposition frontbenchers’ words back at them. I can understand why the member for Sydney was getting agitated, because the member for Sydney said, ‘I am pleased to say there will be a heroin injection room up and running in Sydney.’

Mr Albanese interjecting—

The SPEAKER—The member for Grayndler is warned!

Mr ABBOTT—The member for Grayndler said:
But it is not the heroin per se that causes all these problems, it is often the criminalisation of the supply and use of heroin.

And we have the member for Lalor, who said through her spokesman:

If state governments make that decision—that is to say, the decision to support injecting rooms—... then we’d back them.

It is possible that all of these opposition frontbenchers have changed their mind. But unless they are prepared to publicly repudiate—

Mr Albanese—Mr Speaker, on a point of order: the health minister is going through a series of unattributed quotes of people on this side of the House. I would ask him—if you would let me finish, please, Mr Speaker—to table the material from which he is quoting.

The SPEAKER—The member for Grayndler will resume his seat. He may make that request at the end of the question if he chooses to. The minister is in order.

Mr ABBOTT—The quote from the member for Grayndler was from the House Hansard of 22 March 1999, so can we table some of these? The truth is that, unless these frontbenchers opposite have changed their opinions and publicly put on the record their changed opinions, there is only one conclusion to be drawn, and that is that Labor is soft on drugs. Labor is soft on drugs. And then there are the preference deals—

Mr Martin Ferguson—Mr Speaker, I rise on a point of order. With all respect, as usual the minister has gone one bridge too far. That is an offensive remark to all members of the opposition and I request that it be withdrawn. No member of the Labor Party caucus is soft on drugs. It must be withdrawn.

The SPEAKER—Order! I have been listening carefully to the minister’s answer. I note the point raised by the member for Batman, but, as the minister did not refer to a particular member, I believe that his—

Government members interjecting—

The SPEAKER—Order! Members on my right!

Mr Albanese—Mr Speaker, I rise on a point of order. That was an extraordinary ruling. For you to suggest that he did not refer to a particular member—he did refer to me by name, and the member for Sydney and others—

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

Mr Albanese—I ask that it be withdrawn.

The SPEAKER—The member for Grayndler would be aware that the reference to him was related to the earlier part of the answer. The member for Batman’s point of order was in relation to the last part of the answer that the minister was giving. The minister did not refer to any particular member in that comment.

Mr Albanese—While you were giving that warning, someone else interjected across the chamber that I was soft on drugs. I ask that member to withdraw it.

The SPEAKER—If that point was made, then—

Government members interjecting—

The SPEAKER—Unless the member for Grayndler can identify the person, he puts the chair in a very difficult position.

Mr Albanese interjecting—

The SPEAKER—I have just responded to the member for Grayndler’s point of order.

Mr Albanese—Yes, Mr Speaker, and I am responding to your ruling.

The SPEAKER—The member for Grayndler does not respond to rulings.
Mr ABBOTT—I simply make the point in conclusion—

Mr McMullan—Mr Speaker, I rise on a point of order. I was not aware that you had finished dealing with the last matter. Page 502 of the *House of Representatives Practice* quotes Speaker Snedden as saying:

... if an accusation is made against members ... would be unparliamentary and offensive, it is in the interests of the comity of this House that it should not be made against all as it could not be made against one.

It then goes on to say:

This practice has been followed by succeeding Speakers.

In my view it should be followed by you and the minister for health should have to withdraw that remark.

The SPEAKER—I thank the member for Fraser. I am aware of the passage that he is referring to. I would also refer him to page 501 and the comments by Senator Wood as Acting Deputy President of the Senate, when he made this point:

... offensive words must be offensive in the true meaning of that word. When a man—

and I would add ‘or woman’—

is in political life it is not offensive that things are said about him politically.

Opposition members interjecting—

The SPEAKER—Order! I will finish my ruling.

Mr Beazley—Mr Speaker, I rise on a point of order—

The SPEAKER—Will the Leader of the Opposition resume his seat! I have not finished my ruling. I drew attention to that point in the *House of Representatives Practice* to make the point that I happen to agree with the words of Senator Wood on this occasion.

Mr Beazley—Mr Speaker, I rise on a point of order. In light of that, if I were to stand here and point out that the minister for health, who supplies free needles to drug addicts to support their illegal drug habits, was soft on drugs—

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

Mr Kerr—Mr Speaker, I rise on a point of order. This debate is being degraded by the manner in which it is being pursued. An allegation that a serious issue which has health impacts and which has been fully researched—and the saving of lives has been evidenced—being characterised in this way by the minister for health imputing that all members of the opposition are indifferent to or support illegal drug use in Australia is contemptuous of this House.

The SPEAKER—Order! The member for Denison will resume his seat. I rule that the comment was not unparliamentary.

Mr Tanner—Mr Speaker, I rise on a point of order. On 22 June you ruled that the Leader of the Opposition was required to withdraw a statement that the Attorney-General had engaged in vilifying asylum seekers. That is clearly a legitimate political comment. Why is it that he is required—

The SPEAKER—Order! The member for Melbourne will resume his seat. He will not debate the ruling.

Mr Quick—Mr Speaker, I rise on a point of order. In light of the comments made by the honourable Minister for Health and Ageing, as a person who is the longest serving member of that committee and in light of the fact that that committee met over the lives of two parliaments—

The SPEAKER—The member for Franklin will come to his point of order.

Mr Quick—I would respectfully request that the minister withdraw that statement—
The SPEAKER—The member for Franklin will resume his seat. I have ruled on his point of order.

Mr ABBOTT—In conclusion, I want to say that I welcome any support for policies that are tough on drugs from members opposite. I welcome it and, if the member for Grayndler, the member for Sydney, the member for Lalor and the Leader of the Opposition are prepared to withdraw their support for heroin injecting rooms, I would give them a great deal of credit and congratulate them. I call on them to withdraw their support for heroin injecting rooms.

Workplace Relations

Mr SWAN (3.00 pm)—This government is desperate and out of control.

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

Mr SWAN—My question is directed to the Treasurer. Does the Treasurer recall making the following comment on 11 May this year about the threat that the skills crisis posed to interest rates:

It really, you know, it’s totally unrelated to monetary policy.

If the Treasurer believes the impact of skills shortages on inflation is totally unrelated to monetary policy, can he explain why the RBA have repeatedly warned about it in quarterly statements on monetary policy?

Mr COSTELLO—The RBA cited its reasons when it made its most recent announcements. The reasons were the strength of the global economy and demand in the Australian economy, particularly pointing at credit growth. It did not say anything about skills. I notice that there is a habit in the Labor Party of misrepresenting what people say. Nobody could have given a clearer example of that than the member for Grayndler in the question that he asked the Prime Minister earlier today. At an appropriate time, I will be making an explanation to show how he completely misled the House in the question he asked earlier.

Let me just conclude this point on this note. I sat in this House for six years in opposition and I can tell members of the House that never once in those six years did I hear anything about labour shortages, and I will tell you why. The Labor Party had 11 per cent unemployment. As far as problems go, it is much better to have jobs chasing workers than workers chasing jobs. The coalition is the party of employment; Labor stands for recession and unemployment. We now have a situation whereby we have the lowest unemployment in 30 years and that is because only the coalition can manage the Australian economy.

Mr Swan—I seek leave to table the document containing the Treasurer’s comments.

Leave granted.

Border Protection

Mr TOLLNER (3.03 pm)—My question is directed to the Minister for Defence. Would the minister inform the House how the Australian Defence Force is contributing to Australia’s border security. Has there been any criticism of this approach and what is the government’s response?

Dr NELSON—I thank the member for Solomon for his question and his very strong commitment to border protection, particularly in the north end of Australia. There is no more important task undertaken by the Royal Australian Navy than the protection of Australia’s borders. Having had the privilege of being able to spend a night on HMAS Bathurst, I can attest to the professionalism and commitment of the Royal Australian Navy in this task.

In the most recent budget, the government announced a further $380 million investment
over the next four years in further strengthening Australia’s border protection. At the moment, as far as our Royal Australian Navy is concerned, we have one major fleet unit, an FFG, at the Top End. We also currently have five Armidale class patrol boats which we will build up to seven. We have brought back two minehunters, which will also support them in that task, and a PC3 Orion surveillance aircraft. All of that complements the very important assets, dedication and commitment of Australian Customs and other agencies which we have brought together under one single operation called Operation Resolute. We also now have a border security central command which coordinates all the efforts of Australia’s enforcement agencies in protecting Australian borders. I recently announced, in addition to that, a billion dollar investment in developing a multimissioned, unmanned aerial vehicle and we are working with the United States Navy to develop that for state-of-the-art surveillance across our maritime borders.

I think many Australians are aware of the Channel 7 program Border Security. In May this year, it aired a program which featured HMAS Warrnambool. We saw a Royal Australian Navy patrol boat coming alongside an ice boat, a foreign vessel fishing illegally in Australian waters. The first thing that this foreign fishing vessel met was a Navy vessel. The first thing the XO of the ship said over a megaphone, accompanied by another sailor holding a firearm, was, ‘This is an Australian warship.’ Following that, rounds were fired from a 50 calibre machine gun and a boarding party went aboard that foreign fishing vessel.

There are others who are critical of this policy and approach to border protection. The Australian Labor Party has proposed a coastguard, which is really a coast guide. That means that in five years the Labor Party has had five policies on this and it is very difficult to understand exactly what it is on about. In fact, if you have any doubt about this, when presenting evidence against handling a coastguard to the Joint Parliamentary Committee of Public Accounts and Audit in 2001 the Navy said that the creation of a coastguard would have a detrimental effect on Navy training and experience. That is Navyspeak for gutting Australia’s Navy.

But of perhaps more interest is that the CFMEU journal Common Cause in October that year said of the creation of an Australian coastguard: ‘It would be manned by members of the Maritime Union.’ So Australians have a choice. The choice that Australians have is that they have the Royal Australian Navy picking up those who want to breach Australian sovereignty and presenting them with the full force of the Navy in securing and protecting our borders or they have a coastguard of indeterminate cost which would gut the Royal Australian Navy and be manned by civilians who would be fully unionised.

I have also directed the Chief of Navy to review the rules of engagement and the amount of force which can be used by the Royal Australian Navy against those who want to come here and steal our fish or illegally come to Australia. I might also point out that the choice Australians will have next year, when the election comes, is between a government that is strong in the parliament and strong on the borders, and a Beazley led government with a white flag on the parliament and a white flag on our borders.

Mr Kerr—you were going to remove the borders!

The SPEAKER—The member for Denison is warned!

Oil for Food Program

Mr Rudd (3.08 pm)—My question is to the Minister for Foreign Affairs and I refer to his previous answer concerning his govern-
ment’s policy success in Iraq. Does the minister recall telling parliament in February this year in relation to the $300 million ‘wheat for weapons’ scandal, ‘There is no smoking gun here’? Does the minister also recall this official record, just released by the Volcker inquiry, of his conversation with AWB chairman Andrew Lindberg on 4 October 2005, when he told the AWB that ‘The Volcker report,’ in the minister’s own language, ‘itself would be a smoking gun’? Minister, does your reference to a smoking gun—in your own language, in this, your own department’s record of conversation—refer to the AWB’s prior knowledge of its corrupt payments to Saddam Hussein’s regime, or are you referring to the government’s knowledge of the 21 cables you received as warnings about this, the worst corruption scandal in Australia’s history?

Mr DOWNER—First of all, I notice that the Queensland Labor Party is not too proud to take funding from AWB Ltd for the state election campaign. I just thought I might mention that.

Mr Crean interjecting—

The SPEAKER—Order! The member for Hotham is warned, and so is the member for Gellibrand!

Mr DOWNER—Secondly, this includes the member for Griffith, no doubt. He is not too proud to take AWB’s money. But this was clearly a reference—

Mr Rudd—On a point of order, Mr Speaker: the minister’s reference to the taking of money from the AWB by me—

The SPEAKER—The member for Griffith will resume his seat. There is no point of order. The minister has just begun his answer. I call the Minister for Foreign Affairs.

Mr DOWNER—I refer the honourable member to the Australian newspaper—I would not refer the Leader of the Opposition to the Australian newspaper because he does not read it—of February 2006. The member for Ryan drew my attention to it. I would have to refresh my memory in relation to the specific record of conversation, but I can assure the House of this: that was not a reference to the Australian government knowing during the relevant period that AWB Ltd was paying kickbacks to Saddam Hussein’s regime.

But the Cole inquiry is continuing its investigation and hopefully its report will be produced relatively soon. What is more, in recent days—or in recent weeks, in any case—a series of documents has been released through the Cole inquiry, so-called confessional documents from AWB Ltd. If anybody cares to read those documents, and I suspect not many members of the House would and certainly the Leader of the Opposition would not bother—

Mr Crean interjecting—

Ms Roxon interjecting—

The SPEAKER—Order! The member for Hotham is warned, and so is the member for Gellibrand!

Mr DOWNER—they will see that by AWB’s own admission it had not been informing the government of any activities in relation to paying kickbacks to Saddam Hussein’s regime. But one final point—because I am glad the honourable member asked the question—is that we on this side of the House were always in favour of getting rid of Saddam Hussein’s regime. You on that side of the House wanted to keep him there and allow these rorts to continue indefinitely.

Mr Rudd—I seek leave to table this official record of a departmental conversation between the minister and the AWB.

Leave granted.

Mr Rudd—And a second document relevant to this matter, which is an editorial from
the *Australian* stating Mr Downer has ‘lost all credibility’ on this matter.

**The SPEAKER**—Order! The member for Griffith will not abuse the offer that was given.

**Education: Australian History**

**Mr BARTLETT** (3.13 pm)—My question is addressed to the Minister for Education, Science and Training. Would the minister inform the House what the government is doing to ensure Australian history is well taught in our schools? Have state governments been supportive of the need for Australian students to know the history of our country?

**Ms JULIE BISHOP**—I thank the member for Macquarie for his question. I know that as a former economics and history teacher he is very interested in this issue. The teaching of Australian history in our schools has been downgraded. In fact, in a number of schools it is not even an optional extra. I announced recently that I would be hosting a summit to find ways to strengthen the teaching of Australian history in our schools, and that summit will be held in Canberra tomorrow. I have invited leading historians and public figures who are supporting the teaching of Australian history in our schools. I invited education leaders and teachers, including the President of the History Teachers Association of Australia. Eminent historians John Hirst, Inga Clendinnen and Geoffrey Blainey will be in attendance, and Bob Carr, the former Labor Premier from New South Wales, will also be in attendance.

We on this side of the House believe it is time for a renaissance in the teaching of Australian history. Students need to know more about our national story. If they can better understand the past, they will be more informed citizens of the future. The summit will focus on what is currently being taught and how and on what should be taught and why. Yes, I have written to all state and territory education ministers seeking their input. I have not had a response from any except the minister in the ACT. Tomorrow, we will pursue the strengthening of Australian history in our schools. I want to work collaboratively with the state and territory governments and with education authorities to ensure that Australian history is a key component in every school curriculum. I was astonished to read in the *Australian* newspaper—

**Mr Kerr**—The gospel according to John!

**The SPEAKER**—The member for Denison will remove himself from the House under standing order 94(a).

The member for Denison then left the chamber.

**Ms JULIE BISHOP**—I was saying that what we are seeking to do is strengthen the teaching of Australian history in our schools. I was astonished to read in the *Australian* newspaper—admittedly, it was the *Australian*, so the Leader of the Opposition will not have read this national newspaper—an article on 6 July headed ‘Beazley against history revival’. It reads:

KIM Beazley has dismissed the push ... to restate the teaching of traditional Australian history in schools as an “elite preoccupation”.

I ask the Leader of the Opposition: what is elite about learning about our diggers at Gallipoli? What is elite about learning of the struggles of our early settlers? What is elite about the establishment of a liberal democracy in this country?

**Mr Danby interjecting**—

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

**Ms JULIE BISHOP**—How could the Leader of the Opposition seek to politicise even the acquisition of knowledge about our nation’s history?
Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE:

ADDITIONAL ANSWERS

Workplace Relations

Mr Howard (Bennelong—Prime Minister) (3.17 pm)—Yesterday and on Monday the member for Adelaide asked a question in relation to a 17-year-old service station worker in Adelaide. The member suggested in her question that the employee was docked and suspended for not noting down the details of vehicles that had driven off without payment. I am advised that the Office of Workplace Services is investigating these claims, and I have asked for advice on the outcome of this investigation when it is completed. I will inform the House as appropriate. I should note that, if questions are asked in this place on specific cases, there should be no surprise when the government requests information on the outcomes of these investigations from the Office of Workplace Services. I am also advised that thus far there has been no formal offer of a new AWA to the employee.

I take the opportunity to remind the House that an ongoing employee cannot be required to sign an AWA. It is unlawful to terminate an employee because they refuse to sign an AWA. Could I also take the opportunity of reminding the House that, additionally, a worker under the age of 18 must have a parent or guardian sign any Australian workplace agreement that is entered into. If a worker considers they have had their rights breached in some way, they should contact the Office of Workplace Services, which can and will take action on their behalf.

PERSONAL EXPLANATIONS

Mr Howard (Bennelong—Prime Minister) (3.18 pm)—Mr Speaker, while I am on my feet I wish to make a personal explanation.

The SPEAKER—Please proceed.

Mr Howard—My attention has been drawn to the website of the Australian Democrats. The material I am about to refer to was extant on the website at a quarter to three this afternoon and contained, under the heading generally of ‘God and government’, the rather extraordinary statement ‘the Prime Minister says Australia is a secular country and immigrants who don’t share Christian values should leave’. I have said this is a secular country, in the sense that we observe in our politics a secular tradition, whatever our own individual beliefs may be—and I support that position very strongly—but I have never said that immigrants who do not share Christian values should leave. I ask the Democrats to take it off their website.

Mr Costello (Higgins—Treasurer) (3.19 pm)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the Treasurer claim to have been misrepresented?

Mr Costello—Yes.

The SPEAKER—Please proceed.

Mr Costello—In the House this afternoon the member for Grayndler said I had made comments on 18 January this year in relation to emissions trading. That is totally and utterly false. On 18 January 2006, I gave a speech at the University of California, Los Angeles. I made no mention whatsoever of emissions trading, other than the mention of AP6—which is a non-emissions vehicle. The speech was on energy security. I said there were two ways to go to energy security: one was for nation states to attempt to lock up energy supplies; and the other was for open markets and the trading of energy, not emissions. There was no mention of emissions.
Mr BEAZLEY (Brand—Leader of the Opposition) (3.20 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr BEAZLEY—Yes, serially—on about five occasions during question time.

The SPEAKER—Please proceed.

Mr BEAZLEY—The first was by the Prime Minister. The Prime Minister said that I supported a carbon tax. I oppose carbon taxes. The only way they could come in would be if nuclear power were supported. The second was by the Minister for Foreign Affairs, who said I was opposed to all overseas commitment of troops. That is palpable nonsense. I support the commitment in Afghanistan, I supported the action in the Solomon Islands and I supported the action in East Timor—

The SPEAKER—Order! The Leader of the Opposition will not debate his point.

Mr BEAZLEY—I only oppose stupidity. The third was by the Minister for Employment and Workplace Relations, who suggested I was concealing our industrial relations policy. That is palpably absurd. I suppose I must speak on it two or three times a day, and I have only stuck it on 50 billboards around the country! The fourth was the suggestion by the Minister for Health and Ageing that I supported illicit drugs. I do not support illicit drugs. I support harm minimisation, in the exactly the same way he does when he gives addicts free needles.

Finally, there was misrepresentation of my position with regard to the teaching of history. What I said was that the focus has to be on maths and trades. We have got to deal with the skills issues in this nation. Thank you very much.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Centrelink

Mr HOCKEY (North Sydney—Minister for Human Services and Minister Assisting the Minister for Workplace Relations) (3.22 pm)—Mr Speaker, I wish to add to an answer.

The SPEAKER—The minister may proceed.

Mr HOCKEY—Yesterday, the member for Swan asked me a question in parliament concerning Ms Brenda Hendricks, who had raised issues about her dealings with Centrelink. In responding to the member’s question I do not want to cause any undue stress to Ms Hendricks herself. However, it is important that I place on the record the advice I have received in relation to this matter.

We believe Ms Hendricks contacted Centrelink for the first time on 17 February. She attended a Centrelink interview on 27 February, during which she provided a medical certificate. As a result of the interview and information on the medical certificate Ms Hendricks was granted, on that same day, Newstart Allowance (Incapacitated). Ms Hendricks was not required to look for work. Two more medical certificates were provided to Centrelink in April 2006. The three medical certificates were completed by three different doctors and contained completely contradictory advice about Ms Hendricks’s prognosis. In line with normal processes, the lodgement of the third medical certificate prompted a referral for a work capacity assessment.

The third medical certificate indicated that Ms Hendricks’s condition was temporary. The work capacity assessment was returned to Centrelink on 15 May indicating Ms Hendricks was correctly receiving Newstart Allowance (Incapacitated). On 26 May contact from a social worker at the Charles Gar-
diner Hospital alerted Centrelink staff to the seriousness of Ms Hendrick’s medical condition. Centrelink staff went to the hospital to collect a completed claim for disability support pension and a treating doctor’s report. This treating doctor’s report provided new information and stated the significant nature of Ms Hendrick’s illness. Centrelink assessed the claim immediately and disability support pension was granted on that same day. Therefore, Ms Hendricks has been receiving the disability support pension since 26 May.

I am advised that Ms Hendricks contacted my office for the first time by email last Thursday. She received an acknowledgement from my department the next day advising that her email had been referred for investigation. I am also advised that the member for Swan never contacted Centrelink, never contacted his designated local liaison officer and never contacted my office before raising this sensitive matter in the parliament. This matter is very serious. I think everyone here should wish Ms Hendricks a speedy recovery from a serious illness.

QUESTIONS TO THE SPEAKER
Question Time

Ms Gillard (3.25 pm)—Mr Speaker, I have a question to you. Mr Speaker, my question to you relates to the ruling you made during question time relying on the ruling of Senator Wood as Acting Deputy President of the Senate in 1955 and contained on page 501 of House of Representatives Practice. The distinction in that ruling is that you would not require things to be withdrawn where they were political matters, but you would require things to be withdrawn where they were offensive in some personal way.

The allegation that someone is ‘soft on drugs’ is an allegation that someone is soft on criminal conduct and an allegation that someone is soft on an issue that kills and harms thousands of Australians each year. Mr Speaker, if you do not believe that that allegation is offensive in a personal way, does that mean, for example, that if I were to say—

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. You ruled on that question earlier in question time. You made a very firm ruling. The member opposite is now attempting to debate your ruling—which, quite frankly, is against the standing orders.

The Speaker—I thank the member for Mackellar. I am listening closely to the Manager of Opposition Business. I ask her to come to the final part of her question.

Ms Gillard—Mr Speaker, I am asking you to reflect on the meaning of your ruling and where it leads to in terms of conduct in this House. I am specifically asking you to reflect on the question of whether you would now rule, were I to assert that every member of the government—

Mr Tuckey—Mr Speaker, I rise on a point of order. The procedures of this House and the standing orders provide a process to members of the House by which they can disagree with your rulings. They require a written disagreement and a written seconder. There is a practice now in this House to abuse questions without notice to you, to debate issues on which members have the opportunity, under the processes of this House, to move a dissent or a censure if that is true. They should not continue this practice.

The Speaker—Order! The member for O’Connor has made his point. He does raise a valid point of order. I remind the Manager of Opposition Business that, while it is certainly in order to raise questions to me, I do not believe it is proper to debate or raise hypotheticals. I have been listening closely.
Does the Manager of Opposition Business have anything further to add to her question?

Ms GILLARD—Yes, I do. I am trying to understand, for the future edification of members of this House, whether it will be in order for people to say things like: ‘Every member of the government is soft on violence against women’—and, if it is not, what the intellectual distinction is.

The SPEAKER—Order! The Manager of Opposition Business will not debate her point of order.

Ms GILLARD—I will look forward to that clarification when we get it.

PERSONAL EXPLANATIONS

Ms GILLARD (Lalor) (3.29 pm)—Mr Speaker, I wish to make a personal explanation.

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

Ms GILLARD—I most certainly do.

The SPEAKER—The Manager of Opposition Business may proceed.

Ms GILLARD—In question time today the Minister for Health and Ageing alleged that I was soft on drugs. This is an allegation that I am soft on criminal conduct and that I am unconcerned about those who are killed or harmed by drug usage. This allegation is wholly untrue and I find it deeply offensive that the minister for health would play politics with the lives of thousands of Australians who are harmed each year by drug usage.

The SPEAKER—Order! The Manager of Opposition Business has made her point. She will resume her seat.

Mr McCLELLAND (Barton) (3.30 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr McCLELLAND—Yes, I do.

The SPEAKER—Please proceed.

Mr McCLELLAND—In question time the Minister for Foreign Affairs stated that I had called for the closure of the Australian Embassy in Baghdad. In fact, my comments were to the effect that the government should obtain advice on the deteriorating security situation in Baghdad and, in that context, assess the viability of the mission in its present location. I seek leave to table the article by John Kerin in the Australian Financial Review today, the body of which article accurately sets out the comments that I made.

Leave granted.

DOCUMENTS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.30 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.

Opposition members interjecting—

Mr McGAURAN—I’m not going to be here all afternoon while you rabbit on.

The SPEAKER—Those comments are not helpful.

PERSONAL EXPLANATIONS

Mr ALBANESE (Grayndler) (3.31 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr ALBANESE—Yes, on two issues.

The SPEAKER—Please proceed.

Mr ALBANESE—Firstly, I claim to have been misrepresented by the Minister for Health and Ageing, who selectively quoted from a speech and suggested, very explicitly, that I was soft on drugs. He quoted one section of my speech. If you read the sentence around it I think he perhaps even excluded
words within the sentence. What I said was this:

Reverend Bill Crews runs the Exodus Foundation in Ashfield in my electorate of Grayndler. Every day he deals with the desperation and destitution wreaked by heroin dependence. Heroin is a bad problem. But it is not the heroin per se that causes all these problems, it is often the criminalisation of the supply and use of heroin. Because heroin is illegal, addicts are criminalised. Most addicts do not start as criminals, but their habit makes them criminals. And then, in order to support their habit, a vast proportion of addicts engage in far more serious crimes.

I think that is fairly self-evident.

The SPEAKER—The member has made his point.

Mr ALBANESE—Secondly, Mr Speaker, the Treasurer has suggested that somehow in my question today I misled the parliament. My question raised two issues. One was a quote from him. The paragraph two up from him supporting emissions trading in that speech stated:

Price signals in an efficient open market will promote new and more efficient investment, give incentives for further exploration and promote more efficient extraction and use of key resources. As prices rise the incentive to improve the efficiency with which we use scarce resources becomes stronger. And alternative fuels become more commercial.

I could not have described emissions trading better myself.

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

Mr ALBANESE—On a further point, Mr Speaker—

The SPEAKER—The member wishes to make a further personal explanation?

Mr ALBANESE—Yes, Mr Speaker, I do. It has been a bad day; it has been a shocker.

The SPEAKER—The honourable member claims to have been misrepresented again. He may proceed.

Mr ALBANESE—The Treasurer went on in his statement to suggest that I owed him an apology. I note that my question had two parts. The second part asked for confirmation that he submitted a proposal to cabinet in 2003 for a market based national emissions trading scheme for greenhouse gases. I notice that this is the second time we have asked this question and the Treasurer did not distance himself from that.

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

QUESTIONS TO THE SPEAKER

Parliamentary Language

Mr TANNER (3.34 pm)—Mr Speaker, I again wish to ask you about your rulings on parliamentary language. Can you advise the House why it is unparliamentary to accuse a member of vilifying asylum seekers but it is not unparliamentary to accuse a member of being soft on drugs?

The SPEAKER—I thank the member for Melbourne. I have ruled on that point and I refer him back to my ruling.

Distinguished Visitors

Dr LA WRENCE (3.34 pm)—Mr Speaker, in the gallery today there were two very prominent citizens not of this country—one a longstanding but former member of the Canadian parliament, a Mr David Kilgour, a former minister indeed, and one a Mr Edward McMillan-Scott, the Vice-President of the European parliament. Since you seemed not to be recognising them, I drew their presence to your attention. Unfortunately, you did not see fit to pay them the credit that is normally given to such visitors. In that light, may I ask you why you did that and why other guests have been given appropriate treatment when these people have not.
The SPEAKER—I thank the member for Fremantle. As she is aware, the decision on who will be recognised has to rest with the chair. While there are not firm guidelines, there are clear rules, if you like, that I try to follow. Given precedents have existed for many years, I continue to follow them.

Parliament House: Computer Support Services

Mr WILKIE (3.35 pm)—Mr Speaker, I am concerned about the resources currently allocated to the IT and computer support service 2020. Recently I made several calls to 2020 in an effort to resolve some IT problems in my office and was put through to a message service on each occasion. The people who work at 2020 are excellent and very hardworking, but I am concerned that there may be insufficient staff resources there at present to service all members and their offices. Mr Speaker, I ask that you review the adequacy of staffing in the IT support area and inform the House of your findings.

The SPEAKER—I thank the member for Swan. I will make further inquiries and respond to him as appropriate.

Distinguished Visitors

Dr LA WRENCE (3.36 pm)—Mr Speaker, I ask a further question of you in relation to your answer. First of all, can you inform the House, now or at a later stage, what those guidelines or rules might be that apply and how it is that, in particular, Mr Edward McMillan-Scott, the Vice-President of the European parliament and a Conservative MEP, I might say, was not given appropriate treatment in this House nor were the appropriate courtesies extended to him. I ask further whether indeed government ministers may have had some role in your decision.

The SPEAKER—I thank the Chief Opposition Whip for his question and remind him that I endorsed that ruling.

MATTERS OF PUBLIC IMPORTANCE

Higher Education

The SPEAKER—I have received a letter from the honourable member for Jagajaga proposing that a definite matter of public importance be submitted to the House for discussion, namely:
The impact of the Government’s higher education policies on ordinary Australian families, with 96 full-fee undergraduate degrees costing students over $100,000 and 5 courses costing over $200,000.

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

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

Ms MACKLIN (Jagajaga) (3.39 pm)—If there is one thing you can rely on with this Prime Minister it is that he is always slipping and sliding away from things he might have said in the past. One thing, though, that you can particularly rely on is that he will continue to drive up the cost of a university education in this country. In fact, you could bet your house on it. Under this Prime Minister and his education policies, it is now the case that you can pay as much for a university degree as you pay for your home. We now have university degrees that basically cost as much as the average mortgage.

Let us look at the Good Universities Guide that came out today and the piece of information that tells us that we now have almost 100 university degrees that cost more than $100,000—in fact, five of them cost more than $200,000. If you want to do a medicine-arts degree at the University of New South Wales, it costs $237,000; at the University of Melbourne, $219,000; and at Bond University, $233,000. If you want to do medicine-law at Monash, I am sure the member for Chisholm would be interested to know that you could rack up a debt of $214,000.

Let us compare that with the average mortgage that people have. We know many people are paying more than this. We know that many people have very large mortgages under this government, but the average mortgage is about $220,000. That is after a number of interest rate rises, of course, as a result of this Prime Minister’s economic management. The average mortgage is $220,000, and now we have five university degrees that cost more than $200,000, even though the Prime Minister said way back in 1999 that under his government there would be no university degrees costing $100,000 and that he did not want to have an American style university system. We now have an American style university system courtesy of the Howard government, and we have nearly 100 university degrees costing more than $100,000. We know that that American style university system is driving Australians away from university.

Let us look at some of the others. I have mentioned the $200,000 degrees, but let us look at the $100,000 university degrees. It costs more than $100,000 to do optometry at the University of Melbourne and more than $100,000 to do a combined science and applied science degree at the University of Sydney—the list goes on, particularly in the very, very important areas of professional skill shortage. We know that there are serious shortages of health professionals in optometry and so on, and we know that there are very serious skill shortages in the sciences, yet it costs $100,000 for a combined degree in science and applied science at the University of Sydney. And that is after this new Minister for Education, Science and Training came out just a few weeks ago and told us that we need another 20,000 scientists and engineers in this country. The government know that we have a very serious shortage when it comes to scientists and engineers, but what are they doing to encourage people into the sciences and into engineering? All they have been responsible for is a massive hike in the cost of a university education, whether it is full-fee degrees of $100,000 or full-fee degrees of $200,000. And, of course,
we have also seen the doubling of HECS under this government.

Today in question time we drew attention to the decline in the number of students who complete year 12 and go on to either a university education or to technical education. Of course the Prime Minister did not want to answer the question and so he meandered off answering some other question. Because of the massive hike in fees for university education, we have seen a decline of almost 10 percentage points in the last four years. Is it any wonder we have a serious skills crisis in this country when this government is making it more and more difficult for young people to go to university, to go to TAFE, or to get an apprenticeship? It is no wonder we cannot find plumbers and electricians; no wonder we cannot find scientists and engineers. Fees are driving our young people away from our universities and TAFEs and away from apprenticeships.

The Leader of the Opposition drew the Prime Minister’s attention to the promise he made back in 1999. He did not mention HECS in this commitment. I quote Hansard, the Prime Minister speaking:

The government will not be introducing an American style higher education system. ... There will be no $100,000 university fees under this government.

That statement is quite clear. He did not mention HECS. He did not qualify it in any way. He did not say, ‘We won’t have any $100,000 HECS degrees but there might be some $100,000 full fee degrees.’ It was a categorical statement from the Prime Minister. We are used to the weasel words that we heard in question time today—yet another broken promise from this Prime Minister. This promise is well and truly smashed. We now have not only a broken promise but 100 university degrees costing more than $100,000.

We know why it is that the Prime Minister does not want to get into this debate. Those of us who were here in 1999 will remember why it was that he was forced into making that commitment. You might recall it was in response to a very secret leaked cabinet submission put forward by a previous minister for education, David Kemp, who wanted full deregulation of university fees. He wanted to get rid of HECS and basically say that universities should have full free market power to determine whatever university students should pay. We can imagine that the Liberal Party might see that that is the way university entry should be organised—in a free market way. David Kemp proposed to the cabinet full deregulation of fees and a voucher which could be used in public and private institutions. Also, he wanted a new loan scheme that had a real rate of interest.

Not surprisingly, when that cabinet submission was leaked, the Prime Minister did one of his backflips—we know he is very good at those—and decided that he had to back away from that very extreme agenda. Instead of that proposal, we had a change of minister. Brendan Nelson was brought onto the scene and he said, ‘No, we won’t have 100 per cent full fee payers; we’ll have 50 per cent.’ Brendan Nelson, the previous education minister, said that we should have 50 per cent of our university students paying full fees, that that is what should be allowed at our universities. He could not get that proposal through the Senate. He did a deal with some of the Independents in the Senate that we would have 35 per cent full fee payers.

This government has form when it comes to this issue. We know that their fundamental position is to go to a free market where universities can charge whatever they like and whatever the market will bear, and where there will be abolition of HECS. We know that is the true position of this Prime Minister. He has had to bow to public pressure for
the time being, but we can expect to see more and more students being forced to pay higher and higher fees.

We do not know what the new Minister for Education, Science and Training thinks about this issue. She has not said whether or not she thinks that the current level of full fee payers should stay as it is or whether she agrees with David Kemp—maybe that is her position. Hopefully she will give us an answer in response to this MPI. We have heard from her today that we really should not be worried about any of this because it affects only three per cent of students. I say to the minister that you cannot have it both ways. You cannot say on the one hand that universities are going to go broke if Labor abolishes full fee university degrees and on the other hand that we should not worry about it because it is only three per cent. Which one is it? Is it that it is only three per cent and therefore Labor can certainly afford—and I would say the government can afford—to do away with these outrageous levels of fees that are being imposed on our students? Let us see which way the minister wants it. Is it just a small number or is it going to send the universities broke? The minister cannot have it both ways.

We heard the other argument from the Prime Minister which he has mounted over the years—that if foreign students are allowed to pay $200,000, why should not Australian students? I mean really! I have never heard a more ridiculous argument.

Mr Bevis interjecting—

Ms MACKLIN—University students from Australia should have the right to pay $200,000 for a university education! Only the Liberal Party could think of this ridiculous argument. The other point that the member for Brisbane rightly makes is that Australian parents pay tax in this country.
wonder the quality is now being called into question. This is the only developed nation in the world to have cut public investment in higher education—the only one—and the government is proud of it.

Ms MACKLIN—They are the ones that have cut public investment in higher education while the rest of the developed world has seen a very significant increase—a 38 per cent increase on average—because all of our competitors know just how important it is to have a skilled workforce, to make sure that their young people can get a university education or a trade. That way their countries will go forward. Ours will only go backwards. (Time expired)

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (3.54 pm)—You can always rely on Labor to scaremonger. The Labor Party would have you believe that the higher education sector is on the verge of collapse and that no student can afford to go to university. Labor would have you believe that students have to choose between a house and a university degree. Nothing could be further from the truth. The Australian education system is one of the fairest, most equitable and accessible in the world. The latest figures show us that there are almost one million students in higher education. Over 700,000 of them are Australian students and over half of them are Australian undergraduate students. One million students in universities is a 50 per cent increase since we came to office in 1996.

Mr Baldwin—How much?

Ms JULIE BISHOP—A 50 per cent increase, Member for Paterson. Students are reporting the highest levels of satisfaction ever. The median starting salary for graduates is $40,000. That is nearly 82 per cent of average weekly earnings. Among those graduates available for full-time work, nearly 94 per cent were in some form of employment within four months of leaving university. About 81 per cent of graduates are in full-time employment and 12 per cent are in casual part-time employment while looking for full-time work. Graduate satisfaction is at a record high of about 90 per cent.

Since the Higher Education Contribution Scheme was introduced by the Labor Party in 1989—they introduced HECS—over two million individuals have been able to access higher education through Australian government funded loans. About $17 billion has been loaned to students since 1989. Almost $7 billion has been repaid. About 830,000 people have totally repaid their HECS debt. Of those who have not, around 20 per cent of them never will—they will effectively have a free degree because they will not reach the income threshold at which repayment kicks in, at just over $38,000.

Today the average outstanding HECS debt is $10,500, yet the member for Jagajaga is out there trying to tell students that they have to pay $240,000 to do a university degree. She is suggesting they have to choose between a house and a university degree. That is ridiculous. It is scaremongering and exaggeration. She ought to be ashamed.

Mr Bartlett—Shame!

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Macquarie is out of his seat.

Ms JULIE BISHOP—The average outstanding HECS debt is $10,500. Ninety-seven per cent of students are in Commonwealth subsidised places. The average repayment time for debts that have been fully repaid is just over seven years and, as any accountant will tell you, a HECS loan is just
about the best loan you will ever get in your life. Of those who have a debt, around 88 per cent owe less than $20,000 and 72 per cent owe less than $14,000.

These students know the value of their investment in education. Average lifetime earnings for male graduates are around $622,000—less for women, about $400,000—more than for those who do not have a university degree, and the lifetime unemployment rate is one-quarter of that of a nongraduate. So, over a lifetime, a full-time worker with a degree will earn about $2.62 million and a full-time year 12 graduate can expect to earn about $2 million. Graduate doctors and lawyers earn a great deal more.

Let us turn to the government supported places—what we call HECS places. There are record numbers of HECS places available for Australian students. As the Prime Minister pointed out, 97 per cent of all Australian undergraduate students are in Commonwealth supported places. This means that, on average, this government pays three-quarters of the cost of their study.

In 2003 the Australian government committed to creating more than 39,000 places between 2003 and 2009. More than 18,000 of these places have been added to the system since that commitment was made. I announced almost 5,000 new commencing places only a few weeks ago, with a particular focus on the skills shortage industries such as nursing, teaching and engineering. As a result of this massive injection of new places—and the member for Jagajaga knows this—unmet demand has dropped by more than 61 per cent since 2004. ‘Unmet demand’ is the number of students who would have been eligible to go to university but did not get a place.

More than 90 per cent of eligible year 12 completers who applied to university in their own state received an offer from a university. That is the best result in decades. When the Leader of the Opposition was the Minister for Employment, Education and Training, what did he do about unmet demand? The number of eligible applicants who could not get a university offer reached something like 100,000 when the Leader of the Opposition was the education minister. So what did he suggest? The Sunday Telegraph of September 1993 reported:

School leavers must be prepared to miss out on university—this is Kim Beazley—the federal government warned.

This year in New South Wales, unmet demand fell from 5,000 to 3,000; in Victoria, from 6,000 to 4,000—and it goes on. Tasmania had unmet demand of 200, which would have been annihilated by my announcement a few weeks ago of 290 new places for Tasmania. You have to contrast this with 100,000 eligible applicants who could not get into university in 1992 when the current Leader of the Opposition was the minister for education. What was his answer? He said: ‘You’ve got to miss out on going to university,’ or ‘We’ve got too many universities in this country. We’re going to have to cap university expansion. We don’t need any more.’ He did not allocate more places, as this government has done; he said, ‘You’ve got to close down universities.’

Today, under this government—and thanks to our generous investment in higher education and training—unmet demand for university places is virtually negligible. Entry scores are at their lowest in decades. Universities are looking to give back thousands of unfilled places this year, and I am going to reallocate them to other providers who are still experiencing student demand. The reality of the situation is that any qualified student who wants a Commonwealth subsidised, taxpayer supported place can find
one—and the member for Jagajaga knows that.

In 2003 the coalition brought to this parliament a plan to revolutionise funding for universities. Rather than get block funding, universities would receive payments for the subsidised courses they actually delivered for university students. This was accompanied by an $11 billion injection in new funding for the sector. That is new funding of $11 billion over the next decade. As part of that package, students were offered loans for full fee degrees.

The Labor Party introduced full fee degrees in postgraduate courses. This government introduced loans for full fee degrees in undergraduate courses in both private and public institutions, and this is known as FEE-HELP. We have recently lifted the amount a student can borrow from $50,000 to $80,000 in all degrees, but in medicine, veterinary science and dentistry a $100,000 cap applies. As a result, almost no student is prevented from entering a degree on the basis of upfront fees. So, like HECS students, students who access FEE-HELP only need to start repaying their loan when their income reaches the threshold, which is $38,149 this year. Also as part of that package, the coalition government directed over $400 million to create more than 43,000 scholarships for Australian undergraduates to help them recover their living costs while studying.

Turning to the facts about full fee paying students, at the latest count in 2004 there were no more than 16,299 Australian undergraduate full fee payers in the higher education system. We are talking about a student body of one million students and 6,000—or about 37 per cent—of them were in intensive summer and winter courses. The fact is that the average annual fee for a full-time, fee-paying undergraduate student is $12,112. The member for Jagajaga is out their scare-mongering, saying that you have to sell your house to go to university, when the average annual fee for a full-time, fee-paying undergraduate student is $12,112, based on latest figures.

Students undertaking a three- to four-year degree with these fees would usually complete their course for less than $50,000. And yes, the Good Universities Guide lists some degrees costing more than $100,000. It is a good thing that students have these facts to inform their decisions, because HECS places are available for them. But has the member for Jagajaga actually bothered to find out how many students are enrolled in these courses? I am advised by the University of New South Wales that the medicine-arts degree that is listed at $237,000 has one enrolment. The $219,000 medicine-arts degree at Melbourne has no enrolments. And—guess what?—Melbourne proposes no intake of students into this course next year. Monash has a mere three or four takers for its medicine-law combined course. Also, Monash has a combined biomedical science and engineering course listed at $101,000 that has one student.

Labor’s position on full fee payers is full of hypocrisy. Astonishingly, in their so-called white paper—it is increasingly a brown paper—on higher education, their first commitment was to maintain the coalition’s policy of voluntary student unionism. Their second commitment was to abolish full fee paying places in only public universities. So Labor are committed to throwing 16,000 students out of their courses. By contrast, Labor have no problems with foreign students from China, Malaysia, Singapore and India coming to Australia. Under Labor, they can come here in their thousands, take up university places and pay full fees, but that opportunity is denied to Australian students. If a prospective student is determined to undertake a particular course and just misses out on it, Labor
would force that student out into another course or into another institution or into another state.

Under Labor, there is no opportunity for an Australian student who has just missed out to follow their ambitions into a particular discipline at a particular university. Labor denigrates these students as being unworthy of university study, yet full fee payers have shown themselves as competent at study as their colleagues. In fact, each year around 700 full fee paying students—about eight per cent of the total fee-paying cohort—transfer into HECS places. These students are more than competent enough to undertake a degree and succeed. They do not deserve the denigration that the Labor Party heaps upon them. It is competitive to get into full-fee courses, and a quick review of the Good Universities Guide shows that full fee places are offered in the highest demand courses—with law, medicine and veterinary science chief among them.

Let us take an example: say a student from the member for Jagajaga’s electorate gets 95 for their tertiary entrance ranking score. That student desperately wants to do law. They have a choice: they can go to ANU, one of Australia’s top universities, in a Commonwealth supported place, or they can go to the University of Melbourne in a full fee paying place. They got 95 but Melbourne university’s HECS cut-off is higher. Just because that student chooses the University of Melbourne, which is closer to home, Labor would have you think this student is unworthy of that course.

A review of the Labor policy shows the extent of Labor’s hypocrisy. Labor wants full fee payers out of public universities, but Labor has no problem with full fee payers in private universities—nor, it would seem, any problem with HECS places in private universities. So it is okay under Labor for a full fee payer to sit next to a HECS student in a private university but it is not okay for a full fee payer to sit next to a HECS student in a public university. Where is the logic in that?

Do you know what Labor’s ideological hatred of full fee payers in public universities will cost universities? They would throw out 16,000 students, and more than $520 million over the next four years would be lost to universities. If you add that to the $1.5 billion that universities would lose under Labor’s mooted reductions to HECS, the $400 million more it would cost in scholarships, the more than $600 million it would cost to pay for student clubs and activities, and the $850 million it would cost to change the parental income test which applies to youth allowance—all options in Labor’s paper—it can be seen that you would have a very, very expensive education policy under Labor.

I ask the Deputy Leader of the Opposition—and it is a question that I know her backbench colleagues are asking her: where is the money coming from? And there is division in the Labor ranks. An article in the Age on 7 April 2006 reported:

Opposition Leader Kim Beazley will face pressure from his own party to abandon Labor’s long-standing opposition to full-fee-paying places for Australian undergraduate students.

... ... ... 

But the Age has learned of a behind-the-scenes push within the party to review the policy, which universities claim would cost them millions of dollars. (Time expired)

Mrs IRWIN (Fowler) (4.09 pm)—At the end of each sitting week, when members leave the ivory tower that is this parliament building and return to their electorates, some of us see a huge difference between the fairy-tale world that members of the government speak about and the real world. If you listen to the answers given by government ministers at question time, you have to wonder if
they live in the same country. The rosy picture painted by the government seems like a Hollywood film set that hides the reality of life in areas like Western Sydney and many other areas throughout Australia.

That reality does not show itself in the endless list of statistics that the government trots out. It is not obvious in the outward appearances of areas like Western Sydney. The result is not the glaring inequality that can be seen in developing nations. The signs do not show up on the radar of those who measure prosperity in terms of GDP. What must be noted from those figures is the falling share of national income going to wages and salaries.

It is clear that the results of our nation’s prosperity have not trickled down to all Australians. The rising tide has not lifted all the boats, and a good many Australians, especially in electorates like Fowler, are being forced to tread water. Things might look calm on the surface, but underneath there is frantic activity to keep afloat. And to keep their heads above water, families have a limited number of responses.

We know that Australians are working longer hours now than at any time in the last 50 years, and we know that more and more mothers are re-entering the workforce earlier than they did a generation ago. We certainly know that Australian families are borrowing much more than they did a generation ago. We know that Australian families spend more on home mortgage repayments now than they did a generation ago. We know that high interest credit card debt has gone through the roof. On top of that, we have record high petrol prices, at a time when families are more dependent on car travel than ever before. As well, we are beginning to see the full impact of increased prices at the supermarket and higher costs for electricity, water and other services. It is a slow process, but the signs are there for all to see.

In a local supermarket last week, I overheard a remark that will ring true with many people who do the household shopping. One age pensioner remarked to another that ‘the specials don’t seem to be as good as they were’. It is a small sign but an important one of inflation feeding through to everyday goods. So to keep their heads above water, families in Fowler and many other electorates throughout this nation are treading water as hard as they can. They are working longer hours, they have extended their mortgage and they have maxed out their credit cards. The effect of this is not obvious to any observer. That is because the stress felt by families does not register on the national accounts. But it is being felt by a growing number of families, and it will take a toll as heavy as any social upheaval that we have felt as a nation.

For young families, there is no light at the end of the tunnel. We now have 50-year mortgages. Take out a mortgage today and it will be paid off out of your estate when you die. But that mortgage is only for the home. With 96 full fee undergraduate courses costing over $100,000 and five courses costing over $200,000, the debt burden on young Australians seems certain to rise and place even greater pressure on families.

We already see the higher levels of HECS debt, thanks to changes by this government, eating into the incomes of thousands of Australian families. For a teacher or a nurse to see $100 a fortnight taken out of their pay in HECS repayments is a huge slug. But just imagine paying over $2,000 a month in repayment of loans to cover full fee payment courses.

For parents in ordinary families wishing to help their children, the cost of those degrees puts them way beyond anything they could
afford. How could any average family afford to pay $100,000 for even one child, let alone two or three, as the Treasurer suggests we should have? While this government boasts about repaying government debt, we can see who is shouldering that debt burden. It is the young families who are forced to take out outrageously high mortgages to pay for inflated house prices and, on top of that, to pay higher HECS fees if they have been lucky enough to gain entry to a HECS course. But just imagine the debt burden for those students undertaking a full-fee course with fees over $200,000. Those fee levels will exclude young people from electorates like Fowler and other electorates from undertaking those courses.

And what will be the result of limiting access to courses to those rich enough to afford such high fees? Just as we have seen with the government’s cuts to technical training, we will face skills shortages in many vital professions. If we look at a list of the full fee paying degrees costing over $100,000, we see courses such as medicine, science and social work—all areas where we definitely have a skill shortage in this country. But, instead of funding those places, this government is placing the burden on individual students—and then the government complains that Australian graduates take their skills overseas, as we have heard in a number of speeches over the last couple of weeks and in this House today. The government’s approach to higher education is as short-sighted as its approach to trade training, and we will pay a heavy price in the coming years as we seek to make up for the shortfall in a competitive world market for highly skilled professionals.

Australia is already at the bottom of the list of OECD countries in terms of government spending on higher education. This government’s growing reliance on individual students to fund the full cost of their education is a policy failure of dire proportions. While we might enjoy the economic sunshine that comes from digging up our minerals and shipping them off at record prices, these times will not last forever. For Australians to retain our standard of living, we will need to rely more on the use of our skills, but this government has set back our advances as a highly skilled nation, and we risk falling well behind other developed nations. By then it will be too late to make a quick recovery. Our best brains will have left for overseas, and we will lack the critical mass to lift our knowledge and skills base to anywhere near that of our international competitors.

I began by speaking about the electorate of Fowler and the impact of stress on families. What we see there today is a taste of the future for all Australia. When mineral and commodity prices return to normal and we have to look to other ways of generating our national income, we will come to regret the folly of cutting spending on higher education. The Treasurer’s chickens will have come home to roost.

What keeps those struggling families going is the hope that there will be some light at the end of the tunnel, that some day they will be able to get on top of the mortgage and be a little bit more relaxed and comfortable. But, for young families of the future, paying off the house will be the least of their worries. The ever-increasing burden of higher education loans for themselves and their children will keep them in debt well into retirement, and few families in Western Sydney can afford that.

We are fast going down the path of an American-style system of higher education. Once again, higher education will be the privilege of the rich, not an opportunity for all Australians. For the past 30 years, affordable higher education has been the ticket out of Struggle Street for thousands of young
Australians, including those who came here as children of refugees, found Australia a land of equal opportunity and have gone on to contribute greatly to Australia’s growth. In 1999, John Howard promised there would not be $100,000 degrees under his government. Today we have degrees costing more than $200,000. Another broken promise by this Prime Minister and this government. (Time expired)

Dr JENSEN (Tangney) (4.19 pm)—A very interesting speech there—highly impassioned, but unfortunately, typically, a little short on facts and logic. The simple fact is that Labor in general unfortunately have little understanding of what data actually means, the implications that arise and certainly the associated subtleties. Simply, the opposition decide to have a quick scramble through the newspaper in the morning: ‘What can we have for the MPI of the day?’

Ms George—You’re joking!

Dr JENSEN—You are right; I am joking. Have a look at your opposition leader. He does not look through the newspaper too well, does he? He is not even aware of who the Reserve Bank governor is. The opposition go through the newspaper, sometimes not even realising that a person of one name is actually someone other than who they think, and, ‘Oh, eureka! We’ve got an issue for the day.’ Then they say, ‘We can turn this into an attack on the government. Let’s come up with an MPI.’

We have seen on numerous occasions that Labor simply do not understand the issues. With great excitement, they rush joyously, only to discover that they have all this energy but there is nothing really to show for it. It is a little bit like a can of fizzy drink that is accidentally shaken: a bit of excitement, a slight fizz, then just a mess and a clean-up. Then it is all forgotten. No indelible mark remains.

On this issue, sadly, they think they are onto a winner and that they are going to embarrass the government for having the audacity, of all things, to offer young Australians choice, a choice allowing even more students to undertake courses than are offered under HECS. They have clearly missed the fact that the Howard government has massively increased the number of university places offered under HECS and, in addition, for full fee paying students, and that our government has delivered far more choice to students.

The Labor Party really is opposed to choice. Let’s just have a look at some of the issues. The Labor Party hated the issue of choice in voluntary student unionism. The Labor Party has as its central theme a ‘c’ word which is certainly not associated with the government. The Howard government also has a ‘c’ word at the centre of its policy—that word is ‘choice’. The word most often associated with Labor is ‘compulsion’: compulsion in student unionism, compulsion in unionism generally, compulsion in having to accept wages and conditions under centralised wage-fixing arrangements, and so on.

For Labor, anything not expressly allowed is forbidden. Now, they want to compel Australian students—our future doctors, scientists, lawyers and eventually, in some cases, politicians—to have access only to Commonwealth funded university places. If Australian students want to undertake a certain course at a certain university, even if it means a financial cost, the opposition’s view is that students clearly should not be accorded that option. I repeat: Australian students should not be accorded the option. However, if a student is from foreign shores, it is no holds barred: yep, we’ll have them then. In the view of the opposition we should discriminate against Australian citizens in favour of foreign students.
Perhaps an Australian wanting to do a full-fee course should move overseas. (Quorum formed) Obviously the truth hurts, and as the truth obviously hurts let me reiterate that point: in the view of the opposition they would prefer that we discriminate against Australian citizens in favour of foreign students. Let’s have a look at the logic of their position: an Australian citizen wants to undertake a university degree as a full fee paying student. Under Labor the way they should go about it is go overseas and get foreign citizenship, and, then, hey, we will take the student, but we will not take them while they are an Australian citizen. I am sorry but that does not make any sense at all; that is the undeniable result of Labor’s so-called logic.

Labor’s hypocrisy here knows no bounds. Let’s have a look at a bit of history as far as full fee paying students are concerned. In 1986 under the Hawke government full fee paying foreign students were allowed in. In 1989 Labor allowed in full fee paying postgraduate students. This is clearly a ridiculous position to take. Once again this is an issue of saying, ‘Yep, if they’re a foreign student, it’s acceptable.’ If they are an overseas full fee paying student we will take them but we will not take an Australian citizen.

Let us just think for a second about some of the people who might be disadvantaged by the Labor view. When a certain person by the name of Isaac Newton was 18 years old, he had no ability to do mathematics. They had a plague in England at that time. He retired to the country and taught himself mathematics, and at the age of 22 he invented calculus. Under Labor’s policy, because he would have had inadequate marks to get into a HECS course, Newton would not have been accepted for a full fee paying course; therefore, sorry, folks, Isaac Newton and the whole point of gravity, laws of motion and calculus—gone! Albert Einstein was a low achiever at school. In fact he was referred to by his supervisor as a ‘lazy dog’. Let’s have a look at where Einstein went: photoelectric effects, special relativity and general relativity, at the age of 26. Einstein is another person who would not have been accepted in Australia as a full fee paying student. This is clearly a ludicrous position to take.

The Howard government has introduced a lot of different opportunities for students. In fact our whole attitude is about choice and opportunity. Unfortunately, Labor’s is about compulsion and exclusion—the exclusion, unfortunately, of Australian citizens. Let’s just get that one correct again. Let’s have a look at some of the opportunities afforded to Australian students under the government’s policy. The government has provided more affordable opportunities to students than ever before.

**The DEPUTY SPEAKER (Hon. DJC Kerr)**—Order! The time allotted for this debate has expired.

**SOCIAL SECURITY AND FAMILY ASSISTANCE LEGISLATION AMENDMENT (MISCELLANEOUS MEASURES) BILL 2006**

Report from Main Committee

Bill returned from Main Committee without amendment, appropriation message having been reported; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

**Third Reading**

**Mr BROUGH** (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.30 pm)—by leave—I move:

That this bill be now read a third time.
Question agreed to.

Bill read a third time.

COMMITTEES

Public Works Committee

Report

Mrs MOYLAN (Pearce) (4.31 pm)—On behalf of the Parliamentary Standing Committee on Public Works, I present the 12th report for 2006 of the committee relating to the proposed tactical unmanned aerial vehicle facilities project, Gallipoli Barracks, Enoggera, Queensland.

Ordered that the report be made a parliamentary paper.

Mrs MOYLAN—by leave—This report examines the proposed works which will support the introduction of the new tactical unmanned aerial vehicle and the establishment of the 20th Surveillance and Tactical Acquisition Regiment at Gallipoli Barracks, Enoggera, Queensland. The estimated cost of the proposed works is $17.45 million. Defence is acquiring the tactical unmanned aerial vehicle system to enhance the reconnaissance and surveillance capabilities of deployed land forces. The capability is planned for introduction into service in 2008. Twelve TUA Vs, comprising two troops of four air vehicles each and four spare air vehicles, will be accommodated in the facilities.

The 20th Surveillance and Tactical Acquisition Regiment will be established to operate the TUAVs at Gallipoli Barracks. This regiment will include the existing 131st STA Battery, a new 132nd Unmanned Aerial Vehicle Battery and a combat service support battery. The TUAVs will not be flown from Gallipoli Barracks but will use existing defence training areas, such as the Shoalwater Bay training area. A flight simulator will be amongst the facilities provided at Enoggera and will be where most of the flight training of operators will be undertaken.

The proposed scope for the project will involve: the construction of three new purpose-built buildings and the refurbishment of one existing building to support the introduction and operation of the new TUAVs; the refurbishment of 11 existing buildings and the construction of one new building to support the establishment of the 20th STA Regiment, including the existing 131st STA Battery; and the refurbishment and extension of 10 existing facilities to support the 25th/49th Battalion Royal Queensland Regiment. The 20th STA Regiment and the 25th/49th Battalion Royal Queensland Regiment will effectively swap facilities as part of this project. This was shown to be a far more cost-effective solution than the construction of new facilities on a greenfield site.

One building is proposed for demolition at the site—a steel portal frame structure containing no hazardous materials. However, Defence has discovered some asbestos is in the existing 131st STA Battery area, and a specialist company has been engaged by Defence to report on how to best contain and remove it and to certify that the area is asbestos free. Defence submitted that the newly constructed facilities would include a range of practical environmentally sustainable design initiatives to minimise and measure water and energy consumption. However, as much of the project involves the refurbishment of existing buildings, Defence anticipated that implementing these initiatives in refurbished buildings involved a capital expense that would not be recouped in reduced operating costs for the life of the building.

Defence will provide space in the facility for use by the prime TUAV equipment contractor, Boeing Australia. Under its contract, Boeing will provide the installations and be responsible for the fit-out of these areas. Office accommodation provided by the project will be designed for maximum flexibility.
allowing for future internal churn or change in operational requirements at minimal cost.

The committee, having given detailed consideration to the proposal, recommends that the tactical unmanned aerial vehicle facilities project proceed at the estimated cost of $17.45 million. In closing, as always, I wish to thank those who assisted with the committee’s inspection and public hearing, particularly Hansard, my colleagues and, of course, the secretariat. I commend the report to the House.

Corporations and Financial Services Committee Report

Ms BURKE (Chisholm) (4.36 pm)—On behalf of the Parliamentary Joint Committee on Corporations and Financial Services, I present the committee’s report entitled Statutory oversight of the Australian Securities and Investments Commission.

Ordered that the report be made a Parliamentary Paper.

Ms BURKE—by leave—As always, the ASIC oversight hearing covered a range of topics and produced much valuable information for the parliament—and for the public at large, if anyone in the gallery cares to cover the hearings. I want to thank Mr Jeffrey Lucy and Mr Jeremy Cooper for their patience during a long and broad-ranging hearing. I also want to thank the secretariat for their excellent work at the hearing and I particularly thank Andrew Bomm for his work in digesting the hearing and producing a succinct and readable report from all our ramblings.

I wish in my short time to touch on a few issues from the report. First, I want to again congratulate ASIC on its shadow shopper exercise into superannuation advice. Sadly, again, this exercise, which is a valuable tool, even indeed for the financially literate public, produced some disturbing results. I read from the report:

2.28 In the committee’s view, the survey results are of major concern. ASIC found that superannuation advice did not, overall, meet its expectations. The survey revealed that:

- given the client’s individual needs, 16 per cent of advice was unreasonable;
- one third of advice suggesting a switching funds lacked credible reasons;
- unreasonable advice was between three and six times more likely where a conflict of interest (eg high commissions) was present; and
- advisers failed to give a requisite Statement of Advice (SOA) on 46 per cent of cases (though one fifth of these were verbal advice to stay in an existing fund).

Most consumers do not have sufficient time, understanding or experience to digest and compare superannuation products. Advice given by advisers should ensure that consumers are making informed choices about switching funds and not be directed to a fund because the adviser will get the best commission from this deal. Lack of real, comparable advice about the fund the consumer is leaving for the one they are being encouraged to take up means that many individuals are losing vast amounts of their retirement income in fees and charges. The report quotes ASIC:

That is for the industry. In our shadow shopping work, we show that there is a fairly worrying correlation between commission models, conflicts and so on and advice that does not have a reasonable basis. We will leave it at that.

The government introduced super choice. It should ensure that informed choice is available to assist individuals to make this very important life choice. Today the Australian government has sent us Understanding money—how to make it work for you. It says: ‘Get advice from an adviser.’ What it does not tell you is that some of the advice from advisers is not worth the paper it is written
on and that you do need to shop around. We need to provide greater financial literacy to people to be able to make these important choices—choices that can have a vast impact on their quality of life in retirement.

The financial services regulation was again covered. Again it goes back to this notion of advice given to people. Advice does not need to be good. It is a bit like answers in question time—they only need to be relevant; they do not actually have to be a good or honest answer. Advice under the FSR also does not need to be good. This leaves consumers very exposed. Again I read from the report, quoting ASIC:

In a sense the industry is lucky that the legislation does not say that you actually have to give good advice because I am not sure that we, as a regulator, are actually qualified to judge whether advice is good or not. I think that is a policy platform that obviously was not taken up by the government.

If ASIC cannot judge whether the advice is good or not, how does the consumer out there, who knows so little about superannuation, make good, informed choices about switching funds? Much more needs to be done in this area. I again commend ASIC for leading the charge.

One of the other areas I would like to very quickly cover is in relation to the Vizard case. Yet again there was some disturbing information presented at the hearing in relation to the Vizard case and some information that came to light after the case. Extracts from Crikey have been incorporated into the report because there was a very interesting exchange between Crikey and Mr Lay’s lawyer, Mr Lederman. Mr Lay is the accountant who was critical of ASIC’s decision not to proceed with criminal charges against Vizard. I quote from Crikey:

Lederman writes: We are able to state categorically, both on our instruction and our personal knowledge, that at no stage did Mr Lay refuse to testify against Mr Vizard. The simple truth is that—notwithstanding the relevant publicity associated with public statements by personnel of the Australian Securities & Investments Commission and by Mr Damian Bugg—at no point of time was Mr Lay asked to give sworn evidence against Mr Vizard, nor was he ever served with a subpoena to do so.

ASIC was a little taken aback by this advice printed up on Crikey, and in a letter to the committee responded:

Following the publication of the Crikey.com material, ASIC contacted Mr Lay’s lawyer expressing concern about the statements and querying whether ASIC had misunderstood the position or whether Mr Lay had reconsidered his position. ASIC again invited Mr Lay to meet to discuss this matter further.

Mr Lay, through his lawyer, continued to decline to meet or engage in any further discussions on the matter.

This leaves open the whole question of criminal proceedings against Mr Vizard. It exposes again the weakness in the system about actions being brought against white-collar crime. This is a very serious case of insider trading. Yes, Mr Vizard has had his wrists slapped, but it does not appear that justice has really been done or that the full force of the law has been applied. Again the committee explored why ASIC had not used its complete powers to compel witnesses to testify in the ASIC case. As we go more and more into the realm of people trusting advisers, buying shares and investing their super money to ensure that they are providing for their own retirement, the public needs to be assured that there are no grey areas in matters of financial concern—that people are not manipulating the financial market. We are all now shareholders. We all need to have faith in the system. More needs to be done in this regard.

I will be, as the report says, keeping a clear eye upon the discussions between ASIC and the DPP to ensure that they can more
fully investigate claims brought in respect of the corporate world in a more timely manner. I commend the report to the House. It would be really valuable for most consumers out there to have a look at it and to also look at the ASIC website, which provides very valuable information to consumers.

The DEPUTY SPEAKER (Hon. DJC Kerr)—Does the member for Chisholm wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Ms BURKE (Chisholm) (4.43 pm)—Yes. I move:

That the House take note of the report.

The DEPUTY SPEAKER—In accordance with standing order 39(c), the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.

Treaties Committee Report

Dr SOUTHCOTT (Boothby) (4.44 pm)—On behalf of the Joint Standing Committee on Treaties, I present the committee’s report entitled Report 76: Treaties tabled on 28 March 2006 (3) and 10 May 2006.

Ordered that the report be made a Parliamentary Paper.

Dr SOUTHCOTT—by leave—Report 76 contains the findings and binding treaty action recommendations of the committee’s review of six treaty actions tabled in parliament on 28 March and 10 May 2006. The committee found all the treaties to be in Australia’s national interest. I will comment on all the treaties reviewed.

The Agreement between the Government of Australia and the Government of the Republic of Indonesia for Cooperation in Scientific Research and Technological Development will help promote cooperation in research between Australia and Indonesia. At present the Australia-Indonesia relationship is our fourth largest in the area of science collaboration. This treaty and the less than treaty status Collaboration in Science and Innovation, Research and Technology Agreement offer the potential to expand and promote the Australia-Indonesia relationship and to enhance knowledge and increase scientific and personal links in a mutually beneficial way. The treaty does this by providing the basis for the activities performed and funded by a range of Australian science agencies and their Indonesian equivalents.

The Agreement between the Government of the Republic of Namibia and the Governments of the Commonwealth War Graves Commission provides for the maintenance of 426 war graves of members of the Commonwealth armed forces in Namibia. In addition, the agreement formalises the work already undertaken by the commission in Namibia. While there are no Australians among the identified Commonwealth graves, Australia is a founding member of the Commonwealth War Graves Commission and recognises the important role the commission undertakes in remembrance of the Commonwealth war dead through its contribution to the commission.

The Agreement on Social Security between the Government of Australia and the Government of the Kingdom of Norway provides for enhanced access to certain Australian and Norwegian social security benefits and greater portability of these benefits between countries. The agreement includes the age pension, the disability support pension for people who are severely disabled and the avoidance of double coverage for superannuation. Norway will reciprocate with the age pension, disability pension and pensions for survivors. This treaty is the 16th such agreement that Australia has with other countries.
The Agreement between the Government of Australia and the Government of the United States of America on Cooperation in Science and Technology for Homeland and Domestic Security Matters establishes a framework to encourage, develop and facilitate bilateral cooperative activities in science and technology. This agreement strengthens Australia’s longstanding relationship with the United States in the area of science and technology, and enables Australian scientists and counter-terrorism agencies to benefit from collaborative research activities. Under the agreement, such activities would include development of threat and vulnerability analyses, staff exchange, prototype development and any events which have implications for domestic security such as extreme weather conditions and pandemics.

The International Institute for Democracy and Electoral Assistance—or International IDEA—statutes, as amended at the Extraordinary Council meeting of International IDEA on 24 January 2006, will improve the governance arrangements of the organisation. Established in 1995, International IDEA consists of 24 party states and is tasked with developing and strengthening democracy globally. The committee heard that the 2003 amendments to International IDEA were not tabled in parliament. This did not provide an opportunity for the committee to be aware of the amendments and so review them. The committee heard that the 2003 amendments were made in preparation for International IDEA gaining observer status with the United Nations General Assembly. The 2003 amendments prohibited associate members and observers of International IDEA from voting or participating in the council’s decision making. The committee expects any future amendment to the current treaty action to be tabled in parliament as soon as possible.

The International Organisation for Migration has for 55 years, since its establishment, been involved in meeting the ever-growing operational challenges of migration management, advancing the international understanding of migration issues, encouraging social and economic development through migration, and upholding the dignity and wellbeing of migrants everywhere. The amendments to the constitution of the International Organisation for Migration will streamline organisational processes and further strengthen the organisation’s responsiveness and service efficiency. I commend the report to the House.

The DEPUTY SPEAKER (Hon. DJC Kerr)—Does the member for Boothby wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Dr SOUTHCOTT (Boothby) (4.49 pm)—I move:

That the House take note of the report.

The DEPUTY SPEAKER—In accordance with standing order 39(c), the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.

CUSTOMS LEGISLATION AMENDMENT (BORDER COMPLIANCE AND OTHER MEASURES) BILL 2006
Second Reading

Debate resumed.

Mr RICHARDSON (Kingston) (4.49 pm)—Mr Deputy Speaker, I was saying before the debate on the Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2006 was interrupted that this bill simply seeks to make necessary minor amendments to ensure that our Customs personnel are equipped with an appropriate level of power to do their jobs effectively. It
is necessary to alter this legislation to keep up with and adapt to the ever-changing circumstances our Customs organisation is forced to operate in.

I would like to take this opportunity to commend and congratulate the men and women of the Australian Customs Service for their hard work and for the exceptional job they have done and continue to do to protect our nation. Again, these amendments are commonsense. These cards are necessary for airport employees to undertake their jobs. However, it is necessary that, if these people are to be granted access to areas which are tightly controlled by the Customs Service, Customs is able to obtain up-to-date information about who they are. This is simply a commonsense amendment to ensure the integrity of those areas of international airports under the control of the Australian Customs Service. For those reasons, I commend this bill to the House.

Mr KATTER (Kennedy) (4.51 pm)—I rise to speak on the Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2006. A lot of the officers will have facilitated and made easier a lot of the jobs they are currently doing and would agree with the bill. However, in a port like Cairns or Townsville, fairly typically we have Customs boats, police boats, national parks boats and fisheries boats. There is a ridiculous waste of money and duplication here. The Americans have a single, integrated coastguard service that covers all of those things. They have a boat that can do the job adequately and quickly, and that is the sort of approach that should be used here.

I truly believe that the government’s reluctance to move in that direction is simply a matter of politics—it is because the ALP came up with the idea of a coastguard.

I do not profess to be an expert in sea warfare—anything but. However, I would flatter myself enough to say that I know plenty about land warfare, having been a platoon commander for a long time. But the assertion by the government that the 10 frigates that we have—I think eight are built and two are on the way—are an adequate defence of Australia is an appalling assertion. I do not want to speculate here on the circumstances in which we might find ourselves needing a naval force, but we may have to confront a naval force at some point, and there is an assumption that the Americans are going to come and save us. You really want to read your history books if you think that the Americans are going to come and save us. Quite frankly, they were bombed into the First World War and they were bombed into the Second World War. They had the strongest possible reluctance to go into either war.

Whilst they are doing a bit of international police work, it is to look after their oil interests. I am not condemning America for that. Maybe that is something you do have to fight wars over. However, where their vital interest is concerned they will act, but where their vital interest is not concerned they are historically consistent in not acting. When England was bleeding to death in the Second World War, and despite the fact that the people there had a common racial background and in every respect had a strong relationship with the United States, there was no way the United States were going to buy into the Second World War. It was only when the Japanese bombed them that they came in.

The people who lived in Northern Australia in the last war will recall that they were actually handed over to the Japanese with the infamous Brisbane Line. It was not actually a Brisbane Line for those people who came from Western Australia—it was a golden boomerang, and the rest of us were handed over. General Mackay’s proposal to the federal cabinet said that all they could defend was a line that went from Brisbane through...
to Sydney, Melbourne and Adelaide and that the rest of it could not be defended. Whether it was a good or bad idea, it was the only possible way that they could approach the situation that very rapidly arose. One moment they were yawning and not very worried about a war that was far away in Europe, and the next minute they were fighting for their lives with the Japanese six weeks away from invading Australia.

We need provision of enough patrol boats to do this job. Over the last three or four months, I have run into three people who work on patrol boats. I cannot say where I ran into them, but they were very far away geographically. Each of them gave me exactly the same story. They sit out there, at the edge of our territorial waters, and there are Indonesian and foreign vessels fishing just beyond the territorial limit. When they have finished their patrol duty and return to their base, whether it be Cairns, Darwin or wherever, the Indonesian vessels come straight in. When the new patrol boat goes out, those fishing vessels leave our territorial waters. It is a game of cat and mouse.

It is no news—or it should not be news—to this House that, tragically, in 2005 there were 13,018 sightings of foreign vessels. I have come into this place having taken riding instructions from the fishermen at Karumba. They said that they sight them all the time. Quite frankly, I had my doubts as to whether the boys were having me on a bit, but I did my job—thank goodness. It was disclosed on 60 Minutes and has not been denied by the government at any stage—in fact, effectively it has been affirmed by the government—that there have been 13,000 sightings. If there have been 13,000 sightings, I think we can safely conclude that there are 20,000 vessels in our waters.

The Australian government have decided that, to keep our fish stocks, we should allow only 6,000 vessels to fish in our waters. But they will come into this place and effectively affirm that there are some 20,000 foreign vessels fishing in our waters, and we are going to build two destroyers to rein them in. I cannot see two destroyers running around the perimeter of Australia—the 12,000 or 15,000 kilometres of coastline.

There is an ideological fanaticism which started in the ALP under Keating, and the disease has spread to the other side of the House, who are now occupying the government benches, that you must not do anything to adversely affect trade—we must have free trade. It is a unique occurrence. I do not think it has ever happened in the history of the country, but most certainly no other country on earth is carrying out this experiment, with the exception of New Zealand, which is rapidly becoming one of the poorer countries on earth.

We have a huge coastline to look after, so, if a five or 10 per cent customs duty that does not breach WTO regulations in any way, shape or form is imposed, it might give a tiny bit of relief to some of our manufacturers and other people. That money can then be turned over into building patrol boats. I am told that we need a hundred patrol boats. To properly police 10,000 kilometres of Northern Australian coastline, you would most certainly need dozens and dozens of patrol boats. But I do not like to come into this place and say: let the government find an extra $1,000 million a year. I want to say how you are going to find—

An honourable member interjecting—

Mr KATTER—You will find that I have never done that. You will find that that would not be a part of what I have said. I was a senior minister in a government for the best part of a decade, and I will stand on my own record as far as government expenditure goes. But, if those patrol boats can be paid for and
manned by people, they will project this country back onto an industrial base once again because the building of those patrol boats over an eight- or nine-year period would give us the technological base which we now do not have. It is very heartbreaking for us Northern Australians—and I think also for the people of Fremantle, who had this great technological base which has just dissipated. The company concerned, the NQEA, does not operate as a shipbuilder now, I am informed. Most certainly Don Fry, the principal, has retired.

So back to a cost estimate for those patrol boats, with interception capacity and missile capacity. I was quoted in the media as advocating that the patrol boats should run around with the missiles on and assail Indonesian fishing vessels, which I derived a lot of humour from. Obviously you do not go running around with missiles on when you are in a patrol boat role! But you can very rapidly convert from a patrol boat role to a very serious naval presence that can defend this country. It is not good for offence—I hope that we are not running around picking fights with anyone—but if anyone tries to pick a fight with us then we would be well capable of looking after ourselves.

I would like to mention the issue of border patrolling. Our territorial waters extend 23 kilometres—that was the reach of a cannon. That water, which we can control, is ours. If there are 20,000 foreign fishing vessels in our water and only 6,000 of our own vessels in our water then I think we are not running around picking fights with anyone—but if anyone tries to pick a fight with us then we would be well capable of looking after ourselves.

This proposition has been put forward so many times to me by the most serious people with naval experience in Australia—I cannot say anything more than that. I said: ‘Why are we putting all of our eggs in the destroyers basket?’ For those who are not familiar with the Falklands war, the Falklands had just five Exocet missiles. That is all they owned. But, with those five missiles, they took out two destroyers. Say we have a potential enemy. Say Indonesia, for example, one of our neighbours, had a contract signed for the purchase of Exocet missiles when their economy collapsed; I presume they would go back to that contract. Say there are five Exocet missiles—and that was the mark I; the mark III Exocet is an infinitely more sophisticated weapon—and you have two destroyers, I do not think you are really in a very happy situation at all. But, if you have 100 patrol boats, they might knock out 10, 20 or 30 of those and you would still have 70 or 80 hurling cruise missiles. It is not a very happy event at all.

On the issue of border patrol, we have here a cost-effective way of protecting Australia in times of warfare. Just this week I was reading the story of Holden’s Hartnett. He said, ‘We were producing Wirraways, and actually it was quite a simple task to switch the Wirraways over to Beaufort fighters. But we needed the tools, the dies and the casting, and we could not get any of them. In a two-year period, we were still left with nothing.’ One of the reasons that John McEwen was such a strong man on tariffs was, as he said to me personally, ‘I will never see my country placed in a war again without the ability to build a battle tank.’ I doubt we would be able to build a machine gun at the present moment. All of our technology is simply dissipating and vanishing.

So I would urge the government in relation to the wastage at the present moment with these silly little boats that Customs, the police, National Parks and Fisheries have. I have been out fishing on a couple of these boats in days past. I am not denying the boys the right to have some nice fishing boats to
use of a weekend! But, in terms of effectiveness, having all this government duplication is colossally wasteful. These patrol boats can service our Defence, our Navy and our fortress walls. They can also serve to win back Australia’s fisheries for Australians, to give our own fishermen a fair go out there. We have a saying in the bush: good fences make good neighbours. It would be very good if we used those patrol boats to establish our fences, which are well and truly down at the present moment.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (5.05 pm)—In rising to sum up on behalf of the government for the Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2006 I want to proceed in three short steps. Firstly, I want to outline the core measures within this bill; secondly, I want to address some of the comments made by honourable members; and, thirdly, I want to address very briefly the context in which this bill and other border protection measures advanced by the government are being taken forward.

The measures are simple. Firstly, they deal with the disposal of dangerous goods in providing appropriate mechanisms under circumstances where such goods have been obtained by the Customs Service. Secondly, they outline new steps in relation to the access of security identification card holders to section 234AA places, ships, aircraft and wharves. In effect, they help deal with the regime for securing critical sites for Customs activities. Thirdly, there are minor corrections to provisions implementing the Australia-United States Free Trade Agreement. Fourthly, there are activities and changes in relation to the provision of information in respect of security identification cards to Customs. Fifthly, there are amendments in relation to the implementation of the accredited client program. Sixthly, there are amendments in relation to the protection from criminal responsibility of Customs officers handling narcotic goods in the course of duty. Finally, there is an amendment in relation to remaking a misdescribed amendment to the Customs Act—a house-cleaning exercise.

All of those amendments have been largely uncontroversial, but I want to acknowledge and very briefly respond to the comments by honourable members. The member for Brisbane on behalf of the opposition raised one concern—that is, while the opposition generally supports the measures in the bill, it had concerns in relation to the scope of the accredited client program. I thank the member for his general support and I note that we seek to take initial steps in this area. We are not closed to the notion of proceeding further at a later stage, but we think that this first step is an important base. It proceeds as far as we want to proceed at this time, but it will allow us to assess the long-term requirements. If we see that it is workable and if we see that it is necessary to expand it, then we would be happy to consider it. But at this time we have set out a limited and prescribed range of activities in relation to the accredited client program.

The second speaker, the member for Kingston, spoke with great passion on this issue. I think most importantly he established a framework for the necessity of broader border protection measures in a global context, where there are real issues of security and real issues of protection of our resources. In particular he noted his support for the brave and strong men and women of the Australian Customs Service.

The third speaker, the member for Kennedy, gave us his unique interpretation of the global history of the 20th century. I thank him for that and seek not to interpret it myself. However, I note, in relation to one point
he made on illegal fishing, that the government introduced a $380 million illegal fishing protection package in the May budget. Amongst the many things that that does, most critical is the engagement of the Indigenous population as sentinels, as guides and as people who will play an active role. It is good for those people and it is an important role. It is backed by real dollars and real military expenditure and enforcement, and I argue that it is the most significant package for the protection against illegal fishing in Australian history.

In summing up this bill, I want to note the context. The context is two great challenges. The first of those challenges is that there are real issues in relation to the illegal movement of people and the security elements that come from that. What we have seen in the last week in the United Kingdom is that there are those who will seek to destroy the fundamentals of the society in which we live. We as a government make no apologies for laying down a regime which is about protecting borders, which is about ensuring that there is genuine security and which makes it as difficult as possible for those who would seek to defraud or bypass the system for whatever purposes.

The second contextual point that I wish to make is that there are real concerns about our fishing resources. The role of the Australian Customs Service, in conjunction with the Australian Defence Force, is fundamental in that, and we take every step we possibly can. We will be vigilant and unrelenting in protecting those resources. I commend this bill to the House. I thank all of those officers and staff of the Australian Customs Service and the different government departments involved in the bill’s creation. I thank them and pay particular tribute to the men and women of the Australian Customs Service. Once again, I commend the bill to the House.

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

Question agreed to.
Original question agreed to.
Bill read a second time.

Third Reading
Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (5.12 pm)—by leave—I move: That this bill be now read a third time.
Question agreed to.
Bill read a third time.

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (NO. 1) 2006
Second Reading
Debate resumed from 22 June, on motion by Mr Pearce:
That this bill be now read a second time.
Mr FITZGIBBON (Hunter) (5.13 pm)—The International Tax Agreements Amendment Bill (No. 1) 2006 is essentially driven by the need for changes to Australian tax law to facilitate the pursuit of nonresidents living in Australia who have foreign tax liabilities. The government is seeking to aggressively align the Australian international taxation system with the OECD model tax convention. Article 27 of this convention provides for mutual assistance in collection of tax debts. Under many of Australia’s tax treaties there are reciprocal obligations to take measures to pursue persons who have tax debts in one of those jurisdictions. This usually requires a change in the enforcement and in-
vestigation powers in each hosted jurisdiction.

There are a number of Australian residents with foreign tax liabilities. The current statute law does not permit the commissioner to seek to retrieve these funds directly. In order to pursue the matter, the commissioner would need to take common-law action on a case-by-case basis. Schedule 1 allows the commissioner to create a register of taxpayers with foreign country tax debts and apply the tax collection conditions operative under Australian tax statutes. Provisions are also included to allow conversion of payments in foreign currency from foreign governments to repay Australian tax debts under the reciprocal arrangements of the OECD tax treaty system.

Schedule 2 gives the commission information-gathering power for overseas tax debts. This follows from measures in schedule 1 and permits exchange of information between nations otherwise captured by tax secrecy laws. The schedule on the protocol with New Zealand aligns the Australia-New Zealand tax protocol with the OECD model tax treaty, clarifies where information can be exchanged and modifies the agreement to provide for enforcement action by officials on behalf of the other country. There is also a most favoured nation clause, which ensures Australia benefits from the reduction New Zealand makes under treaties with other nations.

Labor supports these measures, as it is generally committed to the adoption of the OECD model tax treaty. In particular, there is no reason why Australian tax authorities should not cooperate with countries in the pursuit of tax debts if a satisfactory double tax treaty is in place. I am sure the minister will be very pleased with the brevity of my contribution to the debate.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (5.15 pm)—Can I begin by thanking those members who have taken part in this debate on the International Tax Agreements Amendment Bill (No. 1) 2006, particularly the contribution from the member for Hunter. It was short and sweet. This bill will give the force of law in Australia to a protocol amending the Australia-New Zealand tax agreement by inserting the text of the protocol into the International Tax Agreements Act 1953. The bill also includes consequential amendments to provide the legislative framework to support Australia’s treaty obligations, to provide assistance in the collection of tax debts and to exchange information on tax matters with other jurisdictions.

The protocol between Australia and New Zealand was signed on 15 November 2005. Details of the protocol were announced and copies were made publicly available following the date of signature. The New Zealand protocol enhances trans-Tasman integrity aspects relating to administering and collecting tax imposed in accordance with the treaty and the laws of both countries. The protocol reflects the government’s desire to provide for more effective exchange of information on a broader range of taxes, including the GST, and to provide for reciprocal assistance in the collection of taxes in future tax treaties.

The government believes that the conclusion of the New Zealand protocol and the associated amendments will strengthen the integrity of Australia’s taxation system. These measures will reduce tax evasion in both countries and will assist in ensuring that the tax liabilities on cross-border transactions are correctly determined and efficiently collected through bilateral administrative cooperation between the Australian Taxation Office and the New Zealand Department of Inland Revenue.
The protocol also includes an obligation for New Zealand to enter into negotiations with our country in the event that New Zealand agrees to lower rates of withholding tax with another country. This most favoured nation obligation recognises the importance this government places on lowering withholding taxes imposed on Australian investment in New Zealand, consistent with the direction set in Australia’s tax treaty arrangements with the United States and the United Kingdom. The protocol is another example of the strong bilateral relationship Australia shares with New Zealand, and the enactment of this bill and our formal notification of the completion of our domestic requirements through diplomatic channels to New Zealand will complete the processes followed in Australia for the entering into force of the protocol. On that basis, I commend the bill to the House.

Ordered that the requested amendments be considered immediately.

Senate’s requested amendments—

(1) Schedule 1, item 46, page 22 (line 31) to page 23 (line 11), omit subsections 19A(6) and (7), substitute:

(6) A lease granted under this section must not make provision for the lessee to make a payment to a person other than the lessor.

(2) Schedule 1, item 177, page 70 (line 7), omit “rent”, substitute “amounts”.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.21 pm)—I move:

That the requested amendments be made.

The Northern Territory government and the land councils have put the view that the rental cap on the township leases will impede the implementation of the Township Leasing Scheme. What they have suggested to me, and I have taken their advice, is that the five per cent cap that the government has in the legislation, which we now seek to remove, would potentially send the wrong message to some traditional owners that five per cent was an expectation or, in some cases—I might say unlikely—that more than five per cent of the value of the land may be warranted and that this arbitrary figure, whilst it had been proposed earlier, should be removed. Following consideration of these issues, the government has agreed to remove the rental cap. We have listened to the stakeholders and will ensure this happens.

I also announced this decision in the House when we debated the bill back in June, so it is no surprise to members today or to those who are particularly interested in this bill. The requested amendments are part of a series of amendments agreed to by the Senate to remove the rental cap. The
amendments also remove the prohibition on payments other than rent and make it clear that all payments must be made to the traditional owners. I table the amendments.

Mr SNOWDON (Lingiari) (5.22 pm)—I thank the Minister for Families, Community Services and Indigenous Affairs. Yes, the minister did acknowledge when he introduced the bill into this place that after a discussion with people he had agreed to remove this cap. We welcome that concession, notwithstanding the fact that we think the whole regime for leasing is flawed and inappropriate under the current circumstances and that there are better options. We also believe that the cap as it was initially proposed was potentially anticompetitive and possibly racially discriminatory. I am not sure what advice you received on that.

I also welcome the removal of the restriction that prevented traditional owners from negotiating pecuniary benefits other than rent which, as I understand it, will be the impact of the amendment to remove subsections 19, 6 and 7 and replace them with the new subsection. We believe that the cap as it was initially proposed was potentially anticompetitive and possibly racially discriminatory. I am not sure what advice you received on that.

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Mr BROUGH (Longman)—It is just other than cash.

Mr SNOWDON—That is not what this says.

Mr Brough—What was the section?

Mr SNOWDON—Section 64(4).

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.25 pm)—‘Rent’ is obviously a periodical payment. This allows for lump sums up-front and any number of variations which would meet the needs of both parties.

Mr SNOWDON (Lingiari) (5.25 pm)—I thank the minister for the information he has given us. I do not believe that this is an appropriate use of 64(4) moneys in any event. The 64(4) moneys, as they were originally envisaged, are for the benefit and use of Indigenous people and arise out of proposals under royalty equivalents which are received by the Commonwealth and paid into the trust account under 64A. The minister has the discretion to direct from time to time the transfer of amounts of money he specifies from the trust account to a consolidated revenue fund. Then there are a series of references as to how the money is to be made available. My concern is that what we are now doing under the regime which the government has proposed, indeed passed in this chamber and sought to amend in the Senate, is to impose a regime which effectively means that the way in which the government’s proposed leasing arrangements will operate may well rely on payments made out of this account at the direction of the minister. It is worthwhile to point out what 64(4A) says:

There must be debited from the Account and paid by the Commonwealth such other amounts as the Minister directs to be paid in relation to:

(a) the acquiring of leases by, or the administering of leases granted or transferred to, approved entities under section 19A ...

I am concerned that this should be the case. It seems to me that we have Aboriginal people who are effectively the lessor having a benefit which they have accrued being paid out of their account for the purpose of a lease
that is from them, which seems to me to be a very bizarre notion.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.27 pm)—I understand the concern. Maybe it arises partially, at least, from a misunderstanding. The Aboriginal Benefit Account is intended to benefit, as you do appreciate, all Aboriginal people in the Northern Territory. It is money out of consolidated revenue. It is not just the revenue that the federal government receives in the form of royalties from uranium. It is also the equivalent to the royalties that the Northern Territory government receives from mining in the Northern Territory. It is that equivalent amount as well that goes into the Aboriginal Benefit Account, so the money is there for the benefit of all Northern Territory people. The equivalent amount plus the royalties that the federal government receives for uranium are placed into the ABA. That money is then to be used for the benefit of Indigenous people in the Northern Territory.

Apart from those ABA moneys going to the areas affected by mining, and to the land councils for their administrative costs, most of the remainder of the ABA is available for the benefit of Northern Territorian Aboriginals under subsection 64(4) of the ALRA. New subsection 64(4A) will allow the minister to make payments to the Northern Territory for acquiring or administering headleases.

To put that all into context, it means that not even a small proportion of the royalties or the equivalent royalties that the Northern Territory government receives for the benefit of all Territorians is being. We believe overwhelmingly that the lease-back situation will advantage Indigenous people in those localities in a very major way. I hope that, along with the other points, helps to clarify where the ABA money comes from and the percentage that will be distributed or that is likely to be distributed through here.

Mr MELHAM (Banks) (5.30 pm)—It is interesting that the minister says that this is a period for us to reflect upon the fact that this act is about Indigenous people. In summing up, because we are virtually at the end of a process, I am pleased that he has taken on board the request from the land councils and the Northern Territory government about capping and that that change was made.

It seems to me that there has been a lot of disappointment. When I was on a parliamentary committee some years ago, we looked at the land rights act. It was the unanimous recommendation back then that there be no amendments to the act without traditional owners in the Northern Territory first understanding the nature and purpose of any amendments and, as a group, giving their consent.

I understand that the government has undertaken to talk to traditional owners after this bill is passed. It seems to me that the requests for Senate amendments that we are now discussing are a slight improvement on what was put up in the first instance. I am sure that there are other improvements that need to be looked at on behalf of Aboriginal people in relation to this land rights act, and we should not apologise for that. This was a landmark act in its day. It was introduced by the Fraser government, although it was not as good as the draft put in by the Whitlam government.

I note in the report of the Senate committee that it had received a number of submissions, including from land councils, the Law
Society, the Minerals Council of Australia and the Centre for Aboriginal Economic Policy Research. They were all united in their criticism of the bill and had argued that it should not be proceeded with until agreement was reached with stakeholders, particularly the traditional landowners. That is not happening. We are going through with the government’s proposals in relation to the land rights act.

These requests for amendments are slight improvements on the wording and the capping situation, which the land councils specifically asked to be addressed. But what concerns me is that I see a lot of amendments that are not aimed at improving the lot of Aboriginal people; they are actually aimed at making it harder for Aboriginal people. I am not one—and the member for Lingiari is also not one—who says that the land rights act should not be improved and changed. When I was shadow minister, I was approached on a number of occasions by the land councils, and they said to me, ‘We think this can be improved not only for our benefit but also for the benefit of the mining community.’ They want to see the benefits on their land flowing to their communities as well as to the mining community. In many instances, it is the only hope they have.

I take on board that, in terms of these amendments, the minister and the government have responded in one instance to the capping at the request of the Northern Territory government. I think that is important. I also think it is important that what the government and the minister do not respond to is the uninformed element out there in the community, because that is not going to satisfy the long-term interests of the community or the traditional owners. I want to see us take a path whereby both sides of politics can put the partisanship to one side and look at some long-term solutions. That involves engaging the other side. That involves sitting down in the sand with traditional owners and others—and I know the minister would propose to do that—and to take on board some of their concerns, because it is a developing situation.

In relation to the amendments before us, the member for Lingiari is right. We have had debates on other issues; we have laid down our markers. What the parliament is currently dealing with is very narrow. But it is symbolic that the government has at least taken on board some suggestions and has not said, ‘No amendments at any cost.’ There are other instances here that, in the cold, hard light of day, will show that what is being proposed is not necessarily workable.

I urge the government to adopt a conciliatory approach and that, if improvements are found necessary, they are made. But bear in mind, as I said, that it is about Indigenous people. They are not against mining. The land rights act is something that empowers them, and they should continue to be empowered by it.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.35 pm)—I thank the member for Banks for his constructive comments. I want to assure him of a couple of things. I do not have a closed mind to changes. I have only one goal in mind, and that is to improve the lot of Indigenous Australians. This legislation deals in particular with traditional owners. The member for Banks mentioned sitting in the sand. I went to Galiwinku, which I am sure you are very familiar with, on two occasions. The second time was to sit down, in language, and go through chapter and verse what is being proposed there, which does involve this legislation, and then talk to the entire town that was assembled—again, it was all being interpreted.
They asked for two months. As the member for Banks and others who have had any real dealings with Indigenous people would know, these decisions are not made quickly. They asked for those two months. They have now said to me: ‘Can we have a few more weeks? It’s not that we do not want to do it, but we have to talk things through.’ That is perfectly reasonable. These are major decisions. For the benefit of those who are not so close to these issues, particularly around the issue of leasing, we should all remember that this is not a new proposal; this is an amendment to refine an existing proposal. Leases can be done, and they have been done. They are just very laborious. They are slow; they are frustrating and they are costly.

These amendments are aimed at trying to facilitate a more efficient way of achieving a goal that traditional owners may have. I also need to stress that no traditional owners will be required, under any circumstances, to lease back their land. I know there has been a debate in the other place about the way in which we handle things and whether or not they believe it could be done differently. Let us leave that aside. I want to make everyone understand that that is the way this is approached. When we say that the consultation with the traditional owners will continue from now, it is not that they have not been engaged with these changes; it is that for any specific community—any discrete community—that decides that this may be a path they wish to go down—there will be a lot of consultation involving the Northern Territory government, the Northern Land Council or the Central Land Council or whichever land council is involved, sometimes private sector people who are going to add their advice to it and, of course, the federal government, the local councils themselves and, most importantly, the traditional owners.

Getting your mind around the concept of this change in ownership is a very major thing for people who, in many cases, have never really had to be part of that or considered being part of it. For them to take this step, it is paramount that they do so with understanding, acceptance and willingness. Otherwise, people are set up for failure. With respect to all sides of politics and those who have come here before with the best of intentions—and those at state and territory levels—I have to say that too often Indigenous groups have been set up for failure with the best intentions in mind. We do not want to repeat that, and I will certainly make every effort to ensure that any traditional owners who elect to use this legislation do so knowing exactly what is entailed, what the benefits are and, of course, what some of the issues are that may have to be resolved around those decisions, which some will see as not necessarily being in their personal best interests today. If they cannot accept that, that is reasonable and they remain under the current land ownership arrangements in those communities.

Mr SNOWDON (Lingiari) (5.39 pm)—I want to thank the minister for what he has just said and the undertakings he has given, but I do want to make a couple of observations. The first is that, despite the fact that this proposal, initially for leasing, was derived from conversations between the Northern Territory government and Commonwealth, I do not support it. The federal Labor Party does not support it. The reason is that principally it was done without discussion. This legislation foists on people a model—which the minister rightly says is ultimately a matter of choice—which I and many other people who are informed think has serious flaws in it. Be that as it may, that will not stop the passage of this legislation.

I also want to pick up on the minister’s observations about Galiwinku. I am not sure if you have read Senator Kemp’s response to
part of the discussion in the Senate, but in
the context of the discussions you have had
at Galiwinku with the proposal for 50 houses
he made it very clear—and it is worth read-
ing the transcript—that that deal would re-
quire a change in leases. I have had discus-
sions with people from Galiwinku subse-
quent to your visit and I will be having fur-
ther discussions with them. It is very clear
that they are confused by that proposal. They
are confused because they say—rightly, I
think—that they have an expectation that
housing ought to be made available and pro-
vided. Certainly there is no objection that I
have heard from anyone to the proposition
that if people want to buy them they can buy
them. That is not at issue. What is at issue is
the fact that somehow or other the proposal
for the housing will be subject to them agree-
ing to the lease.

If that is the case then I suspect that you
might be in for a very long discussion and
you might not like the response you get at
the end. It seems to me that we should be
separating the two issues. You can certainly
put on the table a proposal for housing and
say that one way of addressing this need
would be to do it in the way you have de-
scribed. Then you could say that there are
other ways in which it could be done and
these are they. Then you could say that they
are not bound to accept the proposition you
have put if they have another proposition,
which means that they will get housing, and
if they do not like the idea of leasing a town,
well so be it. But we do not want people to
be held to ransom by a government implying
that the provision of housing will be subject
to their agreeing to the lease proposals. That
is certainly the message which was given by
Senator Kemp in his contribution last night.
But, in any event, it is not my intention to
frustrate the House or the proceedings. We
are happy to allow these to proceed and we
will have a discussion about them and other
matters at some other time.

Mr BROUGH (Longman—Minister for
Families, Community Services and Indige-
nous Affairs and Minister Assisting the
Prime Minister for Indigenous Affairs) (5.42
pm)—I would like to make a couple of brief
comments in closing regarding the Gali-
winku situation and, of course, the Nguiu
situation. The 50 houses were part of a
broader package which involved the North-
ern Territory government and the provision
of policing—there are no sworn police per-
manently on Galiwinku, which has a popula-
tion of 2,500. There is inadequate healthcare
and there is inadequate education. It was
about bringing together a package of eco-
nomic development, housing, education, po-
licing and a range of other initiatives which
most Australians would take for granted as
being our God-given right living in this
wonderful country.

In relation to the 50 houses—and I par-
ticularly draw your attention to this—no-one
will stop the provision of housing in Gali-
winku if they decide to stay where they are.
The 50 houses are through home ownership,
and home ownership cannot happen when
the land is not owned by an individual but is
owned by a collective. That is money with
which people would actually be assisted to
build and own their own home. So there will
be no reduction in the normal housing assis-
tance that would be provided to Galiwinku.
This is money that the budget has put aside
to help Indigenous people own their own
homes. It is a new approach. It is over and
above that.

We all know that there is inadequate hous-
ing in many Indigenous communities. We are
trying to find ways to improve the number of
homes, the quality of the homes, how long
the homes last, the rental collection on those
homes and the maintenance of the homes—I
guess, ultimately, for the people who say to me, ‘Why don’t I have the right to own my own home?’ They do not understand that because, as you say, it is their land. It is no individual’s land; it is collective land. It is the same in Nguiu in relation to the federal government’s commitment to a college—which of course is a church based college—in that the land tenure is very important when you start putting that sort of money in there: who actually owns it, and is it at the whim of a third party?

Most importantly, I reassure the people at Galiwinku that, in the event that they elect not to go down this path, that is their right and it remains their right. They will be eligible for housing from the Northern Territory government, which of course has the majority of the responsibility for housing, as do the states—for whatever there is in the normal way of things. We were trying to explain to them that there is a way of getting a lot more and, in doing so, improving all the situations that we know housing will. Again, I thank the member for Lingiari and the member for Banks for their constructive comments and thoughts, and I commend these amendments to the House.

Mr SNOWDON (Lingiari) (5.45 pm)—I do not want you to walk out of here believing that we do not think that private capital ought to be used in Indigenous communities for the purchase or building of housing. That is not the case. But clearly, people will say, and they have every right to say: ‘Hang on. We don’t want to do that. But we do want the 50 houses.’ And there are other ways in which it can be done. I would have thought, given the creativity that exists within this country, that we ought to be able to come to an arrangement where, for example, the housing is owned as happens in the United States in some places, where loans are underwritten for the provision of housing for a whole village community. In the case of Indigenous communities, I think there should be no problem in accessing private resources leveraged off federal money and Northern Territory government money to build housing. It does not mean that you need to have a home ownership scheme, but it does mean that you need to have a coherent capacity for getting the money together and assuring people that they will get a repayment for their investment, and you obviously need to ensure that people are paying appropriate rents and that their houses are being serviced. That is another way of doing a similar sort of thing, except that it says to people, ‘You don’t have to compel yourself to a 40- or 50-year payment schedule’—whatever it is—‘for the life of a mortgage.’

So I have to say that, whilst I understand the intention, I do not agree with it. I think we can provide options, but it seems to me that that option is a very hard one for people. They might accept it, and they have every right to do so if they want to, but it seems to me that it raises some serious issues which they will be thinking about. I know, having had discussions already, that people are thinking about this very deeply. They are not taking it for granted. They are asking ques-
tions. They are very sincere in trying to get answers to those questions. They want honesty and all the rest of it, as you would properly expect. Ultimately, they will make a decision. All I say to the minister is: if they happen to make a decision which does not suit the model you have proposed, then be flexible enough to look at an alternate model which might also require you to provide up to 50 houses.

Question agreed to.

INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT BILL 2006

Second Reading

Debate resumed from 22 June, on motion by Mr Hardgrave:

That this bill be now read a second time.

Ms MACKLIN (Jagajaga) (5.49 pm)—The Indigenous Education (Targeted Assistance) Amendment Bill 2006 does contain some welcome additional support for Indigenous students. However, it is a missed opportunity to deal with some of the problems which have been identified and should be being addressed in this legislation. I will go through those. The bill provides an additional $43.6 million over 2006 to 2008, mainly to extend tutorial assistance support for school students in year 9 and for students at TAFE and with other providers of vocational education and training.

The bill does not deal with some of the serious flaws in the government’s policies and programs. These flaws, as I say, have been apparent for some time. In June last year in a speech to the parliament, I described the inherent problems and the unfair ways in which Indigenous education funding is provided for Indigenous students, parents and communities. We had a number of other opposition speakers outlining their concerns as well. Unfortunately, there has been no mention of these issues either in the legislation or in the minister’s second reading speech and no attention given to the problems that both my colleagues and I have raised many times. It seems there is continuing indifference to the problems which I am sure the government knows about and which we would certainly like to see addressed.

That said, Labor certainly will be supporting this bill, because it does provide additional funding. We want to see that urgently needed additional funding out and into our schools and TAFEs as quickly as possible. Given that our underlying concerns remain, I intend to move the second reading amendment that has been circulated in my name. 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:

(a) failing to deliver urgently needed funding for Indigenous students by insisting on complex and bureaucratic administrative arrangements that prevent many schools and communities from benefiting from education programs;

(b) causing a $126 million underspend in Indigenous Education Strategic Initiatives expenditure in 2004-05 through bureaucratic bungling;

(c) imposing impenetrable red tape that has led to a decline in the involvement of Indigenous communities in the parent-school partnership initiative;

(d) failing to provide sufficient resources for early intervention programs in schools to raise Indigenous children’s literacy standards;

(e) reducing the number of Indigenous school children who access tutorial assistance by making eligibility requirements more restrictive and short term; and
(f) presiding for ten long years over continuing gaps in educational and training participation and performance between Indigenous and non-Indigenous students;

(2) requests the Government to reform its funding criteria and guidelines so as to address the above concerns and provide all Indigenous students with the opportunity to achieve quality schooling results”.

I want to go through why we believe the parliament should voice these concerns, and I call on the government to address them. They are very serious indeed and have been around for some time. The report on the review of Aboriginal education in New South Wales, Freeing the spirit: dreaming an equal future, laments in the following terms:

How can it be that, in a country like Australia, there is a group of young people whose early years do not prepare them adequately with the skills and confidence to enjoy a meaningful role in society and a share in the country’s wealth?

Indigenous people are looking to the nation’s political leadership, particularly members of this parliament, for an answer to this and other questions. The member for Kingsford Smith in last year’s debate referred to the march from Melbourne to Canberra by Michael Long. This well-respected Indigenous leader walked from Melbourne to speak directly with the Prime Minister about the needs of his people. He took the Prime Minister’s word in his election night speech in 2001 that he wanted to place Indigenous issues, including Indigenous education outcomes, at the centre of the government’ policy agenda. We saw on television that Michael Long got a cup of tea from the Prime Minister. Unfortunately, he, like the rest of us, is still waiting for a response to the substantive issues affecting Indigenous people, particularly in education.

Just the other day the member for Fremantle told us about another story of Indigenous people reaching out for help. In her question to the Speaker last week she referred to the actions of two women who arrived at the parliament after walking across the Nullabor. The women wanted to draw attention to the need for action to eliminate racism in our communities. They wore aprons with the words ‘Steps towards healing’ on the front and a map of Australia on the back with black and white hands reaching out for each other for succour and friendship. The women were confronted, unfortunately, by parliamentary bureaucracy when they arrived, but that is not particularly the point I want to make here; rather, this is another case of Indigenous people calling out for understanding, support and, in their words, ‘healing’.

The government has been in office now for a very long time—time enough, I would say, to assess its effectiveness in making progress in the education of Indigenous people, despite the difficulties. I acknowledge that there have been some improvements, and all governments and communities, federal, state and territory, should be given credit for these. I think one thing for which people need credit is the fact that there are more Indigenous students completing secondary schooling. The retention rate to year 12 for Indigenous students in 1998 was a very low 32.1 per cent, which is a difference of over 40 percentage points when compared with the rate for non-Indigenous students, who had a completion rate of 72.7 per cent in that year. By 2005 the retention rate for Indigenous students had improved to 39½ per cent, so we certainly have witnessed an improvement since 1998. The retention in 2004 was slightly higher, so I hope we are not seeing a reversal of the trend in 2005.

The biggest problem we are aware of is that there is still a very substantial gap between the retention rates for Indigenous and non-Indigenous students. The retention rate for non-Indigenous students also increased in
2005, to 76.6 per cent. So we have a gap of over 37 percentage points between non-Indigenous and Indigenous students when it comes to completing year 12, and I do not think anybody in this chamber would say that this massive difference is acceptable.

There is also some evidence of some improvement in the literacy and numeracy standards of Indigenous primary school students over recent years. Once again, the gap in these standards when compared with non-Indigenous students remains extremely troubling. For example, around 60 per cent of year 7 Indigenous students achieved the national reading benchmark in 2001, compared with just under 90 per cent for all other students. By 2004 the achievement rate for Indigenous students had improved to 71 per cent, but I would have to say that that is still unacceptably low when compared with the level for all year 7 students, which was 91 per cent.

Unfortunately, there has been very little improvement in the percentage of year 7 students who have achieved national benchmarks for numeracy. The rate for year 7 Indigenous students hovered around 50 per cent between the period 2001-04. If you compare that with all Australian students, you find that their benchmark achievement was about 80 per cent. So the year 7 numeracy benchmarks were 50 per cent for Indigenous students and 80 per cent for all other Australian students, and that is plainly still totally unacceptable.

When we look behind this data at the differences between the states and territories, unfortunately we see some very big disparities. The percentage of year 7 students achieving the 2004 national reading benchmark in the Northern Territory, for example, was just 39 per cent compared with the national result for Indigenous students of 71 per cent. So you can see that, even among Indigenous students themselves, there is a huge disparity between the achievements of children in year 7 in the Northern Territory and the results of Indigenous students elsewhere. The rate for year 7 Indigenous students in Western Australia in 2004 was 58 per cent, and in New South Wales and South Australia it was 69 per cent. By contrast, in Queensland, the rate was over 85 per cent. Clearly, things are in much better shape in Queensland.

The numeracy rates for year 7 Indigenous students, as I said before, are worrying. Only around half of the students are achieving the national numeracy benchmark. The rate for year 7 students in the Northern Territory was a very low 27 per cent. It is bad enough that only half the Indigenous students nationally achieve the numeracy benchmark, but in the Northern Territory it is a very disturbing 27 per cent.

One of the problems, of course, with the results we get from the national literacy and numeracy benchmark tests is that they only provide information about minimum standards at the various stages of schooling. The gap in performance between Indigenous and non-Indigenous students is very stark. One of the other things that have been done is that these test results have been translated into months and years of schooling. The Report of the review of Aboriginal Education in New South Wales advises that the gap between basic skill test results for Indigenous and non-Indigenous students in year 3 is equivalent to 19 months of schooling. In other words, Indigenous children in year 3 have been going to school for only three or maybe four years and, on average, even by year 3, they are about 1½ years behind the level of achievement of their non-Indigenous counterparts. So, even by year 3, they are falling a long way behind. Unfortunately, things do not improve the longer they stay at school. By year 5 the gap is around 24
months. The gap in the writing and language results for Indigenous students in year 7 rose to around 60 months—that is, Indigenous students find themselves five whole years behind.

Each and every one of us knows just how important writing and language skills are for success in secondary schooling. Children cannot hope to do well in secondary schooling if their literacy and numeracy is not up to scratch. It is as plain as can be: these very poor literacy and numeracy results are of fundamental concern when it comes to Indigenous education. Compounding these concerns is a very high rate of absenteeism among Indigenous students. It is about twice the rate of non-Indigenous students. Suspension rates are six to nine times those of non-Indigenous students. The absentee rates for Aboriginal girls in year 10 in New South Wales secondary schools is around 28 per cent—that is equivalent to about 60 days of school missed each year. It is no wonder that they are having trouble keeping up with the standards they should be achieving.

The government’s key strategy for dealing with Indigenous literacy in primary schools has been the Indigenous Tutorial Assistance Scheme. The guidelines for the scheme say: In-class tuition provides Indigenous students who do not meet the Year 3, 5 and 7 literacy and numeracy benchmarks with up to 2.5 hours a week of literacy and numeracy tuition for up to 32 weeks each year.

That means that this funding is available to Indigenous students in years 4, 6 and 8, after they fail to meet the national benchmarks in the previous year. The guidelines go on to provide some flexibility for principals to allocate funding for students who are at risk of not meeting the relevant literacy and/or numeracy curriculum outcome levels for their age.

I remind my fellow members of parliament that, in response to opposition criticisms on this point in parliament, the previous minister for education indicated in last year’s debate that he had apparently allowed a degree of flexibility at the school level for principals to decide how they might best allocate the resources. I would certainly appreciate the new minister for education updating the House on whether or not principals are, in fact, able to spend the literacy money where and, most importantly, when they think it will most help students learn to read and write. As many principals have told us, this is most likely to be well before the child fails the year 3 test. We do not want children having to wait until they have failed the year 3 test before they get help with their literacy and numeracy.

The key point remains that what is needed are guidelines that encourage early intervention strategies at a school level. I say to the minister that we would like to know whether or not principals and teachers are getting the flexibility they have called for, as well as getting the resources when they need them the most. And that really is at the earliest time so they can identify and prevent or minimise failure, not try to pick up the pieces when it is too late. We do not want to see support that is so late that Indigenous students, at the end of primary schooling, are up to five years behind their non-Indigenous counterparts, which is what is happening at the moment.

There are other problems with the way the government administers its tutorial assistance program, which, as a result of this legislation, will now be extended to year 9 students. For example, tutorial assistance funding is not available for students in metropolitan areas that enrol fewer than 20 Indigenous students. That means, of course, many students miss out on the urgent assistance they need.
The guidelines for this funding also state that the money is limited and that students in remote locations will be given priority. Nobody in this parliament would say that Indigenous children in remote areas do not need more support. Of course they do. With only 20 per cent in remote areas achieving national reading benchmarks in year 3, we certainly must be putting the extra effort needed into those remote schools. But it does not mean that Indigenous students in regional and metropolitan areas do not have educational needs. Of course we know they do. Funding should be available to all Indigenous students who need help with their reading, writing and numeracy. It should not be based on competition for scarce resources between one group of Indigenous disadvantaged students in remote areas and similar disadvantaged Indigenous students in metropolitan and regional locations.

That really is an incredibly nasty way of going about allocating this funding, especially when you contrast this approach with the open-ended funding available under the schools General Recurrent Grants Program, which provides automatic per student funding to all students. Some of that money, of course, is going to some of the best resourced schools in the country. So I think we should find a way through this program to make sure that all disadvantaged young people and children, especially Indigenous children, are able to have the same criteria applied so that they can get the help to learn to read and write and help with their maths at the earliest time.

I have had a lot of feedback from principals and schools. They are very frustrated with the way the government organises and delivers this money. I want to quote from a few principals and teachers who have voiced their concerns. One primary school principal advises:

We have only 8 Indigenous students here, but 3 have huge literacy problems ... if we want these kids to make serious sustained improvement they need expert intervention for a sustained period ... there are no quick fixes.

Another primary school principal says:

... with hard work and creative additional learning assistance, we (previously) achieved 100% of all year 3s and 5s above the national benchmark ... AND THEN THE FUNDING STOPPED ...

That was when the previous minister said the money had to be removed from these metropolitan schools that had small numbers of Indigenous children. Another principal says:

We have a small but significant Indigenous student population—11 students, which represents 10% of our total enrolments ... we need to base support on very early assessments, such as Kindergarten checks on reading level so that effective intervention programs can be implemented early.

The point that principal is making is the one I made earlier: we do not want to wait until those children in that school fail the year 3 test; we want the kindergarten children and the children in year 1 and year 2 to be getting the checks, to be getting the additional tutorial support, before they fail the year 3 test.

Other principals have made the point that many Indigenous students with poor attendance records may have been absent when the benchmark testing was done. It is more than likely that these children are going to be at risk and would not be eligible for funding. These are practical problems that I hope the minister will take into account.

Many of these frustrations from principals are also matched when it comes to concerns about the operation of the Parent School Partnerships Initiative. Once again, the previous minister for education dramatically changed the way in which this funding is delivered to schools. There has been a very significant increase in bureaucracy in this program, and it has had the effect of excluding many parents and community members.
Parents now have very little understanding of the processes and feel very remote from them. Many of us on this side of the House raised concerns about these issues last year. I am pleased to see that the department has made some changes, but schools are still complaining that the funding arrangements still require them to undertake considerable work to access what I think everyone would say is pretty modest funding. Schools are complaining that they are spending more time in submission writing and paperwork than in actually designing and implementing educational programs for their students. This is an example from one primary school principal:

We now have no Indigenous involvement despite having quite a high number of Indigenous enrolments. Indigenous parents have commented to me about how the process has kicked them out of real engagement ...

Another principal says:
Since the change to funding we have had no involvement. We have Indigenous children but the work and complexity of getting funds is simply not worth it. Perhaps they (the government) have achieve their purpose, i.e. money stays in consolidated revenue ...

Another says:
During the process we became extremely frustrated ... on two occasions people dealing with the submission (on a homework centre) ... were reduced to tears and were prepared to walk away.

In my last dealing (with the Department) I had to provide information on a program. I was emailed two sets of instructions on managing the database: they would not open and crashed my computer a number of times. When I finally got them to work, the instructions did not match with what was appearing on the screen ...

My experiences mean that I want as little to do with (the Department) as possible. Its (processes) need to line up with the realities of school operation.

The result of all this is chronic underspending of Indigenous education programs. What an extraordinary outcome when we know that the need is so great. The minister’s department has admitted to Senate estimates that there was a $126 million underspend in 2004-05. It really does show that this government does not have an effective strategy to actually deliver the support that Indigenous students need. I would say to the minister that principals in schools who want to do the right thing are saying things are just not working. I honestly hope the minister will now take charge of these processes to make sure that funding is delivered to where it is needed. The administrative processes need urgent attention. It is only through those changes that we will in fact see the money going where it needs to go.

As I said before, we do support the additional tutorial assistance in this bill that is going to go to TAFE and other forms of vocational training. There is no question that Indigenous people rely heavily on TAFE for their training, and also for second chance opportunities that TAFE provides. In 2005 the enrolment of Indigenous students in vocational education and training was around 62,700—about 3.8 per cent of total enrolment. We have seen Indigenous enrolment increase in 2005, which is welcome—especially after two years of decline.

Unfortunately, though, completion rates for Indigenous students at TAFE remain very low: around 43 per cent for completion of apprenticeship or traineeship contracts. This is much lower than the overall completion rate of 52 per cent for all apprentices or trainees. The bill does not cover funding for Indigenous students in higher education, but I did want to mention that it is disturbing to note that education department data indicates the number of Indigenous students starting in higher education continues to fall. The 2004 commencements represent a nine per cent decline since 2002. These are very worrying figures indeed.
These trends are compounded when you look at Indigenous students’ completion rates in higher education. The March 2006 report of the Indigenous Higher Education Advisory Council advises that the course completion rate for Indigenous students is only about 42 per cent—two-thirds of the completion rate for other students. So once again we have a serious problem with the number of Indigenous graduates declining as a proportion of total Australian graduates. These are unacceptable figures. In the white paper we put forward on higher education, we have foreshadowed that one of the initiatives we would like to see implemented is increased support to our universities to enable them to provide the support that Indigenous students need as they progress through their second, third and fourth years of a degree course. It is very important to get Indigenous students into university, but we also need to improve the graduation rates.

In summary, the bill before us certainly does provide much needed additional funding. It will be welcome, but there is no point to it if it does not get to where it is needed. We will support the bill, but I commend the proposed second reading amendment to the House.

The DEPUTY SPEAKER (Hon. BK Bishop)—Is the amendment seconded?

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

Mr Baird (Cook) (6.18 pm)—It is my pleasure to support the Indigenous Education (Targeted Assistance) Amendment Bill 2006 tonight. It is an important step forward in the education of the Indigenous members of our community who, we would all acknowledge, are significantly disadvantaged compared to the rest of the community, and that is a situation that has existed for some time. In terms of quality of life statistics, Indigenous people are expected to live, on average, 17 years less than other Australians. The infant mortality rate of Indigenous infants in Western Australia, South Australia, Queensland and the Northern Territory is more than twice the mortality rate of non-Indigenous infants in those jurisdictions. The Indigenous unemployment rate sits at approximately 15 per cent—more than three times the national average. Of course, in some country towns it is a lot higher than that.

On educational outcomes, the statistics also speak for themselves: only 40 per cent of Indigenous students complete year 12 compared to 76 per cent of non-Indigenous students. The link between health and education status has been well documented. Large numbers of Indigenous students struggle with attendance and learning outcomes as a result of chronic health problems—predominantly middle ear infections and nutritional deficiency. Only 70 per cent of Indigenous primary school students are reaching literacy and numeracy benchmarks compared to 90 per cent of other students.

It is my pleasure to support the purpose of the bill, which is to amend the Indigenous Education (Targeted Assistance) Act 2000 and to provide additional funding of $43.6 million over the 2006 to 2008 period for targeted assistance programs to improve opportunities for Aboriginal and Torres Strait Islander students in school and training. Education is generally considered to be a crucial part of improving social and economic outcomes for Indigenous peoples. A great deal of research has shown that educational participation and success directly affects health and socioeconomic improvements. There are a variety of factors that affect Aboriginal and Torres Strait Islander people participating in education, such as access to educational institutions, financial limitations and community attitudes. Existing programs that target Indigenous students are aimed at improving outcomes in some areas. However, Indige-
ous students continue to achieve lower levels of attainment and participation compared to the rest of Australian students.

Within my electorate of Cook, we have a very interesting program in that students who show particular excellence in sport are brought down to the Endeavour High School, located in Caringbah, which is a selective sporting high school. It was set up by a former New South Wales Liberal government under a selective schools initiative. That program has worked very well. In fact, Minister Kemp visited the school and was terribly impressed with the way in which it was developing a whole range of talented, outstanding young people in all types of sporting fields. The school has produced some outstanding Olympians, national basketball team members, baseball team members in the United States and top swimmers. It is very impressive across the board. They are bringing young Aboriginal lads down from the country with particular skills in Rugby League and training them. Many of them have ended up in some of the top Rugby League teams in the competition. In fact, some are in the Sharks, for example.

Mr Hardgrave—It hasn’t helped the Sharks!

Mr BAIRD—I wish they had done a little better in the last few weeks, but it is not the fault of the program. It is the type of thing that we want to do to sponsor and identify a talent amongst Indigenous young people. It is a program which we support.

There is no doubt that education is not just a means of personal progress. Education will lead to greater equality for Indigenous Australians. Unemployment is the foremost source of poverty in Australia today, and the reason that Aboriginal and Torres Strait Islander people face difficulties with respect to employment outcomes is their comparative lack of education. I remember a long time ago, when I was shadow minister for Indigenous affairs—or Aboriginal affairs I think it was called at that time—in New South Wales, speaking to the head of World Vision about the programs they had set up in New South Wales. I asked, ‘What do you see as the biggest single way in which we could overcome disadvantage?’ He said, ‘By providing jobs.’ We are going to provide jobs, but as part of that we have to provide the educational skills to enable them to take on those jobs. That is why this bill is so important and why this funding is significant.

There is still a significant gap between the educational participation and the achievement of Indigenous and non-Indigenous students, but we have made some small advancements and that gap is slowly and steadily getting smaller. Although 40 per cent of Indigenous students now finish year 12, that figure was only 29 per cent when this government took office 10 years ago—and the number of Indigenous students in vocational and technical education has almost doubled since 1996.

No-one can pretend that we have achieved so much success that we can all sit back and say: ‘Well done. Haven’t we done well?’ I think indigenous people around the world are facing similar challenges, whether they are American Indians or Eskimos in Alaska. It is difficult and challenging, but we are making some progress—and it is the incremental progress that I think we should be very pleased with. This bill is not suggesting that this is going to provide some panacea to address the inherent difficulties that we have, but certainly it attempts to address the imbalance and the gap. This bill is part of the government’s strategy to reduce that gap further and to keep Indigenous educational outcomes at the front of our efforts to improve conditions for Aboriginal and Torres Strait Islander people.
In keeping with the National Aboriginal and Torres Strait Islander Education Policy, the additional funding allocated will pay for a number of new initiatives. There is $14.5 million to provide additional tutorial assistance for year 9 Indigenous students, $11.2 million for new programs of tutorial assistance for Indigenous students in vocational and technical education, $7.3 million to support the Indigenous youth festival’s health promotion programs and $1.5 million for activities that address substance abuse by Indigenous youth in remote areas—and those programs will assist up to 1,000 young people involved in petrol sniffing and other substance abuse in the central desert and other regions. There is no point us having great education programs if our young Indigenous people are involved in petrol sniffing. It is a great tragedy that this is occurring and destroying lives, and it is a challenge for all of us as to what we do to persuade them not to be involved in these activities. It is not easy, but I am very glad to see that additional money is being allocated for that reason. Finally, there is $9.1 million to set up sporting academies and sports related activities based in schools.

These initiatives will complement the existing programs. As for the additional tutorial assistance for year 9 students, year 9 is basically the period when Indigenous students are at risk of dropping out of school, so additional tutoring will be provided for year 9 students as a way of addressing this challenge. They will provide some counselling, and the tutors will assist those who have poor literacy and numeracy skills in overcoming some of the difficulties they experience. I think that is an important activity.

I see that the minister who is responsible for vocational education is at the table. I am sure he has been very much involved in the program, in that there has been no previous provision for vocational and technical education for Indigenous students. This initiative will encourage Indigenous students to enrol as VTE students. While 13 per cent of Australians between the ages of 18 and 24 are neither studying nor working, 42 per cent of Indigenous Australians fit into this category. So we hope that this program will assist to reduce this. I am sure the minister will be watching that. I am sure all of us in this House feel a responsibility for our Indigenous community and for getting them involved in education and also in trades.

This bill provides for the establishment of 18 sporting academies, based in schools, with the aim of increasing sports and related activities for young Indigenous students. If that works as well as it has in Endeavour High, I think it will go particularly well, because sport is something that Indigenous young people can all identify with. There are some great stars. I know in the Sharks, my own football team, David Peachey was a great idol of many of the young people. Unfortunately, he is now playing for Souths. But he got Cathy Freeman involved as the No. 1 cardholder of the team. He is a great role model for our young people. This program will encourage them in life skills, and self-esteem is going to be important as well. By next year these academies will provide more than 1,000 students with a range of school based sporting activities. I know the minister, having been educated in the Sutherland shire, is a product of Miranda North high school—

Mr Hardgrave—Public School.

Mr BAIRD—Miranda North Public School. He is a great example of education in the Sutherland shire. In terms of countering substance abuse, the Australian government’s Partnership Outreach Education Model has achieved considerable progress in this area, and this new program of diversionary education will build upon that progress. It is aimed
at preventing young people from becoming involved in substance abuse.

In conclusion, the government remains committed to addressing the inequalities that exist between Indigenous and non-Indigenous Australians, particularly to addressing the education area by identifying the problem areas—in particular for those students in year 9, when difficulties exist in their maths and English—providing tutors, helping them overcome problems in other areas, providing these special centres for developing sporting skills, and of course, providing more funding for education in relation to substance abuse.

Overall, I think it is an incremental move forward. I congratulate the minister in bringing forward this bill. I note the comments of the shadow minister, and I am pleased to see that the opposition will support the bill. It is inherent on all parliamentarians to look at the challenge of Indigenous education and at the challenge of our Indigenous community and what we can do. No-one can provide any easy solutions, but at least this addresses in a practical way some of the inequalities that exist and assists people to develop that pride in themselves—the self-help that is required—and to bring out the real talents they have. I think it is worth while and I commend the bill to the House.

Mr MELHAM (Banks) (6.31 pm)—The Indigenous Education (Targeted Assistance) Amendment Bill 2006 aims to provide an additional $43.6 million over a three-year period—2006 to 2008—for Indigenous education and training. It will extend the tutorial assistance program to students in year 9, extend tutorial assistance to TAFE and vocational students, support community festivals that promote health and are anti substance abuse and support school based sporting academies and related activities for Indigenous students.

The extension of assistance for year 9 students restores support that was previously available under the Aboriginal assistance scheme but not under current guidelines. However, I note that this additional money is offset by the tightening of eligibility requirements for Abstudy allowances for Indigenous children under 16 years old.

In addition, the Indigenous Tutorial Assistance Scheme funding guidelines restrict access for students in urban areas. It is a strange state of affairs where funding for Indigenous students relies on competition between urban and remote students, yet this government’s recurrent grants to non-government schools are allocated on a per student basis.

The phrase which comes to mind in relation to this legislation is ‘fiddling around the edges’. There is no substantive upgrade of Indigenous education; there is no significant input into an area where funding is being reduced.

My colleague the member for Jagajaga has outlined some of the ALP’s more detailed concerns about this bill and what it actually represents. One of the matters she raises is that parent-school partnerships are not addressed. In fact, the bureaucracy surrounding these programs further excludes parents and community members. To access even a modest level of funding, schools need to undertake considerable work. This results in teachers and education administrators becoming highly competent submission writers but not actually spending their time in delivering educational outcomes. Indeed, the Senate Employment, Workplace Relations and Education References Committee in June 2005 found in its investigation of Indigenous education that:

1.11 Commonwealth education funding has long been characterised by the imposition of con-
ditions by the Commonwealth, and by a gradual tightening of accountability procedures.

And:

1.13 The leverage strategy of detailed reporting, however, affects the operations of schools which do not have the resources to deal with the reporting requirements.

One submission, from the Association of Independent Schools of South Australia, indicated that, given the relatively small amount of money available, the level of reporting and accountability is an issue of concern, particularly because of the different reporting requirements for different programs.

I addressed this House on a similar bill just over a year ago, on 2 June 2005. That was a significant date because it was one month before the government took full control of the Senate. This government’s form has been to treat Indigenous Australians as second-class citizens. I have seen nothing in the past 13 months to change my mind on that position. I warned then that this government was uniquely placed because of its control of both Houses to address Indigenous issues.

At that time I addressed the notion of community consultation. This government, however, still does not get it. The abiding lesson I learned when dealing with Aboriginal communities is that one must work with them, not try and save them from themselves or impose whitefella solutions on Aboriginal communities.

In its discussion on parental and community support and awareness, the 2005 Senate committee report noted that there were two basic issues underpinning the dissatisfaction with the government’s approach to Indigenous education. The first issue related to the suggestion that the government’s approach indicates a lack of trust in the Indigenous representatives’ good faith. The second issue related to the greatly reduced levels of funding to support educational programs, particularly in student welfare and attendance support. The government’s attitude to funding for Indigenous education is reflected in a very telling comment from that committee, on page 5, which said:

There is a presumption that education funding policy should be determined by what can be reported, rather than what is most necessary for overall success in achieving learning outcomes.

That statement is a clear indictment of this government. It is all about bells and whistles; it is all about show and not about substance.

Of course, it is difficult to find out exactly how much and where the government is spending on Indigenous education. Until the last budget, and post ATSIC, financial information was provided by program by department. While not always easy to decipher, the information was more or less available. This year, the portfolio statements provided extraordinarily broad information. In the education, science and technology portfolio, Indigenous expenditure is reported by three outcomes: schools, post-school and research. The government would probably argue that this reporting provides an easy-to-view summary of expenditure. As long as one is familiar with the details of each outcome, that may well be so. But not many of us are.

A plain-text reading of the Indigenous expenditure by the Department of Education, Science and Training actually shows a projected decrease in expenditure. In outcome 1, expenditure on schools in 2005-06 was $473,192,000. In 2006-07 it will be $461,358,000. In outcome 2, post-school, 2005-06 expenditure was $110,027,000. In 2006-07 it will be $108,860,000. In outcome 3, research, 2005-06 expenditure was $535,000. It will be $451,000 in 2006-07. This is a total of $583,754,000 in 2005-06 compared to $570,669,000 in 2006-07, yet...
the minister will claim that new money is being provided when, as far as I can tell, money is simply being moved around.

We must remember the context of Indigenous demographics when analysing expenditure on Indigenous education. Aboriginal and Torres Strait Islander peoples have a relatively young population, with a median age of around 21 years on 2002 Australian Bureau of Statistics figures. The same ABS report, the National Aboriginal and Torres Strait Islander Social Survey of 2002, stated that 39 per cent were under 15 years of age, compared to 20 per cent of the non-Indigenous population.

In 2004, DEST estimated that the Indigenous population is growing at a rate of 5.3 per cent per year. Between 1991 and 1996 the number of Indigenous children under 17 increased by 12 per cent compared to a two per cent increase in non-Indigenous children. Therefore we could reasonably expect to see expenditure on Indigenous education increase to reflect the increase in actual numbers of school age Indigenous children.

We must make a long-term commitment which is meaningful to the education of Indigenous young people. I acknowledge that there are no easy answers. No government has ever found the magic solution to these profound and disturbing matters. But no lasting solution will ever be found where the Indigenous community is marginalised in the process. It is only in consultation with the Indigenous community that we can move forward in identifying solutions which are educationally and culturally acceptable.

We must also remember that Aboriginal children usually operate from a lower economic base than most non-Indigenous children. In identifying the factors impacting on Indigenous education we should consider several factors which operate in the Aboriginal community and rarely in the white community. These include: the link between education and the likelihood of future employment; operating from a base of poverty and the resulting emphasis, or not, on education; the lack of privacy, time and resources for study; the low likelihood of increased workforce participation even when Indigenous people do complete school, TAFE or even university; and the connection between poverty and crime.

The member for Kingsford Smith, in a debate on 2 June 2005, spoke about the OECD inaugural Program for International Student Assessment. One of the findings of that program which is worth reiterating is that learning preferences and behaviours of Indigenous students were different from those of non-Indigenous students. The report also found that Indigenous students have less preference for a competitive learning environment.

These findings represent the essence of my remarks today. This government is relying less and less on Indigenous community input to the education of their children. Yet the findings of the study I have mentioned clearly identify the types of differences apparent in determining learning strategies for Indigenous and non-Indigenous students. Whitefella solutions are not appropriate for Indigenous people. The opposition will support this bill because it does put funding—however little—into Indigenous education. I commend the amendment put by the member for Jagajaga to the House.

Mrs MARKUS (Greenway) (6.43 pm)—I rise to speak on a bill that is very close to my heart. The Indigenous Education (Targeted Assistance) Amendment Bill 2006 sets us on a path that will improve opportunities for Indigenous students and, in the long term, contribute to the social and economic equality that we as a nation aspire to. As the Prime Minister said in a speech to the National
Reconciliation Workshop in Canberra in 2005, the gulf between the first Australians and other Australians when considering economic and social outcomes is a measure of the distance we still have to travel. These gaps can only be closed by practical actions that deliver results, and it will be a work of generations.

The Indigenous Education (Targeted Assistance) Amendment Bill 2006 is a further enhancement of strategies focused on assisting Indigenous youth. We are continuing on a path that, if we get it right, will influence in a positive way future generations of Indigenous Australians. I am privileged to be a member of a government that helps where help is needed most, that seeks to create opportunity for all, that creates opportunity for our youth and that, in so doing, builds for their future.

This bill provides additional tutorial assistance in schools and training programs, supports community festivals for health promotion, facilitates activities addressing substance abuse by Indigenous youth in remote regions and delivers school based sporting academies and related activities. The purpose of this bill is to increase funding by a net $43.6 million over the 2006-08 calendar years.

Supporting the bill and releasing the funds will result in an increase of $25.7 million in additional tutorial assistance for Indigenous school and vocational and technical education students; $9.1 million for school based sporting academies and related activities for Indigenous students; $7.3 million for Indigenous youth festivals, a component of the community festivals for health promotion program, which will reinforce the benefits of educational success and positive lifestyles for Indigenous young people; and $1.5 million to be used for discouraging petrol sniffing and substance abuse among Indigenous young people in the central desert and other remote regions. There is also more flexibility for that budget to be increased under special circumstances referred to in the act.

Currently in the electorate of Greenway there are approximately 2,345 Indigenous youth in high schools who may benefit from that assistance. In the 2001 census there were 2,039 Indigenous students in the Blacktown local government area, and the breakdown of that figure shows that 1,239 students were in primary schools, 585 in secondary schools, 161 in technical or further educational institutions and 54 in university or other tertiary institutions. The drop-off rate is stark and we need to reverse this trend. I have worked with many local Indigenous youth and youth workers and have come to know that the measures intended in this bill, if passed, have the potential to make some difference to Indigenous youth throughout Australia.

A revelation as to the size of the issue we are dealing with is found in the statistic that almost 40 per cent of Australia’s Indigenous population is 14 or under, compared with 20.4 per cent of Australia’s non-Indigenous population. The median age of all Indigenous people in Blacktown is 17 years of age. That is, there is basically double the number of children in the below 14 years age bracket who are Indigenous compared with children who are non-Indigenous. We desperately need to provide the majority of our children with positive role models, with targeted programs that will build esteem and a sense of value and with life and work skills so they can realise their potential and build a future for themselves.

Nationally, 40 per cent of Indigenous students progressed to year 12 in 2004, up from 29 per cent in 1996. The number of Indigenous students in vocational and technical education rose from 32,315 in 1996 to 62,726 in 2005. The proportion of Indige-
nous adults aged between 25 and 64 with a vocational or higher educational qualification has never been higher, and the proportion with a certificate or diploma is also up. Even so, there is indeed much more work to be done. I believe passionately that education is one of the keys to helping young people to reach their potential, to enable and facilitate them to rise above their circumstances, whether it be poverty, peer pressure, dysfunctional family background, personal disability or generational poverty.

The Prime Minister is also passionate about education. He said in a speech to business leaders in July this year that education offers the proven avenue of lasting hope for Indigenous young people. To fulfil that hope and achieve that education, to give Indigenous youth the same opportunities as everyone else, increased funding is critical in the areas of schooling, vocational and technical education and health related strategies. The Howard government is committed to developing the potential of Indigenous youth so they can make informed choices about how they relate and behave in the world.

I personally know many young Indigenous people in my electorate who can reach their potential. One young girl I was speaking to only a short while ago told me that her dream was to become a police officer. When I asked her what she thought about that, she said she felt that there was no hope for her. She believed that this was not an option for her. I challenged her and said that there was an opportunity to continue her education and to remain in school, that there was no reason why she could not achieve that. But informed choices will only come with knowledge, understanding, skills and values, which are the foundation stones of emerging adulthood. It is necessary for them to understand that they can reach their potential, that they do have something to contribute.

A starting point will be $14.5 million allocated to extend tutorial assistance. Tutorial assistance is already provided to Indigenous students in years 10, 11 and 12. This extra funding will be extended to encourage year 9 Indigenous students to go through and complete year 12. Year 9 is a critical year for all students, a time when many make the choice to drop out of school. Many of those who leave school at year 9 have poor literacy and numeracy skills which limit their post-school options, including employment opportunities. Students can access tutorial support of up to four hours per week, for up to 32 weeks in one school year, and the funding will be split between students enrolled in remote schools and students enrolled in non-remote schools. This action is intended to equip students with the necessary skills to consider further education or enhance job prospects.

That drop-out rates are a problem is demonstrated by the example of Greenway. Census figures from the 2001 census show that the number of people for whom year 10 was the highest level of schooling completed was 2,170. For years 11 and 12 that figure drops to 691. That is well over two-thirds of students who do not continue on to higher levels. The end result is the current figure of 42 per cent of Indigenous people aged between 18 and 24 years who are neither studying nor in the labour force, compared to 13 per cent of other Australians. That reality means our Indigenous community starts to lose ground after year 10.

This government is committed to bringing equality of opportunity to all. The tutorial funding program will continue to the year 2010. Over time, we hope the expanded tutorial assistance program will encourage students to stay on at school or continue their education in vocational or technical education courses leading to the attainment of relevant qualifications. To further that aim,
an additional $11.2 million will be allocated to Indigenous students undertaking courses leading to the successful achievement of an Australian qualifications framework certificate level III or above, which will significantly increase chances of employment.

The bill also directs funding to sporting, recreational and cultural activities. In 2007 this initiative will enable more than 1,000 students, both boys and girls, to attend up to 12 sports academies, located within schools, which offer a range of sports and recreation activities. The funding will also cover related initiatives to address racism in sport, to promote cross cultural awareness, to showcase the contribution Indigenous people make to sporting life and to provide opportunities to participate in sporting carnivals. By the end of 2008 there will be some 18 academies in place and the number of Indigenous students attending will increase to an estimated 1,530 from every state and territory.

Indigenous sportsmen and women have represented Australia with honour and distinction at district, state, national and international events. The football codes, Rugby League and Australian Rules in particular, have long been a path to success as the young boys grow from youths to men. Those role models are there. The government, through this bill, is making a concerted effort to focus on programs that are proven to work to ensure that every young person gets the opportunity to build a future for themselves.

A working model of the sports academy initiative already exists in Western Australia. The Clontarf Foundation is a model for Indigenous engagement in education that has demonstrated significant and lasting outcomes for their students, both current and former. The Clontarf Foundation operates six football academies in partnership with, but not independent of, secondary schools. The model was developed by the foundation’s CEO, Mr Gerard Neesham, as a result of his experience with Aboriginal footballers and their families and his recognition that the football environment was one in which Aboriginal people excelled. He found that participation in football and related activities helped to develop positive behaviours and to reduce the prevalence of negative behaviour in those who were involved.

Some of the aims of the program for participants include attending school regularly, re-entering education after prolonged absences; achieving retention rates above state averages; enhancing self-esteem; using experience gained to make healthy lifestyle decisions, for example exercise, diet and nutrition; addressing alcohol and substance abuse; setting goals and persevering to achieve them; reducing criminal re-offending; achieving improved academic results; and developing a greater understanding of, and access to, the employment opportunities available to them. Importantly, Clontarf’s results speak for themselves. In 2004, approximately 270 young people participated, with the following results: an average attendance rate of 78 per cent, an average retention rate of 82 per cent and 83 per cent of graduates from the program achieving full-time work.

It is the government’s aim to reflect those outcomes through its own sports academy initiative. The program will be rolled out nationally in partnership with national and state sporting bodies with strong affiliations with schools and in collaboration with state and territory governments. This initiative will ensure that more young Indigenous girls and boys have the chance to experience positive education and sports activities, with a view to improving their health, employment and education outcomes. Hopefully they will be inspired to swell the ranks of Indigenous sportsmen and women in the annals of Australia’s illustrious sporting history.
Another important feature of this bill is to provide $7.3 million for Indigenous youth festivals, with an emphasis on promoting healthy, positive lifestyles for young people. More than 30,000 primary and secondary aged students in remote and regional areas will participate in community based music, dance, art and career activities designed for both Indigenous and non-Indigenous young people. Positive events such as these provide an important mechanism for increasing community involvement in building the resilience of young people and for promoting wellbeing and healthy lifestyles. A program such as the one outlined can never be fully effective if it does not address the very serious matter of substance abuse, in particular petrol sniffing, by Indigenous youth. Effectively dealing with substance abuse requires a comprehensive, sustainable approach that includes education, justice, community support and health initiatives. The government is committed to providing education programs, and $1.5 million will be provided by this bill.

Under this bill diversionary and preventative education based projects that build upon the successes of the Australian government’s Partnership Outreach Education Model pilot will be introduced in the central desert and two other remote regions to help combat the critical issues of petrol sniffing and substance abuse. Up to 1,000 Indigenous young people will benefit from these projects, which will act as a safety net to help young Indigenous people in these regions who have dropped out of school.

This bill not only addresses educational and sporting opportunities and provides opportunities to engage in healthy, meaningful lifestyle events but it also will help to address the critical issue of substance abuse—an issue that holds back our children, Indigenous or not, and also impacts negatively on families. This bill offers a comprehensive package of measures that will assist, encourage and inspire a generation of our young Indigenous people. In line with this government’s philosophy, this package is a hand-up not a hand-out. It will give Indigenous young people the knowledge, skills and self-esteem to make better choices and to take their place as the leaders in their community. I commend this bill to the House.

Mr GARRETT (Kingsford Smith) (6.58 pm)—I follow on from the member for Greenway and also from my colleagues the member for Banks and the Deputy Leader of the Opposition to again highlight and make reference to the fact that nothing is more important for young Aboriginal kids, young Indigenous students, than completing their education and making the passage from preschool, primary school and high school and hopefully into a trade or into tertiary studies.

Amongst other trends in Indigenous education that bear down on policymakers, some of which have been identified by those who have spoken in this debate on the Indigenous Education (Targeted Assistance) Amendment Bill 2006, I note that despite a period where we have seen significant increases in the numbers of students who graduate from high school and go on to some form of tertiary study, and despite the fact that tertiary studies themselves are of critical and vital importance to people and enable them to be effectively and thoroughly skilled to go into the workforce where job requirements are often increasingly specialised, Indigenous higher education is suffering considerably and the numbers of students who are able to get into Indigenous higher education has in some instances declined. This is a matter of great concern for us on this side of the House.

I speak on this legislation as someone who has a number of Indigenous communities in their electorate. In the electorate of Kingsford Smith, there is a significant population of Indigenous people. Some of them have
grown up in the area and some have moved into the area. It is no exaggeration for me to say that one of the most pressing issues in the electorate is getting Aboriginal kids into the schooling system so that they can prosper and succeed.

The point needs to be made, as we consider some of the problems in this debate on the Indigenous Education (Targeted Assistance) Amendment Bill 2006, which have been identified by the member for Jagajaga in her second reading amendment, that a school which has a large proportion of Indigenous students tends not to operate like a school which does not. By that I mean a school with an Indigenous population is often the lightning rod for the disadvantage that their communities suffer. The pressures on the students in the school are often of a greater order than they are for children in schools where there are not many Indigenous students. More often than not, the kids are coming from backgrounds which have experienced some form of trauma—sometimes dislocation in their family and sometimes they are from backgrounds where education, regrettably, has not been strongly emphasised. There is absolutely no doubt that, on the whole, Indigenous parents want their kids to have a good education. They recognise from their own lack of education how important it is that their kids be educated, that from education comes employment, from employment comes economic sufficiency and from economic sufficiency comes good health. I think everybody in the House agrees that this productive virtue of education is one of the most important and critical issues that we face in redressing Indigenous disadvantage generally.

I do not fully share the Prime Minister’s view that the road to rekindling the hopes of the 1967 referendum lie through education. I spoke about this in another forum today. Important as education is, there are other important measures and issues that pertain to the prospects of Indigenous people being able to live full lives, to not suffer the levels of measurable disadvantage in health and education et cetera and to have a true, just and lasting commitment to reconciliation is part of that.

Labor support the bill, but we have moved a second reading amendment. We note that the bill provides an extra $43.6 million over 2006-08 for Indigenous education and training. We have raised concerns by way of the amendment and in debate in the House that the funding criteria and the program administration issues that have arisen during the consideration of the bill have not been adequately addressed. We note, for instance, that there is an underspend of $126 million on the Indigenous Education Strategic Initiatives Program. I can well understand that there are some good reasons for that. When you look at the difficulties that we face in driving policy through bureaucracies both out of this place and out of state governments, you see that underspends or funding lags are often a function and a feature of that process. However, I do not think the parliament should contemplate that an underspend in an area as critical as this should be at all acceptable.

In addition, Labor is very concerned that more red tape will be attached to the provisions in this bill and that, as a consequence, we will see a decline in the involvement of Indigenous communities—in particular, families in the Parent School Partnership Initiative. It is absolutely critical for the success of any amount of money or for any programs that are introduced into Indigenous education that participation by Indigenous parents is fully encouraged. If you do not have that, then it will be extremely difficult for programs to have enduring and long-term success.
I refer at this point to one of the aspects of intervention in early childhood education, which this bill addresses. There is absolutely no doubt that the earlier intervention is made the more likely are the chances of successfully assisting that child in getting into the education stream so that they can enjoy the education process, not fall behind, graduate and become a member of the workforce. The earlier the intervention, the earlier the involvement, the earlier support and resources are made available to them the better.

It is extremely important, particularly under this bill, that we do not have a situation where the money is being spent after the problems have been identified and the problems cannot be rectified in time. That is absolutely critical. Labor have raised a number of issues in relation to the bill. In particular we note that this assistance here restores some support that was previously made available under the Aboriginal Tutorial Assistance Scheme, which provided tuition at all levels in an effort to achieve educational outcomes for Indigenous Australians equal to that of non-Indigenous, and we note that the funding guidelines of the Indigenous Tutorial Assistance Scheme, ITAS, actually restrict access for students in urban centres. As somebody from an urban electorate, I have to say that that must be one of the deficiencies of the legislation.

The guidelines for the Indigenous Tutorial Assistance Scheme state that funding will be based on an assessment of students’ needs and availability of funding, and that students in remote locations will be given priority. I think that is understandable, given some of the statistics that we have in terms of absenteeism and failure of students to complete primary school and high school education, particularly in the Northern Territory. But, notwithstanding that, the Indigenous community is a diverse one, and there are large numbers of Indigenous kids who are going through their education system in cities and towns. They face a range of problems, sometimes not on the scale or magnitude that perhaps some kids in some parts of rural Australia face but they are nevertheless real. Labor believe that funding should be available to all students who need assistance, not just to those who live in remote locations.

I note that general recurrent grants for tutorial assistance from the government are paid on a per student basis, but we believe that the same criteria should apply to the most disadvantaged students in the nation. Because the Indigenous Tutorial Assistance Scheme continues to be linked to year 3 literacy and numeracy test results—so consequently you cannot take any action until year 4—this means that you are not capturing students at an earlier age. It really is a deficiency that has been identified in the amendments because it means that it will be a little late to pick up the sorts of problems that kids are having with literacy and numeracy at that year 4 stage. There is overwhelming evidence from educational research of the importance of the early intervention that I have referred to. With only 20 per cent of Indigenous kids in remote areas achieving national reading benchmarks in year 3, we strongly believe that delivering assistance to this cohort before they reach this failure point is critical.

Additionally, I want to point out the concerns that have been raised about the parent-school partnership program and the additional levels of bureaucracy that attach to this program—the amount of paperwork, form-filling and so on that attaches to it. This is always a problem in Indigenous education. The provision of materials and the requirements to fit into guidelines and frameworks that in some cases are imposed bureaucratically are always difficult issues, particularly for parents coming into the school environment. While there have been improvements
to the application process—and Labor acknowledge those improvements—we still note that schools are complaining that the funding arrangements require the schools themselves to undertake a considerable amount of work to access most modest amounts of funding, and quite often they are not successful.

Mr Deputy Speaker Causley, I am sure you would agree that any measures which are aimed at targeting Indigenous assistance should not be of such a complex order that they actually have the opposite effect and make it more difficult and more burdensome, particularly for teachers who have pretty strong demands on them as well. I note too that schools complain they are spending more time in submission writing and paperwork than they are in designing the best educational programs for their students. Welcome to the world of funding, regrettably. Nevertheless, this is something which should be noted by the government because it really is an issue of some importance, not only on the matters that relate to this bill but more generally in education.

Many critics cite education as the key to improving the gap between life expectancy rates. In fact, a principal of a remote Indigenous school was quoted as saying that, in relation to Indigenous students, those who leave school early die early. That is the stark reality of failing to make sure that Indigenous kids have an adequate and comprehensive education. There is no doubt that there are positive examples and some inspiration that we can draw on in this respect. Dr Chris Sarra is a good case in point. He was given the job of turning around Cherbourg State School, which had tremendous issues of truancy and staff who did not share his views. He wanted to turn around literacy levels, and he set about delivering on the Cherbourg motto ‘Strong and Smart’.

I have heard Dr Sarra speak on a number of occasions. I think he is a very impressive Indigenous educator. He remarked that the first thing and the most necessary thing to do was to challenge the community mindset that being Aboriginal destines a child to failure. We need to be able to say, and we need to provide teachers with the confidence to say, that education is absolutely critical for Indigenous children and that if they come into the education system they will not automatically, as a matter of course, fail. In fact, in his first year as principal, the number of unexplained absences dropped by 94 per cent. By 2004 more than eight in 10 students were in the average band in the state. One of the major reasons for Dr Sarra’s success at Cherbourg was that he instilled in students a sense of pride in being Indigenous, in being Aboriginal, and he gave them a belief that they could be successful. My experience is that this is absolutely critical.

When you have contributions such as that which we have seen by a former Labor member of this House, Gary Johns, writing for the Menzies Research Centre a report on Aboriginal education in remote schools and an assertion that we should not preserve Indigenous culture in our schools, then you realise that there is some thinking that is way out of whack. I was surprised, frankly, that the new education minister saw fit to launch that particular research, which was very quickly howled down by those who have firsthand experience of what is needed in education and in making sure that Indigenous kids are able to progress well in their education lives.

In my electorate of Kingsford Smith, we have an Indigenous community program called HIPPY. It is the Home Interaction Program for Parents and Youngsters. Again, it is based on the principle of early intervention. It is based on the principle of teaching parents to familiarise Indigenous kids with
what going to school is about and how to organise their pens and paper—providing them, if you like, with a bit of cultural referencing before they come into the school system so that they have confidence when they come into the school system. From that position of confidence, they are able to go forward and participate and complete their studies.

I do acknowledge that the Minister for Families, Community Services and Indigenous Affairs, Minister Brough, has provided some level of support for HIPPY. It is actually a nationwide program. It feeds very much into the bill that we are considering this evening because it talks about how important it is for there to be good relationships between families and the schooling system, where people go into the schooling system with confidence and a feeling that they are welcomed, where kids believe that not only is learning important for them but it can actually be fun, and where kids are targeted at an early age so that they get into the educational frame of mind and begin the task—which for them can sometimes be a pretty difficult and onerous task—of completing their education.

The education statistics in our country for Indigenous people are very poor. It is critical that the amended Indigenous Education (Targeted Assistance) Act that we are considering is a piece of legislation without default, without deficiency—that it does the job that it is intended to do and that it provides the benefit and the assistance that is needed both for kids in that early period and for the year 9 kids who will also benefit under this program. I know that all members present recognise how critical education will be for Indigenous kids, who are facing a long and tough struggle in some instances but whose future very much depends on them receiving education which is comprehensive.

We have brought an amendment to the House. It is a constructive amendment. We do hope that the government will take some heed and some notice of it, because there is no question that the decisions that we make today will affect the prospects for kids in the future. (Time expired)

Mr HAASE (Kalgoorlie) (7.19 pm)—I rise this evening to support the Indigenous Education (Targeted Assistance) Amendment Bill 2006. The purpose of this amendment bill is to appropriate additional funding of $43.6 million over the 2006 to 2008 calendar years for tutorial assistance, community festivals for health promotion, activities which address substance abuse, and school based sporting activities for Indigenous youth. Education prepares children for life and participation in society. These projects will assist Indigenous pupils with their schooling, and I commend the Australian government on this amendment bill and its lofty ideals.

However, the number of children these funds will assist is relatively minimal and will continue to be so unless there is a fundamental shift in the attitude of Indigenous people themselves towards education. It may surprise members in this place to know that there exists an unacceptably large cohort of children not even enrolled in the school system, within the Indigenous population. These children are therefore out of the education system and often the social system completely. This situation can lead to nothing but negative, wasteful and tragic outcomes. The obvious drawcards of substance abuse and crime aside, there is also the lure of welfare dependence and the baby bonus grant.

The baby bonus is something that this government very rightly takes a great deal of pride in. We now offer new mothers $4,000 tax-free to assist with the cost of a child. However, in communities where young people are out of the education system, this as-
sistance is having an adverse impact, leading to an increase in the number of under-age mothers and therefore an increase in the number of welfare recipients. Worst of all, all these young people have no chance of breaking the cycle of poverty.

Enrolling children in school and ensuring that they attend every day for their primary school years is the single most important action parents can take to solve the crisis of the unemployability of Indigenous youth as a result of failed primary education and everything else that follows. School attendance for at least primary school years must be made compulsory for every Australian child. I have been deeply committed to this principle since I first heard of the herculean struggle Indigenous children face for a positive life without an education. Addressing the issue of truancy among children is fundamental to the future prosperity of Indigenous people and, I believe, their salvation.

Last year a trial project addressing this issue was set up in the town of Halls Creek in my electorate. Halls Creek has been in the spotlight in recent weeks because it is a microcosm of the wider issue. The project’s aim was to suspend the Centrelink welfare payments of those parents whose children did not regularly attend school. Parents had to go into Centrelink and explain why their children were not attending and ask for support. This trial was working incredibly well, with school attendance jumping from 54 per cent to 80 per cent in two months. Unfortunately, the project was cancelled because its legality was questioned. I worked very hard to get that trial reinstated and it was, but unfortunately in a weaker form. Political correctness once again dealt a blow.

We anticipate the release of the report on that trial, and I hope to see a strong recommendation for no school, no welfare and that not to send one’s child to school is tantamount to child neglect. Some members may feel that is a strong statement, and it is. It is also a true statement. For decades we have equipped Indigenous communities with more than adequate educational resources—that is to say, we have tossed money at the problem. If members feel that that approach has been successful, they are mistaken. We need a change in attitude, and the cultural reasons children do not attend school must be addressed if we are to make any progress.

No one reason is more important than another, and I will begin with the dependence on welfare. Over the past decades we have created a culture of welfare dependence among Indigenous communities. Measures must be taken to wean people off this dependence, and the most significant impact will be made by education. The concept of mutual obligation needs to be mentioned. The taxpayers of Australia expect this government to spend money in a reasonable way. Surely, if we are prepared to continue to pay welfare dollars, the recipients should best equip themselves to break the welfare cycle. Across Indigenous communities a culture of illiteracy has been created. Children have no role models because in many communities no-one in their family has been educated since the time of the missions.

Generally, little importance is placed on learning and improving one’s situation through education. There is also the question of funeral attendance and sorry time, which involve extensive travel and taking the children out of school for such long periods of time that it seems to them pointless to return. Cultural matters have priority over what is considered to be the importance of education because, currently, political correctness is paramount. Too many teachers have a romantic idea of teaching in Indigenous communities: learn the language and culture, embrace the community members, stay a short time and dine out on the experience
forever. When they return to their cities they should have left something behind, other than the children. Too often they take from the community rather than contribute to it. When you consider that they are charged with the responsibility to improve the ability of these children to engage in society, combined with the reluctance to attend school on a regular basis, it is little wonder that we have such difficulty in finding real employment for community based people.

Government does not have a responsibility to embrace Indigenous or any other culture. Government has a responsibility to equip all its people for a fulfilling life. The dictates of modernity define that as being a basic education, health care, security under the law, equal opportunity and the opportunity for participation in meaningful employment to gain financial independence and contribute to society. Too often, currently, we not only excuse but condone a culture that says, 'School attendance is not important.' It is simply not morally just to espouse the view that one ought to be sustained by society without contributing to it.

This bill provides an additional $25.7 million for tutorial assistance for students in year 9 and for those undertaking vocational and technical education. These two groups need support. Year 9 has been identified as the level at which many students drop out of school, and vocational and technical students are few and far between. Indigenous children who attend school are too often not given educational support at home. So those struggling with their studies tend to simply give up. Providing funding for tutors to assist with difficult subjects means that these children are more likely to stay at school.

Most recently the media has focused on the endemic culture of violence and sexual abuse. Under this ever-present threat within the home, women are unable to concentrate on the appropriate care for their children. We need to create an environment where Indigenous parents, predominantly mothers, feel secure and confident, allowing them to encourage their children to gain an education. We need to make mothers more secure in the knowledge that their children will not be abused as they were, and unfortunately still are. There needs to be a greater and local abundance of agents genuinely concerned with the welfare of children, providing realistic support for the mothers of those children.

There need to be a sufficient number of advisers on basic domestic health and Western style domestic standards. There needs to be a law enforcement presence which will give a sense of confidence that the family unit can be divided for the duration of the school day. Parenting skills need to be taught which include the value of a basic education, because that education is the foundation of a meaningful future for all Australians. Generational unemployment and the resulting boredom leads to all manner of cheap and easily alternative preoccupations, such as substance abuse. Substance abuse takes priority over school attendance. If you have been brought up in a community without the example of employment participation, the theoretical perfection of education, training, employment, financial independence and self-esteem is totally absent.

The bill provides $1.5 million for educational efforts to discourage abuse amongst children in the remotest regions and to try to break that cycle. Whilst that does not seem substantial, it is just one of a number of projects, and even if it prevents only a small group of children from becoming substance dependent it will be a success. Substance abuse, combined with neglect and a dangerous home environment, means that Indigenous children are often left to fend for themselves.
This bill also includes $9.1 million for 18 school based sporting academies, which will provide direction on how to occupy those children in a productive and positive manner. I add that only this afternoon I had the good fortune to meet with Peter Holmes a Court, co-owner of the Rabbitohs. I am pleased to say that the Rabbitohs are well focused on Indigenous participation in their team, and I am told that there will be something in excess of 25 per cent of members with Indigenous heritage in the team next year.

Debate interrupted.

**ADJOURNMENT**

The SPEAKER—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

**Centrelink**

Mr WILKIE (Swan) (7.30 pm)—I rise to speak on the adjournment on a matter of some concern to me and my constituent Ms Brenda Hendricks of Carlisle. Today, after question time, Minister Hockey added to his answer to my question yesterday and suggested that she had in fact been treated appropriately by Centrelink. I am most concerned that the minister is being selective in his account to the House, and with Ms Hendricks’s approval I would like to read her letter into the record as it speaks for itself. It says:

Dear Sir

I wish to congratulate your actions to assist Matthew Pearce’s fight for a Centrelink Disability Support Pension (DSP), which I read about in the 8 August edition of the Southern Gazette. I am pleased that you have requested that The Hon Dr Stone conduct an immediate investigation into the matter, as I believe that the whole Centrelink system requires an overhaul. I would like you to know that the treatment of Matthew is despicable but, unfortunately, not an isolated incident. I have also had a difficult time with Centrelink.

In February of this year, I was diagnosed with a highly aggressive, incurable brain tumour, a grade IV glioblastoma multiforme. At 30 years of age, this tumour is rare and highly malignant. After surgery, I was faced with months of treatment, including radiotherapy and chemotherapy, all of which has left me with headaches, dizzy spells, an inability to concentrate, eyestrain, extreme tiredness and lethargy. I am also no longer able to drive as I am under constant threat of an epileptic seizure.

I contacted Centrelink for assistance and was informed that I was not eligible for the DSP, but may be entitled to a Newstart incapacitated allowance. I followed all of their procedures, but told them I could not go into the Victoria Park office as I was recovering from major brain surgery and suffered all the symptoms I listed above. They assured me that I would not be required to have an in-person assessment and that it could be conducted over the phone. However, I was then asked to go in to the office to sign all of the paper work and to complete a follow up interview. They would not concede that I was too unwell to leave home and assured me that by setting up an appointment time, I would not have to wait long. I waited for almost one hour. I could barely sit up in the waiting area and my father was so worried that he begged me to let him take me home and forfeit my application. I was offered a weak apology and then told that they were unaware of my medical condition. This was odd as I had disclosed my condition over the phone three times as well as in my application. I was then told that I would have to go into the office fortnightly to lodge my claim form. I told them again that this was impossible for me to do and after much argument they agreed to let me lodge it every 3 months as long as I provided them with a medical certificate saying that I was still sick.

My problems with Centrelink escalated from there, with letters threatening to recover payments as I had not lodged my fortnightly forms. When I rang to query this, they insisted that I still had to lodge fortnightly as I didn’t have a medical certificate, which was untrue. After 2 months of receiving the allowance, I was told to go for a work capacity assessment. I again argued that I had a medical certificate, but they insisted and threat-
en to stop my payments and recover previous payments if I did not go. I went. The work capacity assessor was surprised by the severity of my condition and that I had been requested to be assessed and told me that she would state in her report that I was unfit for work for at least 6-12 months.

Approximately two weeks later I was told that an appointment had been made for me with Centrelink to create a resume for me, go through possible job options and to enrol me on the jobsearch network. I was appalled and contacted Centrelink to inform them that I would not be attending the interview as I had a medical certificate and was not able to work. However, I also have two degrees in psychology and am due to complete a Masters in Psychology at the end of this year, so I do not need assistance in finding possible job options. I was so distraught with how I was treated and the amount of stress that they caused me that I felt that I was close to a breakdown. I was already under immense stress from dealing with my condition, the treatment and facing my mortality. I finally broke down in my oncologist’s office and the hospital’s welfare officer was called in to assist me. I was then told that I should be entitled to the DSP as my condition was permanent and incurable, so they began the paperwork to apply for the DSP. With the assistance of the welfare officer, I received it.

However, my problems didn’t end there. The final straw came less than a month after I started receiving DSP payments. I was told that another interview had been made for me with Centrelink and that if I did not attend I would forfeit my pension and they would commence action to retrieve all of my payments. I rang Centrelink up again and was informed that I had to attend the interview under the new laws, which came into effect on 1 July this year. My interview was scheduled for 26 June and I argued that the laws weren’t in effect yet and that I had a treating Doctor’s report, but to no avail. In tears, I again contacted the welfare officer, who managed to sort the matter out and the interview was cancelled ...

I believe that the whole system is in desperate need for an overhaul. I can appreciate and understand that a small minority of people have defrauded the system resulting in measures being put into the place to ensure that recipients of allowances and payments are genuine. However, it is indicative of serious problems or flaws in a system when genuine applicants, like Matthew, are passed over because of generic and generalised assessment methods that do not take into account individual circumstances or needs. If I had a dollar for every time one of Centrelink’s staff members told me that it was a computer generated letter or form and out of their control, I wouldn’t need the DSP as I would be quite comfortably well-off. I know that there must be procedures and protocols in place in order to ensure that there is a fair system across the board, but there must also be a way of recognising applicants and recipients as more than just a reference number. Therefore, I again applaud your actions and encourage you to persist in fighting for your constituents rights. I hope your actions and the media attention that Matthew has received will not only benefit him, but others like us.

(Time expired)

Electorate of Barker: Higher Education

Mr SECKER (Barker) (7.35 pm)—Mr Speaker, I rise tonight to raise an issue that I know is very close to your heart, as well as mine. It is an issue of great importance to many farmers in my electorate of Barker. It is due to concerns for students in electorates like ours that I raise this issue. If these students wish to study at university, they have the extra costs of accommodation and travelling.

Recently I have received a number of letters from various constituents relating to their children’s desire to study at a tertiary level and the financial barriers they are forced to consider in making their decisions. This has certainly been an ongoing issue for some time and one which affects many of the youth of Barker. I acknowledge that, since my election to parliament, this government has made considerable changes to the Youth Allowance scheme, but I stand here this evening asking this government to give the rural youth of Australia a fair go in undertaking
tertiary studies, and let us make some further changes to really make a difference. Whilst these children find a desire to better themselves and their skills to become skilled citizens of this nation, unfortunately a lot of them do not have the resources to even contemplate such a dream.

In a rural electorate as large as Barker some students need to go to a tertiary institution in the nearest capital or regional city, often located a considerable distance from their home town, forcing them to leave their family home and stay at a residential college, board or face setting up their own accommodation at an extra cost to their family. Unfortunately, many country families cannot fund such costs on top of the cost of education and we have many fine students who cannot even consider attending further tertiary education. We certainly cannot expect families to take out loans or extend their mortgages just to educate our future leaders.

With the current costs of university courses, one cannot even consider how much it would cost a rural student in total to move to a new town, set up a place to stay whilst studying and fund an education course. Whilst the government provides the youth allowance, we need to ensure that we are considering our rural youth and that the means test and qualifying periods ensure we are encouraging the rural youth of Australia to continue to study and not making it an extremely expensive and difficult exercise for them as compared to students from city based families.

Were changes to be made to the Youth Allowance program, allowing more rural students to study, we may actually be able to encourage these graduates to then return to rural Australia with their skills and encourage the next generation of this nation to undertake further study. I remember seeing a study some time ago which showed that doctors who came from rural areas were at least a 50 per cent chance of returning to a rural area, but if they came from the city, the chances were only one in 20, or about five per cent, that they would move to the country. So there is certainly a greater chance of a rural student coming back to a rural area and serving those areas that they often grew up in.

I would certainly like to see the government allow any student who needs to travel more than 100 kilometres from their home—which takes in most of my electorate, I might add—to undertake tertiary study to immediately qualify for full youth allowance or residential rent assistance under the exceptional circumstances determination. For example, students from the city of Mount Gambier, with 25,000 people, have to travel 450 kilometres to attend a university in either Melbourne or Adelaide. In the Riverland, students travel between 200 and 300 kilometres to attend university. For students from my hometown of Keith it would be 250 kilometres and from Naracoorte it would be 350 kilometres. I would certainly like to see the family means test relaxed by the genuine cost of a student living away from home for that calendar year. Conservatively this would be around $10,000. I believe that with these two changes in place we would really be assisting rural youth to become the best they can be without the extra financial burdens they face, as opposed to their city classmates.

Death Penalty

Ms ROXON (Gellibrand) (7.40 pm)—I want to take this opportunity in the adjournment debate tonight to speak about the death penalty, an issue on which a number of members in this House had hoped to move a joint motion. Unfortunately, the opportunity for doing that to mark the 15th anniversary of the Second Optional Protocol to the International Covenant on Civil and Political Rights.
Rights, aiming at the abolition of the death penalty, passed while we were not sitting. I want to read into the Hansard the motion that is supported across the House. It was seconded by the member for Cook, Bruce Baird—and I am pleased that he is able to be here tonight—and co-signed by a number of my colleagues: Peter Andren, the member for Calare; Tony Burke, the member for Watson; Duncan Kerr, the member for Denison, who I believe is going to speak on the matter as well; Carmen Lawrence, the member for Fremantle; Tanya Plibersek, the member for Sydney; and Robert McClelland, the member for Barton. Although not signed by them, I know it was supported by the member for Fraser, Bob McMullan, and the member for Brisbane, Arch Bevis.

This makes up the core of a group of people who have formed the Cross-Party Parliamentary Working Group Against the Death Penalty. The group is co-chaired by Tony Burke, the member for Watson, Senator Gary Humphries and Senator Natasha Stott Despoja. Members include Laurie Ferguson, the member for Reid, and Senator Claire Moore. A number of others have also indicated an interest in being actively involved in this group.

We formed this group to voice our opposition to the death penalty. Of course, here in Australia the death penalty no longer exists. But we want to be able to advocate our position in the broader region. We see as our ultimate goal the abolition of the death penalty altogether, irrespective of which country you are in or the crime that has been committed. I would like to read the motion that we wanted to put before the House. It read:

That this House:

(1) notes that 11 July 2006 marks the 15th anniversary of the entry into force of the United Nations’ Second Optional Protocol to the International Covenant on Civil and Political Rights aiming at the abolition of the death penalty;

I might note, just as an aside, that this came into force on 11 July 1991, 15 years ago, but we still do have many countries around the world—71, in fact—that retain and use the death penalty. The protocol prohibits ratifying countries from executing anyone and prohibits the reintroduction of the death penalty by signatories. The proposed motion went on to say that the House:

(2) notes that 57 countries have signed and ratified the Second Optional Protocol, including Australia;

(3) notes that, while Australia has ratified the Second Optional Protocol, this Parliament has not yet adopted the Protocol into domestic law;

(4) reaffirms its opposition to capital punishment; and—most importantly, I think, for the debate in this House and for us as a group—

(5) on a bipartisan level, calls for the Australian Government, this Parliament and the Parliaments of the States and Territories to work together to adopt the Second Optional Protocol into domestic law with binding force over the Commonwealth, the States and all the Territories.

As I say, we were hoping we would be able to debate this in another form. I am not going to be so bold as to put words into the mouths of other members who will not be able to speak, but that motion was an agreed text between all of us, and I think it is fair to say that very strong views are held amongst this group and more broadly amongst our parliamentary colleagues. It is probably not an issue that people always think about a lot, because we are not confronted with it on a daily basis here in Australia. But, of course, many of us have recently experienced this debate. Only last year an Australian was executed in Singapore and other Australians are charged with offences for which the death
penalty applies in a range of neighbouring countries as we speak.

If we look beyond Australia’s circumstances, the fact that 71 countries still retain and use the death penalty is quite staggering. During 2005 at least 2,148 people were executed in 22 countries and more than double—5,186 people—were sentenced to death in 53 countries. These figures are according to Amnesty International’s research. While the total figure for those currently condemned to death and awaiting execution is difficult to access, human rights researcher Mark Warren has estimated the number at between 19,000 and 24,000.

This is a very serious problem and not one that can be dealt with adequately in the five minutes that I have to speak tonight. I would like to refer colleagues to a paper that has just recently been released by the Lowy Institute called *Capital punishment and Australian foreign policy*, which is an interesting perspective on this debate and might be useful in furthering people’s understanding of the issue. *(Time expired)*

**Death Penalty**

**Cook Electorate: Bundeena**

Mr BAIRD (Cook) *(7.45 pm)*—I support the member for Gellibrand in her statement to the House on the death penalty, and I want to say that this is a bipartisan committee. It has been formed within the parliament to express our concern at the widespread use of capital punishment as a deterrent to those who commit significant offences. Despite the circumstances which surrounded the death of Van Nguyen in Singapore, we still experience the problems of the imposition of the death penalty.

We have many reminders that the death penalty continues to apply in our neighbourhood. We are faced with constant examples in Indonesia of the death penalty being applied to Australians there who have been accused of various crimes, particularly drug trafficking. In the case of the Bali nine, two of them are facing the death penalty. This is a very important motion. Those of us on the coalition benches who support this motion ask members to consider the implications of the death penalty for our region, to see that we ensure we do not see the re-emergence in any of our states of the death penalty, and to continue to encourage our Asian neighbours to use other forms of punishment.

Tonight I want to speak in particular about developments at Bundeena. Bundeena is a unique site in my electorate. It comprises an artists’ colony. It is a unique environmental centre—a unique village that has changed very little in the past 50 years. It adjoins a national park and it has a population of 2,000 people. In many ways it is an environmentalist’s paradise. It has rock carvings by the Indigenous people who were there and it presents a wonderful vista across Port Hacking. That it adjoins a national park—one of the first national parks declared in Australian history; in fact, it was one of the first in the world—is the reason why we should take great care over the planning requirements that apply in Bundeena.

We have had several examples. The first is the Uniting Church site, which was divided into small housing sites despite the objections of local residents. The second is the question of the old corner store. The site was heritage listed, and one night it mysteriously burned down. There is now a proposal to put up a rather unattractive group of houses and home units there. As one of the local councillors said, ‘Instead of saying welcome to one of the unique villages in the Australian community, we have got a building which says Hello Rockdale.’ Not that there is anything wrong with Rockdale, but Bundeena is a unique environmental area. We want to see this area preserved and appropriate planning measures applied. I encourage Frank Sartor,
as the Minister for Planning in the New South Wales government, to develop a special code that relates to Bundeena, recognising its unique nature.

The final point I want to draw to the House’s attention tonight is the doctor shortage in Bundeena. Its physical isolation has been a great asset, but it is also the cause of disadvantage. It is short of doctors. I have been in touch with the federal Department of Health and Ageing in relation to this problem. I am very pleased to say that the department has agreed to classify Bundeena and Maianbar as a district of workforce shortage, which means that the Australian government would offer financial incentives to doctors to locate their practices in the area and that overseas trained and even overseas based doctors could be recruited to meet the doctor shortage. This is a win for Bundeena. I am really pleased that we have started to address this issue.

However, it still leaves Bundeena with 3,000 people to one part-time GP. An acceptable ratio is considered to be 700 people to one full-time doctor. I urge the New South Wales health department to classify Bundeena as an area of need to help relieve the chronic shortage of medical services. It is a unique area, a wonderful site and an environmental paradise; it needs appropriate services. (Time expired)

**Death Penalty**

Mr KERR (Denison) (7.50 pm)—I congratulate the member for Gellibrand and the member for Cook for their fine advocacy inside this House, and outside of it, against the utilisation of the death penalty. It was a remarkable act of international statesmanship when the Second Optional Protocol to the International Covenant on Civil and Political Rights, aiming at the abolition of the death penalty, was brought into force. It is a unique international instrument because it not only obliges those who become party to it to abolish the death penalty within their own territories but they also each sign up to the obligation to persuade other nations to act consistently with those objectives.

In the spirit of bipartisanship, I acknowledge the work that our Minister for Foreign Affairs has undertaken in that regard. He and his predecessors have very strongly advocated against the utilisation of the death penalty in all circumstances. When I say in all circumstances, it behoves us all in this parliament to recognise that this is an extraordinarily difficult and passionate area of debate, and there will be circumstances, such as the Bali bombings, in which intemperate remarks of understanding and perhaps even vengeance in relation to the death penalty may be expressed. But, if they are expressed, particularly by our leaders, they are readily seized on by those in other countries who say that we are seeking to oppose the death penalty only when it applies to Australian nationals and that we wish to act in a discriminatory and arbitrary way. That cannot be an effective framework, either for the interests of Australians who may find themselves subject to the potentiality of the death penalty or for the advocacy of its abolition across the board.

I will say something very specifically about arrangements that have become more contentious—the exchange of policing information. Some time ago, this parliament passed an act which made it plain that, once a person becomes subject to charge, law enforcement cooperation can only be facilitated under legislation which makes it obligatory not to provide that assistance unless an undertaking is provided by the government of the country in which the person is that, if the person is proceeded against, the death penalty will not be applied or, if it is imposed, it will be the subject of an act of clemency.
However, it has become very contentious in the preceding period, and I believe in a most unintended way. I believe I am very competent to speak about the fact that it was unintended, because I was in fact the minister who introduced the mutual assistance legislation imposing the prohibition on the provision of assistance in death penalty cases. What we did provide was that, where pre-arrest information exchange was occurring between police, assistance could be provided irrespective of whether there might be a later charge involving the death penalty. However, that was intended to be facilitative, not mandatory. It was meant to be facilitative because, on advice from the police, we recognised that there may be some, hopefully quite rare, circumstances where the cost to the lives of others and the communities involved may be so much greater if that assistance were not provided. A simple example might be that we have come into information that a bomb is going to be placed on a plane within China. We know that if that information is passed on and an arrest is made the likely outcome will be that the person undertaking that conduct will be subject to the death penalty and shot. But to fail to pass that information on would be completely irresponsible. So it is facilitative that the information could be passed on.

However, surely it cannot be the case, as is being proposed, that in all circumstances common sense flies out the window and we do not exercise judgement regarding circumstances in which assistance will be provided. Take, for example, the circumstances in Iran where a 16-year-old girl has been hanged for the offence of having sex with a person when she was not married. There are many countries which have the death penalty for offences that even the most draconian of lawmakers here would not recognise as appropriate, and for our police to say repeatedly and for our ministers to repeat that they are obliged in all instances to pass on information without any regard to the consequences to those who might be affected by it is simply shutting their eyes to the real consequences of that conduct. (Time expired)

**Darwin All Stars**

**Mr TOLLNER** (Solomon) (7.55 pm)— The Darwin Basketball Association has been invited to send its Darwin All Stars team to the prestigious 6th Shell Rimula Brunei Cup international men’s basketball tournament that will be held in Darussalam in Brunei this year from Saturday, 19 August to Sunday, 27 August to celebrate the 60th birthday of His Majesty, the Sultan of Brunei. The Darwin team will play five games against other participating teams, such as professional club teams from South Korea and the Philippines, as well as all-star teams from the Kingdom of Jordan, the Kingdom of Saudi Arabi and the Philippines. From those results, the top four teams will then go on to play in the semifinals and so on.

This is the first time that a team from outside the Asian zone of FIBA, which is the world basketball body, has been invited to the tournament. The Darwin All Stars will be representing not only Darwin and the Northern Territory but also Australia as a whole. The tournament is principally sponsored by Brunei Shell and is supported by Brunei’s Ministry of Culture, Youth and Sports. The teams will be competing for a total prize pool of over $30,000 in cash plus many other prizes. The board of the Darwin Basketball Association, led by President John Sealy, has been instrumental in seeking and acquiring opportunities such as this one for the association’s senior teams. Other board members who are very deserving of congratulations include Maisie Austin, Ian Charman, Dale Geer, Grant Matthews, Gary Shipway and Errol Thorne.
This will be the strongest team ever to represent Darwin in a basketball competition. The team will consist of 12 players, of whom seven are local Darwin products. These players include Michael Maclean—an all-round elite sportsman, who is the captain of the side—Danny Miller, Kevin Roe, Travis Ellis, Matthew Rugendyke, Jacob Fogolyan and Blake Truslove, who is currently in New Zealand playing with the New Zealand Breakers in the National Basketball League. These fellows are the cream of Territory basketball, and they have been training extremely hard over the last couple of months. They are acutely aware that this competition will be tough and that they are carrying the hope and expectation of thousands of Territory basketball fans.

The other squad members invited to join the Darwin All Stars include Marcus Ch’ng and Shane Davis, who have both played for Queensland in numerous national championships, and Dallas Jeffries, Cadale Threatt and Toby Zaremba, who have all played in the National Basketball League. The officials travelling with the team include the head coach, Don Sheppard; the team manager, Clint Kononen; the sports trainer, Bernie Devine; and the head of the delegation and Executive Officer of Darwin Basketball Association, the tireless worker Rod McGrath.

We were lucky to have obtained a coach of the calibre of Don Sheppard. Mr Sheppard has been named national and state ABA Coach of the Year a remarkable seven times over his career. He has also received the Australian Sports Medallion for his services in basketball, presented to him by the Queen’s Governor-General in 2000. Mr Sheppard has coached the likes of Luc Longley, who won three NBA championships and played alongside Michael Jordan, and also Michelle Timms, who represented Australia in the Olympics for many years. We are excited to have him developing our up-and-coming players.

This tournament in Brunei will be an excellent opportunity to promote Darwin, the Northern Territory and, of course, Australia. I would like to pass on my very best wishes to the players and officials and also to congratulate the board of the Darwin Basketball Association for supporting this initiative into South-East Asia. Obviously it is rare for those coming from Darwin to have this opportunity.

The SPEAKER—Order! It being 8 pm, the debate is interrupted.

House adjourned at 8.00 pm

NOTICES

The following notice was given:

Mr Melham to move:

That the House:

(1) note:

(a) the report by independent experts for the United Nations Human Rights Commission that calls for the immediate closure of the United States military’s Guantanamo Bay detention centre;

(b) that United Nations Secretary-General, Kofi Annan, has strongly supported the call for the immediate closure of the Guantanamo Bay detention facility;

(c) that the United Nations investigators held the view that the legal regime applied to the persons detained at Guantanamo Bay seriously undermines the rule of law and a number of fundamental, universally recognised human rights;

(d) that numerous eminent international and Australian lawyers, including former High Court judge, Mary Gaudron, have expressed the view that the United States Military Commission processes applied to Guantanamo Bay detainees is fundamentally flawed and contrary to the rule of law and the right to a fair trial; and
(e) the decision of the United States Supreme Court in July 2006 that the United States Military Commission process was illegal and that the treatment of prisoners held at Guantanamo Bay has been in violation of the Geneva Conventions;

(f) that an Australian citizen, Mr David Hicks, has now been detained at Guantanamo Bay without trial for more than four-and-a-half years; and

(2) call on the Australian Government to:

(a) repudiate its support for Mr Hicks’ detention at Guantanamo Bay and prospective trial by a reconstituted United States Military Commission;

(b) take all necessary measures to ensure that Mr Hicks is dealt with according to internationally recognised standards of justice, most importantly the right to a fair trial; and in the absence of such a process, insist that the United States Government agree to the immediate return of Mr Hicks to Australia; and

(c) support the United Nations Secretary-General’s call for the immediate closure of the Guantanamo Bay detention centre.
The DEPUTY SPEAKER (Mr Jenkins) took the chair at 9.42 am.

STATEMENTS BY MEMBERS

The Hon. Eric Bedford MP

Mrs IRWIN (Fowler) (9.42 am)—July this year saw the passing of a great Labor figure from Western Sydney. Eric Bedford was a member of the New South Wales parliament for the electorates of Fairfield from 1968 to 1981 and Cabramatta until his retirement in 1985. Eric belonged to a generation of Labor politicians who left their mark on Western Sydney, the state of New South Wales and definitely our nation.

Eric was born at Concord and attended Fort Street High School before studying at Sydney Teachers College and embarking on a teaching career in country areas. He took an arts degree through external study and returned to teach at Liverpool Boys High School and later Bankstown Girls High School. While at Liverpool boys high Eric met Gough Whitlam and inquired about rejoining the Labor Party, which he had been a member of since his youth. That was an era when teachers lived close to their local schools, and Eric was one of a number who became leaders in their local communities and distinguished themselves in local government and the school system.

Eric served as Gough Whitlam’s campaign director at the 1966 election, and Gough persuaded Eric to stand for state parliament in the seat of Fairfield, which was vacant as a result of a redistribution. In 1976 Eric was appointed Minister for Education in the first Wran government. Eric fought the education department bureaucracy to introduce Labor policy to establish an education commission, to give teachers and parents a roll in administration.

Eric employed more teachers and made reductions to class sizes, introduced programs for children with learning difficulties and multicultural education, including expansion of community languages. Eric is remembered in the local Croatian community for introducing a high school certificate course in Croatian long before Croatia became independent. Eric mended fences for the Teachers Federation and is remembered by many teachers today as ‘Eric the good’.

As environment minister, Eric Bedford fought to protect remaining rainforests in New South Wales. Many fine areas are now preserved for future generations thanks to the commitment of Eric Bedford. Eric’s retirement years were marked with sadness due to the death of two of his beloved adult daughters and that gave Eric and his wife, Jo, a special task as grandparents. On behalf of the people of Fowler may I extend condolences to Jo and daughter Judy and especially to the grandchildren. Our community, our state and our nation are the poorer for the loss of Eric Bedford.

Battle of Long Tan

Mr HARTSUYKER (Cowper) (9.45 am)—I take this opportunity to mark the forthcoming anniversary of the Battle of Long Tan and to note the contribution of Australian troops in the Vietnam War. Friday is the 40th anniversary of the Battle of Long Tan and, although the facts are well known, they bear repeating here.
On the afternoon of 18 August 1966, 108 men of D Company 6th Battalion RAR, including three New Zealand artillery observers, were on patrol in a rubber plantation outside the 1st Australian Task Force based at Nui Dat. Advancing towards the base was a combined North Vietnamese Army and Vietcong force. Estimates of the size of this force range from 1,500 to 2,500. The engagement, against an apparently overwhelming enemy, began and for the next three hours it continued in rain and darkness. D Company fought off repeated attacks from the mainly Vietcong irregulars, supported by machine gun fire and mortar fire. Artillery support for D Company was called in and Australian helicopter crews risked their lives to fly in ammunition. The men of D Company were effectively on their own but held their ground. After three hours—and I am sure it felt like a lifetime for those who were fighting for their lives—reinforcements arrived. Seventeen men of D Company died and one from the 1st Armoured Personnel Carrier Squadron. More than 20 were wounded.

These were, of course, not the only casualties suffered in the Vietnam War, but Long Tan was the first costly battle for Australians in that conflict. It is remarkable, and a tribute to the skill and determination and bravery of those troops, that, despite being outnumbered by some 15 to one, they held out and we can count Long Tan as a victory.

As I say, Long Tan was not the only battle in which Australians fought and the men of D Company were not the only casualties, but 18 August has become the day on which we acknowledge the service of all Vietnam veterans. I wish to commend my ex-services community for their tireless efforts to ensure that the courage and sacrifice of our servicemen and women are remembered. It is through their efforts that we see so many people, most of whom have not experienced the horror of war, attending commemorations around the country not only on Anzac Day but throughout a host of other days which are significant on the military calendar.

I would like to particularly note the Nambucca RSL subbranch and the Coffs Harbour and District Association of Vietnam and South-East Asian Veterans and the Locating Artillery Association of Coffs Harbour which are conducting functions to commemorate Long Tan Day, which I will be attending on 18 August. On 18 August we should turn our thoughts to the bravery and sacrifice of those we asked to serve in Vietnam on our behalf.

**Child Support**

**Mr GEORGANAS** (Hindmarsh) (9.48 am)—I rise to speak in support of the tens of thousands of Australians who give primary care to their grandchildren without the acknowledgment or support that accompanies formal custody arrangements. It is acknowledged that grandparents have in the recent past made up almost 80 per cent of all relative carers. The majority of these families whose households within which children are cared for by the grandparents have been formally acknowledged by Australian governments through the involvement of the statutory care and protection system, whether that be the Family Court or the youth court. Sometimes the role of these grandparents is recognised by the states and federal governments but this is not always the case.

In mid-2003 there were more than 22,000 Australian children who were living with their grandparents outside of the statutory care and protection system. We are looking at families that are very similar to those with formal custody arrangements in terms of their needs, be they the needs of the children or the grandparents who are providing them with care. But due to circumstances they lack the official recognition received by the families whose arrangements have been noted by a court. Consequently, in caring for their grandchildren these carers...
encounter problems for which they receive no credit—costs to which they are entitled, no assistance, and barriers over which they receive no help.

Grandparents lack the access to financial assistance in the form of the health care card, family tax benefit, pensions, youth payments and carer payments and allowances. Childcare benefits and the like are similarly problematic. Those services and income support could help them in their parenting role. How will grandparents who have not been in receipt of the mature age allowance, which is no longer available to new applicants, be able to satisfy job-seeking responsibilities while caring for a child without support? It is quite a worry, quite frankly, to think that people in their late 50s, early 60s or older who may have come towards the end of their working life are facing the requirement of the government to continue to walk the streets looking for any job, irrespective of their chances, probably after many years of having parenting responsibilities and the necessities of the family home—cooking and encouraging sporting activities and academic advancement—potentially for multiple children.

Australian community and disability services ministers met in Brisbane for a conference in July this year to discuss a range of issues pertaining to families, people with disabilities and the provision of children’s services and child protection. The South Australian Minister for Families and Communities, Jay Weatherill, recommended that, in pursuit of rectifying the lack of support made available to grandparents caring for their grandchildren, all jurisdictions review the legislation, policy and eligibility criteria that currently prevent grandparents who informally care for their grandchildren from accessing services and income support. It was a terrific outcome—a unanimous decision in support of the grandparents being recognised for their caregiver role. I would like to congratulate the minister, Jay Weatherill, on concentrating the nation’s attention on this area of concern and on satisfactorily, it seems, overcoming any resistance or apathy from all Australian governments and working to overcome the limitations that have been penalising many thousands of grandparents and grandchildren for many years.

Middle East

Mr LINDSAY (Herbert) (9.51 am)—I think it is time for a bit of plain speaking about what is going on in the Middle East at the moment, and particularly in relation to the conflict in Israel and its neighbours, Palestine and Lebanon. On the weekend I saw some rallies in Australia and I saw some people who were supporting the Lebanese make some very provocative comments in relation to Israel, indicating that Israel was the culprit and Israel should be condemned. Israel has been trying to live peacefully in the Middle East for a long time now and the world had a bit of hope that perhaps things were getting better, with Israel withdrawing from Gaza and the temperature coming down a bit on the border with Lebanon. Then we saw Hamas move to kidnap a soldier in Israel and we saw the resultant reaction to that by Israel. At the same time, we saw Hezbollah in Lebanon kidnap two Israelis.

The plain fact of the matter is—and I say this to those who were at the demonstration—if these kidnappings did not happen, we would still have peace in the Middle East. They do not seem to understand that. What they have got to understand is that, instead of criticising Israel for something beyond its control, what they should be saying is that all members of moderate Islam should rise up and utterly condemn the terrorist and fanatical element of Islam—which is not Islam. In the many Islamic countries in the world, all of the good, moderate people should be making very public statements utterly rejecting what is going on in the world.
If that happens, there may just be some hope that we will not see these attempted terrorist bombings of aeroplanes, this mass murder in the United Kingdom, for example. We will not see what has been going on with Iran and Syria controlling Hamas and Hezbollah. We will not see that, and perhaps the world can be a safer place. I really do ask the good people of Islam: look at the Koran. Look at it and understand and know it does not preach these sorts of things. It does not preach the hatred that exists in the Middle East at the moment. We have to do something about that and I ask all Islamic people around the world to rise up against the fanatics who are operating at the moment.

Westfields Sports High School

Mr BOWEN (Prospect) (9.54 am)—Last week I was saddened to learn that Mr Phil Tucker had announced his retirement as Principal of Westfield Sports High School. Westfield, which is in my electorate, is the first sports high school in Australia and it is, frankly, one of the best schools in Australia. It was Phil Tucker’s idea to set up a sports high school and he has led it for many years. Westfields Sports High School is recognised internationally as being world’s best practice. In fact, delegations from the following nations have visited Westfields Sports High School to learn about how they operate: Singapore, Malaysia, Indonesia and India. Those nations have set up schools based on the Westfields model. As well, the school has had visitors from the USA, Croatia, the Netherlands and Denmark to see how it operates.

As I said, Westfields Sports High is one of the best schools in Australia, either public or private. It is the best school in New South Wales officially in softball, netball, rugby union, basketball, athletics and cricket. To see this, all you have to do is visit Westfields Sports High and see their hall of fame where every Westfields Sports High student who has ever represented Australia has their photo on the wall—and there are about 100 across the range of sports. Just in the recent soccer world cup, four members of Australia’s team were students from one high school—Westfields Sports High School in my electorate. This included Harry Kewell, with whom I had a very happy childhood, growing up in the same street. We used to play soccer in our cul-de-sac and I am sure the House will be shocked to learn he always used to beat me.

Mr Wood—Name dropper.

Mr BOWEN—What is interesting about Westfields Sports High School is that their achievements are not just in sport; their achievements have flowed over into other areas. Before Mr Tucker took over Westfields, it is fair to say that their academic achievement was below the state average; now it is way above the state average. There is a feeling of excellence about Westfields Sports High when you walk in. The excellence on the sporting field means that their students have been motivated to achieve excellence academically and in the performing arts.

Not just this but also there is a great feeling of community spirit at Westfields Sports High. Under Phil Tucker’s leadership, a public school in Western Sydney raised through their own fundraising $1.5 million for public works, including a world-class gymnasium and a world-class sports medical centre. I recently took John Coates, the President of the Australian Olympic Committee, and Michael Knight, the former Minister for the Olympics, to Westfields to see what work they were doing to contribute to Australia’s Olympic success. Both of those men were very impressed. I wish Phil Tucker all the very best for his retirement.
The DEPUTY SPEAKER (Mr Jenkins)—Whilst the chair is of course neutral on contributions by members, I note that the honourable member for Prospect did not claim to have taught Harry Kewell everything he knows about football.

Coonara Community School

Mr WOOD (La Trobe) (9.57 am)—I rise to discuss education in my electorate of La Trobe. I believe that, as far as education is concerned, choice is paramount. One of the unique things about La Trobe, and particularly the hills area, is the strong tradition of home schooling. I recently visited the Coonara Community School in Upper Ferntree Gully. The school has an enrolment of only 20 students and has retained strong links with its home schooling beginnings over 30 years. There is a strong sense of community at Coonara Community School. Enrolments require significant commitment from parents, who are expected to volunteer half a day a week. This can also involve anything from assisting in the classroom or taking school excursions.

The occasion of my visit to the school was the opening of its new capital works, new administration area, new classroom and new amenity facilities. This $285,000 project was jointly funded by the Australian government and the local community. The Australian government was able to contribute $185,000 under the capital grants program. The local community raised the other $110,000. Such a large contribution from a small school is an amazing effort. It shows that the school has put down deep roots in the local community. The Coonara Community School does not receive preferential treatment; it receives per capita state and federal government funding on the same basis as other private schools.

I would particularly like to applaud the great work of the Head of Teachers, Ms Tracey Hallam, and the Directors of Coonara school, Mr Garry Maisey, Ms Rhonda Yates, Mrs Kerri Filgate and Mr Jason Hall. The Coonara Community School has tailored student by student approaches and provides a wonderful education resource outside the traditional state and private school systems. The school continues to produce balanced, independent young people ready for their passage into secondary school and adulthood. The Coonara Community School is an example of why choice in education is so important.

I would also like to thank the students whom I met on the day. They were very warm. They also embraced the Australian anthem, which I thought was absolutely fantastic. On behalf of the Australian government, I was able to provide the school with a new flag—something the children will absolutely cherish, which I believe is vitally important. I congratulate our government on making flags and flag poles available in schools, as has occurred at the Coonara school before. In closing, I would like to congratulate all of those from the Coonara Community School. They have done a fantastic job. I say to them: well done.

Liquefied Petroleum Gas

Ms LIVERMORE (Capricornia) (10.00 am)—Judging from phone calls to my office and from local talkback radio this morning, there are two topics in town: the state election in Queensland, and the Prime Minister’s announcement the other day of the rebates for LPG conversion. It seems that his announcement of those rebates has really raised more questions than it has answered. We saw an example of that in question time yesterday, when the member for Throsby brought to the attention of the House a letter that she had received from the Special Minister of State. She had made inquiries about the fitting of LPG tanks to the govern-
ment fleet and the minister’s letter back to her really scotched the idea. In the letter he said that LPG was not necessarily available right across the country and that consideration needed to be given to factors such as the fact that you need to be driving over 50,000 kilometres a year to make the conversion worthwhile and to get the full benefit of the efficiencies from that conversion.

These sorts of problems are consistent with information that I have received from the installer of LPG tanks in Rockhampton. I had a quick talk to him yesterday, in between his trying to call the supplier down in Brisbane to get hold of some tanks. He said he had been on the phone all morning trying to get through because things had gone crazy. He is worried that he will not be able to meet the demand resulting from the government’s announcement.

He was very concerned that consumers could be ripped off in this new scheme—that people would be coming forward to get their cars converted to LPG without really knowing the pros and cons. Of course, Pat Sullivan is a very scrupulous businessman. He has been in business for many years in Rockhampton, and his concern was really for consumers. He was worried that people would be coming forward with older cars and making the investment in LPG conversion without fully understanding the pros and cons of the decision they were making, and that unscrupulous operators could very easily take the money and leave people with what is going to be a pretty bad investment for them.

The government needs to be very careful and match its promise the other day with very substantial consumer information so that people can make a properly informed decision about converting their cars. They should not just see the $2,000 rebate as an opportunity to rush off and get this done when it may not actually be in their best interests if they have an older vehicle.

We have also seen other examples. In the Australian today there is criticism of the policy. It really is policy on the run, whereas the Labor Party’s blueprint on fuels sets out a comprehensive plan for an Australian fuels industry. (Time expired)

**Immigration**

**Mr KEENAN** (Stirling) (10.03 am)—We have a proud history in my electorate of Stirling of welcoming into our local community migrants from more than 200 countries, and working with them so that they integrate fully into our society. Every wave of migration is represented in Stirling, from the arrivals from southern Europe at the end of World War II through to Vietnamese migration in the aftermath of the Vietnam War, and most recently people who have secured places under Australia’s generous humanitarian program.

Many challenges lie ahead with the arrival of thousands of new families, many from Africa and the Middle East, who are choosing to settle in Stirling in the hope of a better life. We have to make sure that these new groups of migrants to Australia mirror the success of previous groups, who have contributed greatly to their adopted nation and who have all prospered as a result.

So it pleases me to say that I am now investigating with my local council, the City of Stirling, the possibility of securing Australian government funding to become our own settlement service provider, something that I believe is unique to any part of Australia. As the local provider, the city will be able to work with our local groups in accurately assessing where the areas of greatest need are and how we can ensure that our migrants and refugees are helped to
integrate into the local community. This will also build on the good work the city’s team has already done with its Mirrabooka revitalisation project. Mirrabooka is an area where many of these new families choose to settle and where the bulk of the service providers are located.

These new families in Stirling are also being helped to integrate into the community with more than $762,000 from the Commonwealth government recently being allocated to the Edmund Rice Centre and the metropolitan Migrant Resource Centre in Mirrabooka to bolster their local service programs. These centres do a remarkable job in making sure these families understand some of the basic concepts that most of us take for granted, like shopping in a supermarket, getting a driver’s licence, making a doctor’s appointment or even catching a bus.

One of the keys to future prosperity and local harmony is successful integration of new arrivals. I am proud that in Stirling we are working together to ensure that our new arrivals are provided with the tools they need to actively participate in the community and to take advantage of all the opportunities that Australian society can provide. It heartens me to know that, in Stirling, we have been able to work through any settlement issues in the past. I have every confidence that we can work through some of the future challenges that we face with our newest communities and that the latest wave of immigrants to call Australia home will be equally as successful as earlier arrivals.

Lyons Electorate: Cressy

Mr ADAMS (Lyons) (10.06 am)—I rise to speak about the Cressy troutification which occurred a year or so ago in my own town of Cressy where they took on trout as their mainstay to show the world that they were a very great fishing town. Of course, Brumby’s Creek runs just below the town. I grew up on two of the creeks that run into Brumby’s Creek. Brumby’s Creek, Mr Deputy Speaker, you would understand, is named after that bloke Brumby, who is actually related to me through the Hodgetts’. Even Mr Brumby, I think, who is a politician in Victoria and a Deputy Premier, is related to me through that. Brumby turned his horses out in New South Wales because there was no water and he was sick and tired of it and that created the brumbies, the wild horses. He actually came to Tasmania—that is where the Brumby family started—and I think it was very kind that they wanted to have that creek where there was plenty of water and he got over that terrible dry New South Wales.

Brumby’s Creek is a great creek. It is a fishing creek well known all over the world now and Cressy has latched on to it. Right in the middle of the town are the toilets which have been troutified with a very large trout—a big colourful trout on the stands outside, about the height of two men. On the wall of the toilet is a poem by an old poet, whom I have known for years, an old mate of mine, Tim Thorn, who has been a poet in the Launceston area for the last 30 or 40 years. Tim wrote a poem, which he mentioned me in. So I am actually on the toilet door. I could use other language but I am on the toilet door.

An opposition member—It is not handwritten.

An opposition member—Has it got a phone number?

Mr ADAMS—No, it is not hand written. It is written in a proper way and it adds to the town. The street names are written on a trout sign and each street has one. The school is very involved and the high school has got really involved in it. It has an expo. The expo runs over the whole weekend. This year I understand they have a trout which will be tagged and there will be a $10,000 prize if the trout is caught and you can produce the tag. So there will be a
lot of people fishing along that river and trying to catch that tagged trout and a lot of us will
be down along there enjoying this day. Of course, Tasmania, and the great electorate of Lyons,
is full of these sorts of days—I can think of St Patrick’s Day at Westbury and of the great
championship bike ride at Evandale in February, when the world championship penny far-
things take place—where thousands of people come to enjoy great festival days of Tasmania.

Somerville Secondary College

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and
Heritage) (10.09 am)—I rise today to talk about Somerville Secondary College. Somerville
Secondary College was established this year; it is a subcampus of Mount Erin Secondary Col-
lege. I want to take this opportunity, following the recent formal opening of the college, which
began its work and opened its doors at the beginning of the school year, to give my thanks and
congratulations to all of those involved in the creation of this new school for Somerville.

I want to note at the outset, though, that this is the beginning, not the end, because at pre-
sent there is a grave risk that the school will never be equipped with a year 11 and 12 capacity.
There is also a risk that it will not have the full and adequate grounds needed for the next 30,
50, 100 years. So I want to lay the foundations for the next phase in the campaign at Somer-
ville Secondary College. I will do more of that in a moment.

My first key point here is to congratulate all of those people involved in the establishment
of the Somerville campus at Mount Erin Secondary College—or, as it is known in shorthand,
Somerville Secondary College. People such as Bruce Buchan, Phil Brake and Fiona Prentice,
along with many others, had a long-term commitment to the creation of this school. The land
was for sale—I readily concede, under the previous state government and under the current
state government—and four years ago we, along with those people, waged an unremitting and
unrelenting campaign to ensure that the land was not sold and, secondly, to ensure that a
school would be built. One of the critical elements was the work of the Parliamentary Library
at the federal level, which helped with the demographics to show how many children would
come on stream in Somerville and surrounding districts. That work was carried forward by the
people I have mentioned—Bruce Buchan, Phil Brake and Fiona Prentice—and so many oth-
ers. It was used as part of a campaign to demonstrate the need and as a way of delivering the
result. That result has manifested itself in a wonderful school, and I pay tribute to all of those
involved in the design and construction of the school.

This brings me to my second major point in going forward. The task now is to commit to
the establishment of a year 11 and 12 facility. There are strong rumours that such a facility
will never be built. The shortage of space which the school faces need not be a barrier. There
is land adjacent to the school, which the owners have kindly offered to the Victorian education
department. I urge the Victorian minister for education, Lynne Kosky, to take up that offer. I
commit to working towards a year 11 and 12 facility and full ovals, and I urge everybody else
to do that.

The DEPUTY SPEAKER (Mr Jenkins)—Order! In accordance with standing order 193
the time for members’ statements has concluded.
Debate resumed from 30 March, on motion by Mr Brough:

That this bill be now read a second time.

Ms PLIBERSEK (Sydney) (10.13 am)—Labor will be supporting the Social Security and Family Assistance Legislation Amendment (Miscellaneous Measures) Bill 2006. There is nothing particularly controversial in this omnibus bill. It makes a number of minor and technical amendments to various pieces of social security, family assistance and related legislation. The bill does not propose to introduce any significant new policy and the measures have little or no financial implications for the budget. The bill is intended to resolve anomalies, make technical corrections and refinements and to bring the legislation into line with established policy and practice. It makes changes in the areas of childcare benefit, social security arrangements for temporarily separated couples, income assessment for the low-income health care card and the definition of ‘homelessness’ for social security matters. It also repeals some redundant housing acts and makes various technical changes, many of which are necessitated by the commencement of the Legislative Instruments Act 2003. Consequently, as I said, Labor will be supporting the passage of this bill.

The bill makes various amendments to the A New Tax System (Family Assistance) Act 1999 in relation to the childcare benefit. The bill seeks to provide the minister with the power to determine a class of individuals who are taken to have recognised training or study commitments for the purposes of childcare benefit entitlement. Individuals who satisfy the work, training or study test may be eligible for childcare benefit for up to 50 hours per week. Currently the legislation specifies circumstances in which an individual has recognised work, study or training related commitments, and the current legislation also provides the minister with a discretionary power to determine that individuals in a specified class are taken to have work or work related commitments. However, there is currently no power for the minister to make a similar determination in relation to study or training commitments, so the bill will provide this power to the minister and should provide for a less restrictive administration of the study and training test in the calculation of entitlement for childcare benefit. We certainly believe that that is a positive step forward.

The bill will also serve to ensure that childcare benefit is not available for care provided by a schoolteacher as part of a compulsory education program. In general, schools and childcare providers should be considered to be separate entities. However, an increasing number of schools are offering programs which demand attendance outside school hours, and attendance at these programs is supervised by a teacher. This increasing trend necessitates the clarification that childcare benefit eligibility does not extend to parts of the compulsory education program.

The bill also provides that the departmental secretary has the power to determine that an approved childcare service is the sole provider in a particular area, should they be satisfied that the service is likely to close without such a determination. Currently that power rests with the minister and that can involve unnecessary bureaucratic complications. This change should...
lead to greater administrative efficiency and is more consistent with the role of the secretary in general with regard to childcare benefit eligibility under the family assistance act.

The final major amendment in relation to childcare benefit is that which limits the benefit available for care provided by a registered carer to the fee amount paid. It is currently possible for users of registered care to receive more childcare benefit—that is, more subsidy from the government—than the amount that they pay in childcare fees. That possibility will be removed by this amendment. That is another sensible change.

Another major change made in the bill is to amend the Social Security Act 1991 to include de facto couples in the definition of temporarily separated couples. Temporarily separated couples are eligible for a higher rate of certain supplementary social security and family payments. However, this eligibility is currently limited to legally married couples. Consistent with the treatment of de facto relationships in other areas of social security law, this amendment will ensure that de facto couples, like legally married couples, will benefit from eligibility to a higher rate of benefits such as rent assistance.

Perhaps the most important part of this bill for my purposes as the federal member for Sydney, however, is the part that amends the Social Security Act to include Lord Howe Island within the definition of ‘remote area’ for social security purposes. This will mean that the island’s residents will be eligible for payment of remote area allowance. Mr Deputy Speaker, I am not sure whether you have ever been to Lord Howe Island, but Lord Howe Island is a World Heritage listed island. It is extremely beautiful. In fact, there is probably no more beautiful place on the planet than Lord Howe Island. Because of its World Heritage listing, the sensitivity of the environment there and the fact that Lord Howe Island depends on tourism for the bulk of employment on the island, the employment status of individuals there can be quite precarious. Tourism on the island is limited to fewer than 400 beds on any given night, and of course in winter, when the winds blow, most of those tourist beds are not occupied. So there are times when people experience pretty straitened circumstances.

On top of that, because Lord Howe Island is hundreds of kilometres away from either Sydney or Port Macquarie, where supplies are likely to be obtained from, the cost of living on Lord Howe Island is much higher than it is in most other parts of New South Wales. The cost of groceries is very high; the cost of building materials is very high. Even the fact that things like clothing have to be bought by mail-order from the mainland in most circumstances means that the cost of living is very high, and this puts a lot of strain on people on fixed incomes.

There are also a number of other issues that Lord Howe Island faces because of its isolation, including the health services available to islanders and aged care services. People who live on Lord Howe Island want to stay on Lord Howe Island—and who could blame them? But as they age, the services available to them, including home and community care, are under enormous pressure. As is the case in most parts of Australia, there is an ageing population and limited resources to support that ageing population to stay in their own homes.

The young people on Lord Howe Island have the most idyllic lifestyle. They run to school in the morning in their bare feet and attend a fantastic little school, the Lord Howe Island Central School. But issues such as access to the internet and the breadth of their educational experience have to be taken into account, as is the case in any remote area community. The fact that the residents of Lord Howe Island seem to live in paradise does not help when they
are struggling to pay the bills, and it does not help when they are wanting to ensure that their children get the best and broadest experience of the world.

I certainly welcome this proposal regarding eligibility of Lord Howe Islanders to additional benefits because of the new definition of Lord Howe Island as a remote area for social security purposes. I am sure the residents of Lord Howe Island will be pleased with this, but I am sure there are a number of measures that the government could implement to improve support for people living on Lord Howe Island. They face all of the same increases in the cost of living associated with fuel increases, for example, as do we here on the mainland. As is the case in any remote community, when the cost of fuel goes up, the cost of living goes up exponentially.

Other changes made by this bill include providing clarification that carer allowance is not payable during imprisonment; the clarification that job seekers in receipt of youth allowance are entitled to the automatic issue of a health care card; and the alignment of the definition of ‘homelessness’ in regard to special benefit payments with the meaning of ‘homelessness’ that applies more broadly for benefits such as youth allowance and disability support pension. As I have indicated, the bill also repeals a number of redundant housing acts, makes other minor amendments, corrects technical anomalies and drafting errors. As I said earlier, Labor will be supporting the bill.

Mr CADMAN (Mitchell) (10.23 am)—The Social Security and Family Assistance Legislation Amendment (Miscellaneous Measures) Bill 2006 contains, as the previous speaker said, a range of measures. On first appearance, it is a composite bill, and we in this place are used to composite bills that cover a whole lot of technical stuff. Sometimes we search through such legislation to find the hidden traps. In this instance, whilst they are not largely significant, the measures that are proposed in this legislation are very significant for a range of people.

The minister’s second reading speech did not enlarge upon the contents of the bill to any great extent, but when one looks at the explanatory memorandum, one finds changes to child-care benefits and other childcare measures. The arrangements regarding two members of a couple temporarily living apart are significant, where there is illness or some other interruption to their lifestyle. Anomalies in the income test for low-income health card carriers are also covered.

I would like to give attention to the area dealing with the larger customer groups, who are recipients of youth allowance and the youth supplement of the disability support pension and, in particular, to pay some attention to the Welfare to Work provisions. There have been a number of comments since 1 July with regard to the effectiveness of the Welfare to Work program. Most of the criticisms have come from some of the usual welfare groups that one would expect to be somewhat antagonistic to this government because they never seem to be able to find anything in the government’s programs that satisfy them. I would like to look through some of those comments and deal with them.

The critics range from ACOSS, of course, and welfare rights centres that say that people in remote areas where there is only one network provider may have extremely difficult problems, be apprehensive about disclosing personal health details and, in that way, be precluded from the opportunity of gaining access to the massive program that is rolling out over four years entitled Welfare to Work—a program, I would remind the House, which is valued at $3.6 billion. It is a massive program of about $1 billion a year to help people on the disability
support pension to move into work. Not in every instance will we succeed, but the attempt needs to be made.

I am reminded at this point of a remark of a dear friend who is a recipient of the Order of Australia for his support for people with disabilities and that is John Temple. John Temple suffers from autism and it is quite amazing what he has been able to achieve to help people who are disabled. He complains about people who are the able disabled because John, despite all of his disabilities, has run a business for years. He is a very capable driver of bulldozers and front-end loaders. He can operate any piece of equipment with four wheels with great skill and has been successful in earning a full income for all of his working life. John, by the way, was predicted to die before he was three. He did not speak a word until he was five. He could not walk until he was 13. Despite all of these setbacks, John Temple is a recipient of the Order of Australia, honoured by the Queen and the Australian government for his contribution to society. John becomes quite distressed when people claim that there is no opportunity for them to make a contribution to our society. So the philosophy that John Temple has expressed publicly and privately about the role of the able disabled is something that this government is very determined to pursue to offer people a better way of life.

Some of the complaints that rural areas may be poorly serviced drew me to have a look at the service providers in some of the rural districts of Australia. I looked first of all at Ballarat and found that there is a full page of service providers, ranging from Ballarat Regional Industries Inc. to Interact Australia, Karingal Inc. and Midland Support Services Inc. There is a multiplicity of providers in Ballarat. In a provincial city, one would expect there to be plenty of service providers. I looked also at Bendigo and found that there are nearly two pages of providers, including Asteria Services, Australian Business Development Centre, Bendigo Access Employment, Drake, Goldfields Employment and Learning Centre, Midland Support Services Inc., and the list goes on. I just plucked a few from what must be a list of at least 20 providers in Bendigo.

The criticism raised by some seeking to denigrate the government’s efforts to give disabled people more satisfying lives and allow them to start up in life again does not seem to stack up against the facts. If one looks at the Capricornia electorate, there are also two pages of providers, including groups such as the Business Success Group; CentaCare; Community Employment Options Incorporated, in north Rockhampton; Jim Ralph Employment Consultancy; Mission Australia; Skill Group Ltd; the Salvation Army; and Waycage Pty Ltd. So there is a range of services available through all electorates of Australia. I know that there are problems with people finding employment in remote areas, but the government is determined to make every effort and to try to provide a better way and a better opportunity for people with disabilities or who are on a disability pension.

I notice the workforce participation minister, Sharman Stone, has said in relation to the expenditure of the $3.6 billion over three years—not $4 billion as I said previously—to help job seekers that this funding will go towards helping the long-term unemployed, mature age people, people with disability and parents on welfare to become financially independent. What could be more uplifting and confidence building than to make people independent of others when they come to provide for their daily needs? Sharman Stone, the minister, went on to say:
Far from being worse off, as ACOSS reports claim, these people will be given every assistance to find a job and move beyond welfare dependency. There has never been a better time to find a job in Australia, with unemployment levels at a 30-year low.

I think that this proposal is going to work well. ACOSS has said that 158,000 people would receive lower payments. That is not true. The Treasurer refuted that on 3 July when he said that everybody would benefit. The Treasurer said there are no people in these cohorts who are worse off today than they were in 1998 in terms of real disposable incomes.

A number of reports have indicated that, during the 1980s and 1990s, generous welfare provisions for the unemployed, especially those with children, meant that couples might have been better off with both being on benefits rather than one earning the minimum wage. I think we have all experienced that. We all know of the resentment that taxpayers feel having to pay high taxes for people whom they think should be out there working. So this is a bit of a restoration of the balance. Yes, there is an encouragement to get out and work and, yes, there is a lot of support if you are willing to give it a go. That is what I think these changes are about. Will we succeed in every case? I have already said no, we will not; some will be extremely difficult. Some will be extremely disabled and will not be able to be assisted, but maybe through wonderful organisations such as Cumberland Industries—

The DEPUTY SPEAKER (Mr McMullan)—Order! The member for Melbourne Ports, are you seeking to raise a question?

Mr Danby—I am.

The DEPUTY SPEAKER—Will the member for Mitchell accept a question?

Mr CADMAN—Yes.

Mr Danby—The two cases of the disability support pensioners who have been denied assistance by Centrelink: do you have a comment on them in the light of what you have just said?

Mr CADMAN—If the member wishes to provide me with the details of the names, addresses and telephone numbers, I will make sure the minister carefully checks out the precise details. All he has to do is provide me with that information and I guarantee I will do that—as he could himself, of course, but he is game playing here. He could of course take it to the minister and establish the facts himself, but I would be delighted to act as a go-between for him. I guarantee that the minister will give both of us the very best of attention, the most compassionate support, and will willingly assist us in resolving any problems that may exist for people who are currently on a disability pension.

I am fortunate to have somebody who was formerly on a disability pension working in my office. This young man also suffered from a mild form of autism, and he found it very difficult to get a job. In fact, he could not get a job, but he has a brain that just clicks into databases and computers. We were able to establish for Wayne an opportunity—this is a very generous and thoughtful government—with the cocktail of a disability pension and a part payment by a minister. And I encourage members to take into their offices people with disabilities. The minister, the Hon. Gary Nairn, has been very careful in coming up with a way to establish a part payment and a part pension benefit, which ultimately gets people to a point—the point where Wayne is now—where they are on a proper payment and a proper salary. I would like to be able to give Wayne more work in a week than I do, because like all members
I feel that an extra staff member would not go astray, but that is not the case at the moment because I only have limited capacity to pay Wayne.

Thanks to the intervention of my colleague from Melbourne Ports, I draw the attention of the House to a statement, on 21 July, by the Melbourne Institute’s deputy director, Mark Wooden, who said that while more long-term unemployed had found work, the outlook continued to be grim for those out of work for a decade or more. Of course, that is understandable. This is where the effort is going to be put in. This is where the $3.6 billion is going to be directed—in encouraging those people to change. If it is possible to have those regular hours and to establish a regular pattern of conduct of getting out of bed and getting to a place of employment, and if it is possible to make the employment interesting and encourage people to try new things, then I think that in a large number of cases there will be success.

Now I turn to the rise in the number of unemployed fathers caring for children. This is also an interesting phenomenon, and I think that the changes to the Family Law Act are going to help establish a better balance in situations where there has been a family split-up. I know this is a bipartisan issue and I hope that we are successful. I know the parliament hopes that the Attorney-General and the Minister for Families, Community Services and Indigenous Affairs will be successful in this process—both of them are carrying responsibilities.

There have been criticisms from advocates who say that cutting payments is going to be a disincentive and will disadvantage people. I think the balance is about right. I do not really believe that, it is possible to carry on with the high level of support and at the same time expect people to make the choice to go to work. So there needs to be a balance between training and education, and encouragement to pick up a work placement and take advantage of corporations such as Cumberland Industries and North West Personnel, who are the most amazing people.

I will read to you a couple of examples from North West Personnel, which has the best record of any group in the nation for finding jobs and placements for people with a disability. This organisation started off with very low funding. I know that Christine Liddy, who is the director of that organisation, was concerned that they were not being allowed to do enough. But now, with Welfare to Work, their role has expanded and they are going to be able to fulfil what they know they can do to find work for people with a disability.

I want to put on the record the comments made by James Radley, known as ‘Jimmy’. He joined North West Personnel in May 2001. He was asked to fill out a vocational interest profile form, and I will talk about some of the things he highlighted. By the way, human resource directors in large corporations ought to understand that people with disabilities cannot always fill in forms. The first thing they say to people, would you believe, is, ‘Will you fill in this form?’ If a person has a disability, they are not necessarily going to be able to fill in a form, but with a verbal exchange the occupational people within a corporation ought to be able to help them do that. Some of the changes needed involve making businesses understand how they can really match in—hot sync, if you like—with people with disabilities, drawing them into the workplace, providing them with satisfactory employment doing jobs that release other employees to do perhaps more skilled or a greater variety of tasks.

But Jimmy was asked to fill in a form and he was able to do so. Jimmy said:

My goal is to find a job, and to have a feeling of achievement. I know I can make a real difference in my community by making my contribution to it.
He said:
I want to find my place in life, find out where I fit in, and feel a real sense of belonging.
I want to find friends and share a friendship with them. I want to make other people happy.
I want to earn money so that I can live comfortably and be happy and some day am able to travel and see different parts of Australia and the world.
This is a young man with a disability saying, ‘These are my aspirations; these are the things I want to do.’ This is what he said to North West Personnel in 2001. Jimmy went on, saying he wanted:
To become a better person, more competent and recognise my strengths and weaknesses.
I want to build my self confidence and be comfortable around other people. To be accepted by my peers/friends and co-workers. I want to accept people from different cultural backgrounds.
I want to be comfortable making my own decisions and setting goals for myself.
What an admirable range of aspirations for this young disabled person.
Here are some of the things that Jimmy did not like:
Being short makes me feel out of place and different from other people.
He does not like ‘knowing that I have certain limitations that are beyond my control’. He does not like ‘not being able to have my own car or drive’, ‘being dependent on others to take me places’ and ‘inconveniencing others’.
Why did he really want a job? He wanted a job to gain satisfaction. He wanted a job to be able to learn new things and acquire new skills, to really make a difference and a contribution to his community and to get to work with and know people. If you are isolated and disabled, you do not know people and you do not work with people. He wanted to earn money. He wanted to buy nice clothes and dress smartly. What a good thing this is. He wanted to be able to travel. He wanted to be able to buy a car. He wanted to become independent. He wanted to improve his self-confidence and prove that he was not a failure. He said, ‘I can achieve anything if I set my mind to it.’ What a splendid young man. He wanted to be able to ‘pay my bills and learn to budget’ and to be a team member and feel secure. He had great work ethics. He is a good communicator—he has openness. By October 2004, what had Jimmy achieved?
He had achieved a great deal by working—(Time expired)

Mr KELVIN THOMSON (Wills) (10.43 am)—The Social Security and Family Assistance Legislation Amendment (Miscellaneous Measures) Bill 2006 is an omnibus bill which makes minor and technical amendments to family assistance and social security legislation. No new policy initiatives or changes to existing policy are enacted by this bill. The opposition supports this bill, the purpose of which is to make minor and technical amendments to social security and family assistance legislation to remove anomalies, repeal provisions which are redundant and clarify a number of aspects of the legislation which are not in line with the government’s current policy. The most significant of these are amendments to the child-care benefit provisions—for example, to ensure that care provided as part of a compulsory education program at a school does not qualify for child-care benefit and to ensure that the amount of child-care benefit paid for a particular period does not exceed the amount actually paid for approved care in that period.
The bill also provides for the inclusion of de facto couples in the definition of ‘temporarily separated couple’ for the purposes of certain supplementary payments available to couples who are temporarily separated to bring the eligibility requirements for certain supplementary payments into line with other social security and family assistance payments, which of course do recognise de facto couples.

The bill includes residents of Lord Howe Island in the eligibility criteria for remote area allowance. I will ask a question on that issue a little later. The bill clarifies that carer allowance is not payable during periods of imprisonment. It also clarifies the rules regarding low-income and automatic issue health care cards for youth allowance recipients. It clarifies that youth allowance job seekers are entitled to an automatic issue health care card. It involves the repeal of a series of redundant housing acts and the alignment of the definition of ‘homelessness’ for the purposes of special benefit payments, with the meaning of ‘homelessness’ applying more broadly, such as for youth allowance and young disability support pensions.

As I have noted, the bill makes a number of minor changes to child-care administration specifically, giving the minister the power to determine a class of individuals who are taken to have recognised training commitments or study commitments. This is an extension of the existing power the minister has to determine by legislative instrument that individuals in a particular class have recognised work or work related commitments. The classes are not exclusive and are intended to clarify that persons in a certain category are deemed compliant with the work, study or training test which must be satisfied in order for an individual to claim maximum hours of subsidised child care.

Secondly, the bill clarifies that child-care benefit is not available in respect of care provided as part of a compulsory education program. This provision is intended to clarify existing child-care policy which is that child-care benefit cannot be claimed for care given by a teacher as part of a compulsory school program. Generally, a school and an approved child-care service are separate entities. However, there are an increasing number of schools offering programs with compulsory attendance outside of school hours, supervised by teachers, which should not be classified as child care and attract either child-care benefit or the 30 per cent tax offset.

The bill also gives the departmental secretary the power to determine that an approved child-care service is a sole provider in a particular area if the secretary is satisfied that the service would be likely to close if such a determination were not made. Currently, the minister has this power. The amendment substitutes ‘the minister’ with ‘the secretary’.

The bill also limits child-care benefit for care provided by a registered carer to the fee amount paid. This is an obvious point, but the potential currently exists for users of registered care to be paid more child-care benefit than they pay in child-care fees. The amendment appropriately removes this possibility.

I mentioned Lord Howe Island earlier and the issue of remote area allowance. Lord Howe Island is included in special tax zone A and should also be included within the social security definition of ‘remote area’ so that residents can attract remote area allowance as part of their social security payments. The bill makes this inclusion clear by amending the definition in subsection 14(1) of the Social Security Act. The query that arose in my mind when I looked at this part of the bill was whether Lord Howe Island residents had been getting the remote area allowance up till now or not. Is the law changing to reflect the current practice or is in fact the
practice being changed? I would appreciate the minister being able to provide a response to that in his summing up remarks.

The amendments remove anomalies and clarify the legislation in line with established policy. They make technical corrections and refinements. For example, child-care benefit for registered care is limited to the fee paid. Child-care benefit is precluded from care provided as part of a compulsory education program. The concept of a temporarily separated couple who attract a higher rate of some supplementary payments such as rent assistance and remote area allowance can include a temporarily separated de facto couple. The correct range of Commonwealth payments are taken into account as income for the low-income health care card, and the meaning of ‘homelessness’ for the purposes of special benefit is aligned with the meaning of ‘homelessness’ that applies more broadly, such as for youth allowance. Certain redundant housing acts are repealed and necessary technical corrections are made, including many that are consequential to the commencement of the Legislative Instruments Act 2003. The bill is stated to have negligible financial impact. The member for Mitchell in his remarks referred to the impact of the government’s Welfare to Work changes—

A division having been called in the House of Representatives—

Sitting suspended from 10.51 am to 11.11 am

Mr KELVIN THOMSON—I was indicating that it was my intention to follow up some of the comments made by the member for Mitchell on this bill in relation to the government’s Welfare to Work proposals. Unlike the member for Mitchell, I do not have a rosy view about what the end product of the Welfare to Work proposals will ultimately be. Indeed, I think its principal impact is that many people who are disabled and many single mothers will be put on to allowances rather than pensions and that they will experience a cut in their incomes. That will be the most immediate and lasting impact, and that is really all that the government is managing to achieve—a cut in their pay.

It strikes me as ironic, when we have debates on things like Welfare to Work and incentives generally, that it appears to be the view of the Liberal Party in relation to incentives that people at the top end of the income scales need more money to act as an incentive for them to work harder. We see this with the pay packets of Sol Trujillo and others. I remember people saying, ‘It’s bad enough that I have to come here to work; do you expect me to work as well?’ Some of the bonus payments and the arrangements for some of our chief executives seem to be structured in that way. They get millions of dollars and, if they in fact do their job, they get millions of dollars extra. But the incentive structure means more money for them, whereas at the bottom end of the income ranges people are told by the Liberal Party and those opposite, ‘Really, the way to give you incentives is to pay you less.’

We see this in the way that the government has approached Welfare to Work, in that it proposes to cut payments for people who are disabled and for single mothers. This acts in tandem with its Work Choices changes and with its quadrupling of the skilled migration program. All of those things are acting to put downward pressure on wages and make it harder for people at the bottom.

In relation to how the Welfare to Work changes are actually working, my colleague the member for Melbourne Ports asked the member for Mitchell a question about the two cases which have been raised in the House by Kim Wilkie, the member for Swan, in the last week
or so. He made revelations concerning the way Centrelink had treated a leukaemia sufferer in his electorate, 16-year-old Matthew Pearce. Those revelations about how a leukaemia sufferer had been treated were quite disturbing. His disability support payment had been rejected, and there were also expectations concerning his attendance at Centrelink, notwithstanding his state of health. After this matter was drawn to the attention of the Minister for Human Services, there was intervention which led to Matthew Pearce receiving the disability support pension.

The difficulty with this arrangement is that we have thousands of people who require disability support payments or who may be eligible for them, and the government needs to have the right policies and procedures in place. It should not be necessary for people to have to raise these matters in parliament or on current affairs programs in order to secure justice.

Indeed, after the member for Swan raised the case of Matthew Pearce, he was contacted by another constituent of his, Brenda Hendricks. Ms Hendricks was diagnosed in February this year with a highly aggressive, incurable brain tumour. I understand the tumour is rare and highly malignant, which was obviously a terrible thing to experience and to be told about. Her initial contact with Centrelink involved them informing her that she was ineligible for the disability support pension but might be entitled to a Newstart incapacitated allowance. She followed all the instructions but informed Centrelink that she was unable to visit the Victoria Park office as she was still recovering from major brain surgery. She was then told, on this initial contact, that it was not necessary for her to attend an in-person eligibility assessment and that it could be conducted entirely over the phone. Subsequently, she was contacted by Centrelink and asked to attend in person to sign all the paperwork and to complete a follow-up interview. Centrelink insisted that she attend in person, even when they were advised of the severity of her condition. They assured her that by prebooking an appointment time she would not have to wait. Despite these undertakings, she had to wait for almost an hour. She was offered an apology and told that Centrelink were unaware of the severity of her condition. In fact, Ms Hendricks had informed them on four separate occasions.

She was then informed that she would have to lodge a fortnightly claim form, and she objected to this. They said, ‘Well, you can report every three months provided the form is accompanied by a doctor’s certificate.’ After this, Centrelink began sending her letters threatening to recover payments as she had not lodged the fortnightly claim forms—that is, the forms that she had been told she would not have to lodge. The work capacity assessor was surprised by the severity of her condition and that she had been requested to be assessed. She was told at that meeting that the assessor would state in her report that Ms Hendricks was unfit to work for at least six to 12 months. Two weeks later she was informed that an appointment had been made for her to meet with Centacare to create a resume for her, to go through possible job options and to enrol her on Job Search. She was distressed by this appointment being made for three reasons: first, she had been promised by the assessor that she would be considered unable to work for six to 12 months; second, she had informed Centrelink that she would not be able to attend in-person meetings because of the severity of her condition; and, third, her own situation—as she is a qualified psychologist, if she were not ill, she would not need any assistance in getting a job. This situation distressed her. It added to the difficulties she was experiencing dealing with her condition and the undergoing of treatment. She broke down in her oncologist’s office. The hospital welfare officer was called in to assist her and, with the
assistance of the hospital welfare officer, she successfully applied for the disability support pension on the basis that her condition was deemed permanent.

A month later, after she began receiving the disability support payments, she was again contacted by Centrelink and informed that another interview had been set up for her with Centacare, the job placement provider, and that if she did not attend her payments would be suspended and Centrelink would proceed to retrieve all previous payments. She contacted Centrelink to reiterate her circumstances and was informed that under the new Welfare to Work laws, which had come into effect on 1 July, she must attend the meeting. The meeting had been scheduled for 26 June, so she said that the legislation did not yet apply. In tears, she phoned the hospital’s welfare officer, who at least managed to get the appointment cancelled.

She is highly confused as to why she had been asked to attend such a meeting, given her condition and indeed given the fact that the legislation applies only to people who had been in receipt of payments for more than two years, while she had been receiving them for only less than a month.

Frankly, this simply is not good enough. It smacks of a lack of compassion. It smacks of a failure to seek to understand people’s personal circumstances and to deal with people who apply for disability support in a humane and caring way. It is the responsibility of the minister to get these things right. We see that the minister has been given additional responsibilities in workplace relations. Frankly, there are so many issues being raised in relation to Centrelink and the other areas of the minister’s portfolio that he needs to get his day job sorted before he is given additional responsibilities. These cases are a matter of great concern to the opposition and we will certainly be raising them with the government, both publicly and privately, to seek to ensure that the new Welfare to Work laws do not have an unjust, harsh and unfair impact on people who are entitled to and deserving of our support.

Mrs MARKUS (Greenway) (11.20 am)—I rise to speak on the Social Security and Family Assistance Legislation Amendment (Miscellaneous Measures) Bill 2006. This is a bill designed to do minor housekeeping, to tidy up anomalies, to clarify and make some technical corrections and refinements. It is a bill that introduces no significant new policy and has negligible or no financial impact. This is indeed the bill’s virtue. This bill brings order and correction where required and, despite the assumption it has negligible or no financial impact, the effect of this bill is to save the taxpayers money.

Two of the measures in this bill relate to childcare benefits. This is an area where there has been some confusion and uncertainty and, in some cases, debts have been incurred resulting in Centrelink overpayment. This bill seeks to eliminate that confusion and uncertainty and to ensure that childcare beneficiaries who use registered care for their children cannot be paid a childcare benefit that exceeds the actual fee they paid for that care.

In the electorate of Greenway we had 2,600 approved childcare places in 2005—an increase of 44 per cent from 2001. In the electorate of Greenway we have an estimated 29,966 parents who are employed and there are an estimated 13,459 families where both parents work. There are approximately 3,200 single parents working full time or part time. Child care is critically important to all these parents and families. For those people, this bill will align the childcare benefit paid for registered childcare services for their children with the existing limit on childcare benefits for care provided by an approved childcare service. The effect of this alignment is to ensure that people are not overpaid and not paid more in childcare benefits.
than the cost of that child care. This is one of the benefits of this bill. It removes any loophole for overpayment and removes inconsistency or uncertainty. I am sure that people using childcare services will appreciate the certainty that this bill will bring.

This bill will also introduce a new rule which will again provide additional consistency. Further amendments make it clear that care provided by an approved childcare service will not attract a childcare benefit if the care is provided as part of a compulsory education program. This is consistent with the existing situation for care provided by a registered carer. A childcare benefit for any type of care should not be available when children are in the care of their teachers as part of their normal schooling. In other words, if the care is provided as part of a compulsory education program, childcare benefits should not be available while children are in the care of their teachers as part of their normal education. This is reasonable, logical and very practical. It ensures that the childcare benefit is targeted as originally intended and it is obvious that savings will be made by tidying up this technicality.

The bill also provides a measure of certainty for de facto couples in the definition of temporarily separated couples. No-one likes to see relationships broken up but, as someone who worked extensively with families and with couples to ensure that they worked together to resolve their conflicts and wherever possible stay together, there are reasons and circumstances where separation is unavoidable and at times necessary.

What happens to couples receiving benefits when they separate? What about those day-to-day decisions that affect each partner when they find themselves having to look after themselves as individuals or themselves and their children without the assistance of a partner? There are issues like rent assistance and remote area allowance that have to be attended to. As in all structured administrations, there are rules and there are definitions to fit those rules that determine whether a person is eligible for payment at one level or at a higher level.

This bill ensures that those people are not left out of the loop and their needs are met. By providing a definition of a temporarily separated couple, this bill ensures that de facto couples are eligible for the same high rates of some supplementary payments as legally married couples. Not only should the bill be acknowledged for its technical efficiency but it should also be supported for its fairness. Other social security issues tidied up by this bill include a reinstatement of a rule that a social security pension or benefit is income under the low-income health care card income test. This rule was inadvertently repealed from legislation in 2001. Reinstating this rule ensures that applications for a low-income health care card are assessed accurately. Included in this provision are two veterans’ entitlements payments, the Defence Force income support allowance and the income support supplement, which are considered income for the purposes of the card.

In the parliament, we place great importance and value on the words we use and the effect those words have on the wider Australian community. A misplaced or omitted word can be the dividing line between someone who is eligible for a benefit and someone who is not. This bill contains a further amendment that corrects an inequity in the social security law. It does so by aligning the definition of homelessness that currently applies for a special benefit with a similar definition that applies for the larger groups of youth allowance and young disability support pension recipients. To put it another way, the word ‘homelessness’ in this amendment now carries a greater import than existed previously. Alignment of the word ‘homelessness’ will remove—
Ms Hall—Mr Deputy Speaker, I seek to ask a question of the member for Greenway.

The DEPUTY SPEAKER (Mr McMullan)—Is the honourable member for Greenway willing to give way?

Mrs MARKUS—Yes, I am.

Ms Hall—The member for Greenway is talking about homelessness. I wonder whether she could give me an idea of the strategies that the government has in place to address homelessness.

Mrs MARKUS—Look, there are many things. We have many programs, such as the SAAP program for people with disabilities that provides supported accommodation. There is also additional funding with youth packages—for example, the JPET program under DEWR. There are also a number of programs under the community services portfolio, such as Reconnect, which is funding for services that assist young people where they could be at risk of homelessness or are already homeless and are disengaged from education and from their family. These programs work very effectively to reconnect young people—who are, or who are at risk of, experiencing homelessness—with their family, with the education process and often with work.

Let me return to my points here. The alignment of the word ‘homelessness’ will remove inequity between eligible groups and cast a much wider net, thus providing both a more streamlined administrative process and access to benefits to a broader range of people. An equally important role for this bill is in line with the government’s commitment to reduce red tape and streamline government processes. This bill delivers on that commitment in repealing seven acts relating to housing that are no longer operational. Such action maintains the statute books when acts become redundant, an important and often overlooked part of the legislative process.

The remaining measures in the bill are technical corrections and refinements. Many are consequential to the commencement of the Legislative Instruments Act 2003 and reflect the new concepts and arrangements established by that act. This bill will achieve the necessary procedural and equity changes to improve administration, clarify benefits and eligibility and tidy up the statute books.

If I may, I will make a few comments with regard to some of the comments made by the opposition earlier about Welfare to Work and Work Choices. I have worked extensively with people that have been dependent on welfare and with many single parents over a 25-year period, and in my experience the Welfare to Work measures do indeed provide opportunities for single parents and those with disabilities who can work to increase their income and improve their lifestyle by gaining employment—contrary to the opposition, who claim that the measures will reduce their payments. Provisions such as the two-year period after their last child returns to school give them an opportunity over those two years to train and gain skills before returning to work. This recognises the need that these single parents have to upskill themselves so they can step into the workforce. It is also ensuring that at a time of low unemployment and high vacancy rates people that have been either on single parent payment or on disability support payment have every opportunity to take advantage of this strong economic climate.
I also wish to note that we cannot stand still at this point in time, when we have a strong economy with low unemployment rates—which have, incidentally, dropped since the introduction of the Work Choices legislation. This reform is essential to ensure that the record economic growth over the last 10 years does continue into the next decade and that the situation for young people particularly is improved. So it is important that we continue to make the necessary decisions to ensure that the prosperity, the low unemployment rate and the growth in jobs continue into the next decade. In conclusion, I am pleased to speak on this bill and commend it to the House.

Ms HALL (Shortland) (11.32 am)—I rise to speak on the Social Security and Family Assistance Legislation Amendment (Miscellaneous Measures) Bill 2006, and in doing so I would like to highlight a few issues that are very important to people in Australia. Firstly, I will quickly go through the issues that are dealt with in this bill. The opposition, of course, will be supporting this legislation. It contains no new policy initiatives or changes to existing policies and, as such, it is purely a bill that has some minor and technical amendments to social security and family assistance legislation. It is aimed at removing anomalies, repealing provisions that are redundant and clarifying some aspects of the legislation which are not in line with the current government’s policy. Most significantly, there are amendments to the childcare benefits provision, to ensure that care provided as part of a compulsory education program at school does not qualify for childcare benefits—or CCB, as I will refer to it from now on—and to ensure that the amount of CCB paid for a particular period does not exceed the amount actually paid for approved care in that period.

The bill also includes de facto couples in the definition of ‘temporarily separated couples’ for the purpose of certain supplementary payments available to couples who are temporarily separated, to bring the eligibility requirements for certain supplementary payments in line with other social security and family assistance payments, which recognise de facto couples.

Other measures involve the inclusion of residents of Lord Howe Island in the eligibility criteria for remote area allowance; clarification that carer allowance is not payable during imprisonment; clarification of the rules regarding the low-income and automatic issue health care cards for youth allowance recipients, in order to clarify that youth allowance job seekers are entitled to an automatic issue health care card; the repeal of a series of redundant housing acts; and the alignment of the definition of ‘homelessness’ for the purpose of special benefits with the meaning of ‘homelessness’ which applies more broadly, such as for youth allowance and young disability support pension recipients. The bill makes a range of other minor amendments to technical anomalies and drafting errors in the legislation.

Obviously, over a period of time, legislation needs to be amended because of policy changes, but the thing that always concerns me when we come back to this place is when we make amendments that rectify mistakes. That happens so many times. I do not know how many times I have spoken in debates when we have had to revisit legislation because of errors that occurred in the original drafting. So I put those words on the record very strongly. I think that is something on which the government maybe has to work a little harder.

In relation to the clarification of childcare benefits and the fact that childcare benefits are not available in respect of care provided as part of a compulsory education program, I think it is important to note that the provision also is intended to clarify existing childcare policy, which is that the CCB cannot be claimed for care given by a teacher or as part of a compul-
sory school program. I have many concerns about the CCB payment and child care generally. Unfortunately, like most members of the House, I am sure, I have been contacted by numerous constituents who have had a great deal of problems in accessing child care. There are lengthy waiting lists for placement of children in child care. This is very sad, given the pressures that people are under today in balancing their work and family obligations.

I have had staff in my office ring all the childcare centres in particular areas, trying to arrange for access to childcare centres for children. It is particularly difficult in the under-two age group. There is a very severe shortage of places available for that age group of children. In one particularly sad case I had a little while ago, a single father with four children had his job placed in jeopardy because he could not access child care. Whilst the government made more money available in the budget for child care, they made it available in the area where it was not needed. I reiterate that, for parents in the electorate of Shortland, it has been a real problem.

The Labor Party has a strategy to address this. The strategy looks at cutting duplication and lifting the standards in childcare centres. It proposes to take away TAFE fees for childcare trainees. It supports wage rises and the secondment of childcare workers to work in childcare policy areas in government departments. All of these proposals broaden the experience of those people working in child care. I think it is very sad that childcare workers are some of the lowest paid workers in Australia, given that they have the responsibility for our most treasured possessions. Not only is there a shortage of childcare places—and I can document that within my electorate and provide evidence to the minister—but also there is a chronic shortage of workers.

When speaking to young people in their last years at school, one of the areas that they say they would like to work in is child care. Once they experience how hard it is to live on the wages they receive they become disillusioned and move away from an area they are passionate about. We really need to look at this. The fact is that child care is not very affordable. I have had women in particular contact my office and say that they are working two days a week just to pay their childcare fees. They have to decide whether or not it is worthwhile continuing to do so.

These are issues that truly need to be addressed. If they are not addressed we will miss an opportunity to help families at a time when there is a lot of pressure on them—when both parents return to the workforce and when single parents are caught by the new Welfare to Work legislation and have to return to work. We should be doing everything we can to make it easier for those people. It is absolutely vital that child care is affordable. It is vital that parents can be satisfied that the quality of the child care their children receive is beyond reproach. It is vital for families to know this, because having a workforce that is skilled, confident and able to focus on what it is required helps build our national economy. The cost of child care, coupled with the increase in interest rates, is placing a strain on a number of families.

Previous speakers have raised the issue of Welfare to Work and some of the problems that have been experienced in their electorates. The shadow minister for human services mentioned a couple of issues. I would like to reiterate the cases of a few people, which I have raised previously in this House. There was one lady who applied for disability support pension. It took us about four months to finally have that pension granted to her. This woman had had a series of breast cancer operations and was in the final stages. We have a very good rela-
tionship with our local Centrelink office and they were prepared to work with us. They worked with us all the way along. But we found that the legislation was very cumbersome and it was very difficult to get the payment in place. Finally, the woman was granted the disability support pension but, unfortunately, it was far too late. I value that woman’s privacy so I will not mention her name in the House. But I must make the minister aware that decisions like this cause real hardship and a great deal of pain.

Another gentleman I worked with, who was of Italian origin, was assessed for the disability support pension. It was established that he had more than the 20 points needed to be granted the disability support pension. He was totally illiterate—he could not read or write. Throughout his working life he had always held very physical positions. He came to every interview with his wife. His wife prepared all the written information that was needed and helped him present his case. He was knocked back for the disability support pension. It was said that, whilst he qualified on grounds of level of disability, it was felt that he could work. He had previously been through rehabilitation and it had not worked. Recently he went to see CRS Australia and they felt they could not help him.

I wrote to the minister and, unfortunately, the decision stood that he would not be granted the disability support pension. I think there is another angle to this as well. It is all very well to say that this person, with a high level of disability, could re-enter the workforce with proper training, but I believe that he could jeopardise the safety of the people with whom he is working because of the level of his disability. My question is: what level of responsibility would the Commonwealth have for this person who has been assessed at a level suitable to be granted the disability support pension? I think that is something that the government really needs to think about.

The end of the story is that this man is an Italian. He could not return to work. His application for the disability support pension was refused by the ARO. I thought he had a very strong case for the Social Security Appeals Tribunal. He could not handle it. He could not continue going through it. He was very stressed. He suffered from depression as well as from the physical problems that he had. He has returned to Italy with his family. They still have their house in my electorate, but he could not afford to live in Australia. That is a very sad situation. We have lost a family with two young children—a family that could contribute to the future of Australia.

There are two other issues from recent times I would like to raise. One is on the carer’s payment and a particularly nasty case that I have raised in the parliament before where an elderly woman—I think she was 10 months short of being eligible for the aged pension—was caring for her mother. Her mother lived in a little mining settlement just outside of Swansea in Catherine Hill Bay. It is an absolutely stunning area that has become very popular. The little mining cottage that once you would be lucky to get $50,000 for is now selling for $2 million. Her house was sold for $2 million. The money was put into the hands of the protective commissioner. The woman’s mother had very severe dementia and she was looking after her 24 hours a day in the house. Because she was short of the period, she could not access any money from Centrelink. She would get some money for the care of her mother, but she was not getting any money for her own support from the protective commissioner. So here we had somebody who was thrust into abject poverty simply because of the way the policy was interpreted.
I know of another very sad case about a woman who was hit by a car, her husband was killed and she is now a quadriplegic. Her daughter gave up her job to look after her. They are paying $50,000 a year in fees for nurses to come in and look after the mother and do the nursing and personal care. The daughter looks after her mother the rest of the time. She has been told that she is not eligible for a carer’s payment any longer because her mother should be paying her. The money will not last five years. I think it is a very harsh regime in which people are being treated very badly.

The final issue is the interpretation in relation to Austudy. I have had a number of cases come through my office recently involving people training in areas where there is a skills deficit—doctors, nurses, pharmacists. I raised this last week in the chamber. A doctor became ill. He had two years off, which exceeded the period of training, and has now been told he is ineligible for Austudy. I believe that something needs to be done around the edges so that is not interpreted in the harsh, mandatory fashion it is at the moment. My Centrelink office is very caring towards these people, but when you have legislation in place that says, ‘This is what you can do and this is what you can’t do,’ you cannot get around it.

Last Saturday I met with a woman studying to be a pharmacist. After you do a science degree you must do a two-year pharmacy degree—what they call a master’s degree. The first year is covered by Austudy and the second year is not. Without doing that, she cannot and will not become a pharmacist. I think that needs to be looked at. It is not like doing a master’s degree in the true sense; rather, it is about training people up to work in an area of skills shortage. Also, a man within my electorate who lives with his aged grandmother has exceeded his training to become a nurse by six months. That six months will mean that he will not receive any Austudy payment; he must go out and look for work. What that means to that man is that he will not be able to complete his studies.

I think members on both sides of this House really want to see people like those three succeed and be able to go out there and work in our community. I am not criticising the government; I am asking them to revisit that and look at trying to get around these anomalies. I am also asking the government to look at the people who are being caught by these Welfare to Work changes. They are real people. They are hurt. They are really hurt and it is having an enormous impact on their lives. Do not ignore them, do not think they are all bludgers, do not think that they are out there to rip off the system—they are not. They are really good people who are being hurt. I ask the minister to look at it in his policy considerations.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (11.52 am)—I thank all those members who have spoken on the Social Security and Family Assistance Legislation Amendment (Miscellaneous Measures) Bill 2006. This bill makes a number of minor amendments to improve the effectiveness of social security in general and also family assistance and related legislation. The amendments remove anomalies, clarify the legislation in line with the established policy and make technical corrections and refinements. The bill introduces no significant new policy and has no or negligible financial impact. Some examples of what the measures in this bill will do are: limit childcare benefit for registered care to the fee paid—in other words, so that people cannot receive more back than they have actually paid; preclude childcare benefit for care provided as part of a compulsory education program; include de facto couples in the definition of temporarily separated couples; correct a range of Common-
wealth payments taken into account as income for the low-income health care card; align the meaning of homelessness for special benefit with the meaning of homelessness that applies more broadly in the legislation; and repeal certain redundant housing acts. This bill is repealing seven acts relating to housing that are no longer operational. This just helps maintain the statute books when acts become redundant.

During the debate the member for Wills asked whether, in relation to the measure to extend remote area allowance to residents of Lord Howe Island, those residents have already been paid that allowance or whether this is a new policy. I wish to clarify for the member for Wills that the answer is yes, Lord Howe Island residents have generally been paid remote area allowance. What this amendment does is to make sure that the legislation fully supports this well-established policy.

Most of the remaining measures are technical corrections and refinements. Many of these measures are consequential on the commencement of the Legislative Instruments Act 2003 and reflect the new concepts and arrangements established by that act. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message received from His Excellency the Governor-General recommending appropriation.

Ordered that the bill be reported to the House without amendment.

BUSINESS

Rearrangement

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (11.55 am)—by leave—I move:

That consideration of government business order of the day No. 2, Privacy Legislation Amendment Bill 2006, be postponed to the next day of sitting.

Question agreed to.

MINISTERIAL STATEMENTS

Afghanistan

Debate resumed from 14 August, on motion by Mr Abbott:

That the House take note of the document.

Mr DANBY (Melbourne Ports) (11.55 am)—Before I turn to the more narrow focus of the issue of Afghanistan I would like to talk about one of the things that parliamentarians have to understand about this deployment. Again I notice the long list of opposition speakers in this debate on the Afghanistan deployment and note that on this very serious issue we have an absence of government speakers. I find that very disappointing. This is the most dangerous deployment Australia is undertaking. You would know, Mr Deputy Speaker Lindsay, from our recent deployment to RIMPAC, the naval exercises of allied fleets in the Pacific, that we need to understand about the lives of our service people.
Last night, Mr Deputy Speaker, you had the pleasure, as did I, of joining a group of shipmates from HMAS Manoora, who did not gather to sing sea shanties but to reminisce about a wonderful time on HMAS Manoora, with the captain of that ship. We were well treated by the sailors. And again on HMAS Stuart we were treated very kindly by the sailors and the captain. It was a most valuable insight into the lives and difficulties of our service personnel.

We celebrated last night with our good shipmate Lieutenant Jillian Brownlie, who ran an extremely competent program for the Australian Navy, with six federal MPs on this very exhausting but important Australian Defence Force Parliamentary Program. I would encourage all my parliamentary colleagues to participate in this program, because it leads participants to comprehend military events that perhaps they would never have understood. With so few people currently in the Australian parliament having direct military experience, when this country is spending billions of dollars on the defence forces and sending people into real danger such as in Afghanistan, this program allows us to experience in a serious way what we are doing.

Certainly, like you, Mr Deputy Speaker, I have a much greater experience of the Australian Navy and the way it operates now, after seeing the difficulties that people have working on HMAS Manoora. They do a wonderful job. We worked with people from all levels of the ship, from observing helicopter operations through to the hot work in engineering and some of the more humble work in the galleys as well as duties on the bridge. But they all made it possible for Australia to send transport and armoured vehicles to our Army when the people of East Timor asked for order to be restored there. We could not have attempted to save Dili without our people in the Australian Army and Navy. It is all very well for us to pontificate here in the parliament. Without the pointy end, without people in the Navy taking 80 vehicles up and without the troops being in East Timor, order would not have been restored in Dili. Perhaps only now do I appreciate the great work that people do up there.

While I was on the naval RIMPAC exercises and on HMAS Stuart, I saw a test firing of the Nulka antimissile. This hovering missile has been produced by the Defence Science and Technology Organisation, DSTO. Friends of Australia in the US Navy said it was not possible to develop such a system. Of course it was developed between 1995 and 1997 and it is now deployed, we were told, on 50 per cent of the American fleet. The Nulka is designed particularly to handle the situations such as the apocalyptic scene that we all remember of the Exocet missiles going into the side of HMS Sheffield during the war in the Falklands. To see a $750,000 Australian designed system being successfully fired from an Australian ship, and hopefully successfully diverting inbound missiles from the Stuart, was proof of the success of Australian ingenuity, the hard work of the Australian Navy and the brilliant people—the scientists and technicians—who work at the Defence Science and Technology Organisation. All of that brings me back to the fact that Australian parliamentarians need to have a greater knowledge of our defence forces—our Navy, our Army and our Air Force—to understand, when we are deploying to difficult places like Afghanistan, the kinds of circumstances our people are in.

I will conclude on the RIMPAC exercises to say that I was very pleased with what I observed of the integration of females as sailors on all the ships we visited—not just on the USS Abraham Lincoln, which we were helicoptered onto, but particularly on the Australian ships. I noted that both captains advised me that having women sailors on board and active in all areas...
of the ship has, to some extent, raised the tone of behaviour on all of our Australian naval ships, and I think that is true throughout the armed forces. So that integration is working very well now after some initial difficulties.

I turn specifically back to my earlier remarks on Afghanistan and the deployment. I support the deployment to Afghanistan, as announced by the Prime Minister and supported by the Leader of the Opposition, but I agree with those who say that more thought needs to be given to the question of what our skilled and dedicated forces are there to achieve. Are they there just to pursue al-Qaeda and the Taliban or to help the government and the people of Afghanistan build a stable and democratic country? Afghanistan is frequently and correctly described as ‘terrorism central’ by the Leader of the Opposition. It was in Afghanistan that the September 11 attacks were planned, and the removal of the power of the Taliban regime was the first necessary step in the democratic world’s response to those attacks—the war on terrorism was our response to a war initiated by them.

Sadly—and this is commonly the case—the successful use of military force proved easier than the equally necessary political and economic follow-through. The US, having led the campaign to remove the Taliban, moved on Iraq with the enthusiastic support of the Howard government. Afghanistan dropped out of our public attention and off our radar screens and, as I mentioned, unfortunately all the promises made to the people of Afghanistan and to the government of Afghanistan in that new democratic transition by the very famous Berlin conference of donors have not been delivered on. If I were an Afghan or a member of the Afghanistan government—particularly the new democratic government—I would be feeling very aggrieved that there had been little follow-through by the countries that had promised so grandiosely to help with the reconstruction of Afghanistan, which was nearly destroyed by the protracted attention of communist and then Islamist totalitarianism.

The result has been the deterioration we have seen in the political, economic and security situation over the past year. There is a resurgence of warlordism fuelled by the narcotics industry. The Taliban has reasserted itself in the southern provinces. So now we find that the nation-building work that should have been done in 2002 and 2003 will have to be redone in 2006 and 2007 in more difficult circumstances. This gives Australia a great opportunity. There are few defence forces in the world with greater experience in nation building and a greater record of success than the ADF.

In East Timor, we arrived in a country which was totally devastated, depopulated and bankrupt. The ADF, aided of course by others but in the leadership role, helped the people of East Timor rebuild their country physically, economically and politically. But when difficulties arose this year, through the policies of the former Prime Minister of East Timor, we went back and helped to restore stability. In the Solomons, again, the ADF and other Australian organisations are taking a leading role in rescuing a failed state. We should now be deploying this expertise to Afghanistan.

One of the lessons of many conflicts over the last 20 years is that the role of the defence forces when deployed to a foreign conflict is no longer merely one of defeating an enemy militarily. Equally important is the stabilisation of the country in question once military success has been achieved. It is relatively easy to defeat a non-state army like the Taliban in the sense of driving them away from populated areas, but it is almost impossible to destroy them
totally. Prevention of their resurgence is a politically more important task than a military one. We see in Sri Lanka a situation where that has not been achieved.

So what should the ADF be doing now in Afghanistan? Of course, the Taliban and other insurgent forces need to be contained, but equally important is the task of capacity building of the Afghan state to control its own territory, to meet the needs of its people and to defend itself against terrorists and insurgents. As outsiders, we Australians or Americans or NATO cannot police Afghanistan by ourselves; we can only help the Afghans develop the capacity to do so. This is a task in which others have tried and failed, admittedly under very difficult circumstances, but I have great faith in the men and women of the ADF. I believe that, if properly equipped and supported, they can achieve the same success in Afghanistan as they have achieved in East Timor and the Solomons.

Mr Crean (Hotham) (12.04 pm)—I am pleased to speak in relation to the Prime Minister’s statement, to reaffirm Labor’s support for the new detachment of troops to be sent to Afghanistan and to take issue with some of the statements made by the Prime Minister—in particular, his attempt to argue as hypocritical Labor’s calls since 2004 for more effort to be put in to Afghanistan.

The fact is it has been a bad week for the Prime Minister. He has been forced to admit the government was wrong on a number of occasions. His answer to the West Papuan asylum seekers was to excuse Australia, to pretend Australia does not exist—a fiction, a pretence—not for good policy reasons, but to appease Indonesia. He was forced into a humiliating breakdown—humiliating for him yes, but great for this country. It demonstrated what Labor has been arguing for a considerable time: we need to show greater commitment, compassion, decency and fairness to those escaping repressive circumstances. It is also a commitment of compassion and principle that has been demonstrated not only by the Labor Party but also by some very courageous members within the government ranks. The Prime Minister was wrong, he was made to admit it and the parliament prevailed.

It is also interesting to see that this week he has changed his mind in relation to allowing a conscience vote over the issue of therapeutic stem cells, something he should have allowed four years ago. As leader of the Labor Party at that time, I allowed such a conscience vote, and urged him to do likewise. Stubbornly, he refused. He has now been forced to relent, and I welcome that.

The statement we are debating today is in relation to more troops into Afghanistan. Interestingly, it is also effectively a concession by the Prime Minister that he got something else wrong in 2002—his strategy in the war on terror. By this statement, we are now committing an additional 150 troops of the ADF to reinforce the reconstruction task force and to provide enhanced force protection. There are now 200 special forces in Afghanistan that will be complemented by this recent announcement. But prior to 2005, and after our November 2002 withdrawal, we were down to just one soldier—a solitary lieutenant colonel. A token gesture while we were diverted, with the United States, into Iraq—the wrong war and the wrong decision for the wrong reasons.

This latest commitment is supported by Labor. In March 2004, following a visit to Afghanistan by the member for Griffith and the member for Bruce, Labor argued that we needed to increase our effort in Afghanistan. Those two members visited Afghanistan in 2004. They had seen the situation for themselves, and they reported back to the parliament. As the mem-
ber for Bruce said on Monday, when he and the member for Griffith were there, it was obvious that there were continuing problems in Afghanistan and that we should not have withdrawn in 2002. So it is wrong and it is deeply disappointing that the Prime Minister should say, in presenting this statement last week, that Labor is being opportunistic now in saying we should not have withdrawn. We are used to the Prime Minister using weasel words and skirting around the truth and making cheap political points about a matter of the utmost seriousness—global terrorism and the lives of Australian soldiers.

The Prime Minister did rightly point out in his statement that the stability of Afghanistan has wider implications for global security. He said that is why the Australian government is committed to ensuring that Afghanistan achieves long-term peace. We recognise the gravity of this decision and the danger that will be faced by our troops. They go with our complete support. The Australian Defence Force is seriously stretched, and this additional commitment will necessarily add to their load. We admire and recognise their dedication and their professionalism in Iraq, in East Timor, in the Solomons and in Afghanistan, but we need to ensure that the special forces, such as these engineers, are adequately protected by infantry forces on the ground. This is particularly the case in this instance, where Afghanistan is a very dangerous place. It is a serious war zone. I have every confidence that our troops will acquit themselves well, but we must never underestimate the danger to which they will be exposed.

The Prime Minister says that Labor’s call since March 2004 to increase the commitment in Afghanistan is opportunistic. He says that we supported him in 2002 when he brought the troops home. It is true that Labor supported the decision to bring the troops home in November 2002. But, as usual, the Prime Minister did not tell the whole truth when he made this observation. Let us look at the context of the support for that withdrawal by Labor back then. ‘Context’ is one of the Prime Minister’s favourite words. He is always saying that we quote him out of context. He is the one that is guilty of that same sin. Let us look at the context of the statement of our support for withdrawal in November 2002. First, we were assured by the government that the situation in Afghanistan was under control and that there was no need to stay. We were never told of a letter from the government of Afghanistan asking us to stay. We said at the time, in 2002, I welcomed the decision to bring the troops home. I accepted the government’s assurances and the government’s briefings that the situation in Afghanistan was under control. In the spirit of bipartisanship and relying on that advice—the Prime Minister’s word—we accepted the government’s decision. We believed the government. We now know that the situation was not under control and that in fact the government of Afghanistan had asked, that same month, for our troops to stay. In November 2002, the Afghanistan government wrote, asking for the continuing military assistance, saying that terrorism was alive and well. So the Prime Minister was telling me, the Labor Party and the Australian people that the job was done and the Afghanistan government was pleading for the troops to stay.

I was not told about that letter in 2002, at the very time the Prime Minister was announcing the withdrawal of the troops. Certainly the Australian public was not told. That letter only came to light in 2005, not in 2002. It did not come to light until three years after we were told the job was done. It is another example of this government not being honest with us or with
the Australian people. The government says it wants bipartisan support for our troops. It says it wants bipartisan support for the war on terror. We are prepared to give it. But, in giving bipartisan support, we are entitled to be treated honestly and honourably, and we have not been.

In fact, the Prime Minister’s statement that we are debating perpetuates the myth that the job is done. In that same presentation the other day he said that, ‘With the completion of the task’—he was talking back then in 2002—‘we withdrew the troops.’ He is perpetuating the deceit. Clearly, the task was not completed and the decision to send more troops there last year and now, complemented by the announcement the other day, is an admission that they got it wrong. How can we have a bipartisan position on this issue of great national importance, involving national security and exposing the lives of our troops, if we are not told the full facts? A decent democracy demands it. What, of course, the Prime Minister does is stand condemned for withholding that information to cover his wrong decision to follow George Bush to war in Iraq.

The second reason we supported the troops coming home then, apart from being told the job was done, was the intervention of that terrible bombing in Bali. I said at the time, post October 2002, that the threat of terrorism on our doorstep meant that we had to reinforce the fight against terror closer to home. The Prime Minister says that we should not cut and run from Iraq, but that is what he did in Afghanistan, and this announcement the other day is an admission of that fault.

The Prime Minister likens the war in Iraq to the war in Afghanistan. They are not alike. They are two different circumstances. Labor supported the intervention in Afghanistan. We did not support the intervention in Iraq. Afghanistan is different from Iraq. The reason is that the US alliance, the ANZUS alliance, required us to support the Americans when they were attacked on their home soil. For the first time ever, that clause of the ANZUS alliance was invoked and we had no choice. We accepted that. But in addition to the ANZUS alliance requiring us to come to the assistance of the Americans, the intervention in Afghanistan was sanctioned by the United Nations. It was a genuine global response to the war on terrorism. So we supported it. Iraq, on the other hand, was not linked to the war on terror. We were told that we had to go into Iraq to find the weapons of mass destruction—weapons which we now know did not exist. It was not UN sanctioned; it was a unilateral US action with the coalition of the willing.

We say that the troops go with our very best of blessings. We support this commitment. It is much needed on the information that is available to us today and that Labor drew attention to more than two years ago. The troops go with our best wishes. We wish them God speed. We know that they will acquit themselves honourably, as do all of our troops in the international theatres of war, and we hope for them to return quickly and safely. This is a very dangerous mission. This has been highlighted by other speakers—the member for Brisbane and the member for Cowan. But Labor will always support our troops in the theatres of battle, even where we have disagreed with the government sending them. It is not their decision to go. In a democracy they follow the orders of the day, the government of the day. Our argument is with the government, not with the troops.

On this occasion we agree with the government, but we condemn them for failing to act earlier. We condemn them for allowing al-Qaeda and the Taliban to regroup and strengthen in Afghanistan. We condemn them for ignoring the warnings, we condemn them for dismissing
the pleas of the Afghanistan government in 2002 to keep the presence and we condemn them for the deceit surrounding their assertion that the task was done. Our troops will act with honour, I am convinced of that. It is our Prime Minister who does not.

Mr SNOWDON (Lingiari) (12.19 pm)—I thought the contribution from the member for Hotham was very apt, given his role as Leader of the Opposition at the time that Australia took a decision to withdraw its troops from Afghanistan in November 2002. Before I go on to discuss that decision, I will briefly remind the chamber what we are talking about here in terms of an extra deployment.

We know that we already have a reconstruction task force in Afghanistan and that it will be working there for a period of two years. The government pointed out in the Prime Minister’s statement that it is aware of the risks faced by the ADF in Afghanistan and that it is committed to ensuring that the reconstruction task force is properly equipped to conduct its role. As a result, and after consideration, the government now tells us, through the Prime Minister, that it is proposing to increase the size of the reconstruction task force from 240 personnel to 270 personnel.

The Prime Minister argued in his statement that this would enhance the security, robustness and flexibility of the task force. The government has also decided—and this was again announced by the Prime Minister in his statement—that the deployment will include an infantry company group of about 120 personnel to provide enhanced force protection. We know that in the province in which the Australian troops are being deployed there is an extremely tenuous security situation and a very dangerous environment within which they are working. The government has undertaken to review the task force structure and to reconsider it in six months.

The additional deployment will bring the total reconstruction task force strength to around 400. It will be made up of a number of elements—command, security and protection, engineering, administrative support and tactical intelligence services. The force will be equipped with a number of Bushmaster infantry mobility vehicles and a number of Australian light armoured vehicles, or ASLAVs. The reconstruction task force will be drawn primarily from 1st Brigade in Darwin and will be under the command of Lieutenant Colonel Mick Ryan. It will have its own headquarters and will operate under the national command of Australia’s joint task force in the Middle East area of operations. ADF units and personnel deployed in Afghanistan remain under Australian national command. The reconstruction task force, as we know, will work closely with the Netherlands and other NATO partners. The Australian government, as the Prime Minister has pointed out, is pleased with the Dutch planning and preparations and is impressed with the process.

I now want to go to what I think is a very important question—that is, why we are in the position that we are in in Afghanistan, given the decision taken by the government in November 2002 for us to withdraw our troops, despite representations from the government in Afghanistan for additional support. It raises very serious questions about the integrity of the decisions which have been taken by the government and the reasons which were then given to the Australian public about that withdrawal.

I know that, as a member of the government, Mr Deputy Speaker Lindsay, you and your colleagues were very supportive of Australia’s decision to involve itself in Iraq. I am certain that the reason that we withdrew our troops from Afghanistan was because of the need for a deployment in Iraq at around that time. It is worth noting, as the member for Hotham and the
Leader of the Opposition have pointed out, that when the US went into Afghanistan in 2001, it acted at the head of 'one of the great global military coalitions of history', as described by the Leader of the Opposition. The US acted with the support of all European allies and all its Cold War enemies—notably, as the Leader of the Opposition said, the Chinese and the Russians. It had the support of the overwhelming number of countries in the Middle East and, of course, it had bipartisan support here in Australia.

We should never forget, as the member for Hotham pointed out, that Australia entered the war on terror in Afghanistan as a result of 9-11 through the ANZUS treaty and our obligations to our great friend and ally the United States. That is not the case with our involvement in Iraq. I certainly remain committed to that fight and I know the Labor Party is. This party took a serious step in calling for an increase in the number of troops in our deployment to Afghanistan last year. Of course, we now know that the Prime Minister argues that we are being opportunistic by taking that decision. I think it recognises that this party, the Labor Party, is aware of the very important role that the Australian defence forces are playing in Afghanistan and is very concerned about the need to impose controls and eliminate the threat from al-Qaeda and, indeed, the remnant Taliban groups and others who are fighting in Afghanistan against the wishes of the international community.

We know that the focus of the world effort against terrorism after 9-11 was Afghanistan. We know that the campaign waged by the coalition forces under the leadership of the United States was in fact not successful in routing out al-Qaeda and either eliminating or taking its leader as a prisoner. It seems to me that we have now suffered the consequences of failed strategy, and tactics as well, in Afghanistan.

We know that around that time there were motions being put in the United States, and arguments going on within the Pentagon, the state department and indeed the Office of the President, as to whether or not the United States should engage in a war in Iraq. We know it was a very contentious decision which was ultimately taken by the Bush administration to invade Iraq, but it was with the full support of John Howard and the government in Australia. I am not sure, although I can hazard a guess, that either Prime Minister Howard or any of his ministers were engaged in the internal discussions within the United States between Wolfowitz and the other players—Vice President Cheney, the Pentagon and the Joint Chiefs—about their decision ultimately to invade Iraq. We were not engaged in that discussion. If we had been engaged in that discussion, we should have, as the Leader of the Opposition has now said on a number of occasions, advised the government of the United States of the folly of that enterprise and warned them that what they were going to get themselves into would be a quagmire which would be very difficult to get out of.

I take some pride in the fact that I was one of those people who opposed our involvement in Iraq and voted against it here in this parliament. I put out a newsletter to my constituents but principally to ADF members in the Northern Territory. The purpose of that was to explain my concerns about the war in Iraq. Those concerns have now been amplified a hundredfold because of the decisions which have ultimately been taken by the United States, followed by Australia.

A couple of years ago I had the privilege of visiting Australian troops at Al-Matana in Iraq, going to the Green Zone and visiting the headquarters of the United States. I have to say that, despite my concerns about the policy decisions taken by the United States government to en-
ter Iraq in the first instance, I have nothing but praise for the work which is being done by Australian troops there at this time and previously. But the fact is that they should not be there.

We are now in the ridiculous situation where we have known for some time—as I am sure you have, Deputy Speaker Lindsay, because of where you live—of the demands which are being placed on the defence forces and what that has meant in manning levels. We are now in a situation where we have to announce that we are going to increase the size of the army up to 30,000 by some 1,500 troops because of the demands being placed on the Army by government decisions such as the one to involve ourselves in Iraq.

Many of us said at the time that what we were talking about, and what the Leader of the Opposition spoke about in his address last week, is the need to address the central concerns of fighting terrorism. What we have done is engage ourselves in a war in Iraq which is leading to increased threats of terrorism, not because of what is happening directly in Iraq but because of what it is doing in promoting the engagement of others outside of Iraq, in other places including Afghanistan and, I might say, South-East Asia, that ultimately, one could argue, resulted in the bombings in Bali.

It seems to me that we have an obligation in this country to make sure, front and centre, that we accept the obligations of the international community. But that does not mean we should tug our forelock every time Uncle Sam jumps, and that is what we did in the case of Iraq. Instead of doing what we did with the support of the international community in Afghanistan, and instead of continuing our focus on that obligation, we took our eyes off the prize, took our eyes off the ball and withdrew our troops after a decision made in November 2002. Things may well be different in Afghanistan now had the commitment the Australian government had shown to putting troops in in the first place been retained and if we had pressured the United States government not to enter the folly of Iraq but to maintain the focus on Afghanistan, rooting out those terrorist elements working with al-Qaeda and others involved in the region.

Notwithstanding that, though, I do want to make sure that people fully comprehend the Labor Party position here, that not only are we concerned about the decisions which have been taken by the government but we are concerned that they have put our troops in harm’s way and, at least in the case of Iraq, in an injudicious way by taking a decision which was in error. But in the case of Afghanistan we know the importance of the fight. The reason we need to be in Afghanistan, as the Leader of the Opposition pointed out, is that Afghanistan is al-Qaeda central, it is Taliban central and it is terrorist central. That is why we need to be involved in Afghanistan.

What we need to do is understand that the obligation which our troops are undertaking on our behalf is a very serious one and a very dangerous one. We have an obligation in this place, as we have had previously, to support our troops regardless of the government’s decisions. But in this particular instance not only do we support the troops but we support the decision taken by the government—although we say, as the member for Hotham has pointed out, that it was a decision taken only after the Labor Party had called for an increase in our troop deployments to the region.

In the case of our troops in Afghanistan, they too have our support. Of course, as I have continued to say and I will continue to say, I do not agree with the decision to deploy them
there, but I do agree that we have to support them whilst they are there. That is what we need
to do. We must ensure that they are provided every capacity to return home to this country
safely, and they should be withdrawn from there sooner rather than later. In the context of Af-
ghanistan, we have to keep our eyes firmly on the task and we have to understand that the
responsibility we are placing upon Australian Defence Force personnel is that they have been
given a very, very dangerous task and we should be very concerned that their security is at
great risk. Nevertheless, the task needs to be achieved, the task must be done and we should
commit ourselves to ensuring that they have our total support in that task.

We should also be concerned to ensure, as we have done for the troops in Iraq and other
places where they are deployed, that their families at home understand that we support them
as well, that we will not leave them in a position of want or need and that if, God forbid,
something untoward happens to any of their family members whilst they are deployed, the
family members will be properly looked after and their needs properly addressed. We have
not always seen that from this government. We need to ensure that that happens. We need to
ensure that those troops, when they leave this country serving our interests overseas, under-
stand that their families, regardless of their positions and regardless of what happens to them,
will be properly catered for, properly looked after and shown appropriate respect.

Mr LINDSAY (Herbert) (12.34 pm)—I thank the Chief Opposition Whip for facilitating a
short contribution from me. As the member representing Australia’s largest army base, Lava-
rack Barracks in Townsville, North Queensland, I want to support the Prime Minister’s state-
ment to the parliament and I want to support the operations of the ADF overseas. They do a
mighty professional job. In Afghanistan, 5 Aviation Regiment from Townsville are operating
the CH47 Boeing Chinook helicopters. Our people from 5 Aviation Regiment are putting their
lives on the line in assisting the humanitarian efforts in Afghanistan.

I also want to observe of the four soldiers who were injured in Baghdad in the last two
days—three of whom were from Townsville; one from Brisbane—that I understand that all
four will recover satisfactorily. One soldier was suffering more substantial injuries, but the
operation on that particular person was successful. We are very pleased that those soldiers will
be able to return to their duties in due course.

Finally, I would like to take a point made by the member for Lingiari when he referred to
the government’s intention to look at increasing the size of the Army by another 5,000 people.
I certainly have been lobbying very hard to ensure that Townsville is considered as a location
for any additional battalion. It would be a huge boost to the city and a logical decision of
Army to do that. We can take three battalions in Townsville, and I will continue to lobby the
government to get that extra battalion for the garrison city.

Mr PRICE (Chifley) (12.36 pm)—I thought it was good that in this chamber we had both
the member for Lingiari and the member for Herbert, from whose electorates predominantly
all these troops who are deployed in Afghanistan come. I would say to both of them, and in
particular the member for Herbert, that it is really important to the families of those serving
men and women in Afghanistan—and, for that matter, in Iraq—that they should know that
both sides of politics support what they are doing and that we value it very much.

People often overlook the fact that troops, Navy personnel and Air Force personnel do not
get to vote about whether they should be deployed, how they should be deployed or in what
number. That is the role of executive government and this parliament. Even when we may
disagree on the opposition side about a particular deployment, as we have in relation to the war in Iraq, we still support those soldiers, we still feel for their families and we are still 100 per cent behind them in every way and anyway we can be.

This debate in the Main Committee arises because the Prime Minister made a statement about the additional deployment of troops to Iraq—I think in the order of about 120. Again, I place on record my appreciation for the good work of the troops who are already there or who have served there, and I wish those who are going there every success. Both the Prime Minister and the Leader of the Opposition, who supported the ministerial statement, indicated that this is in fact a deployment with heightened danger to the wellbeing and safety of those troops. We sincerely hope on both sides of the parliament that they return home well and safe at the conclusion of their deployment.

But I do want to enter a note of complaint. Here we are, with the Prime Minister making a ministerial statement to send more troops into harm’s way, yet the Minister for Defence has not participated in the ministerial statement. The Minister for Foreign Affairs has not participated. I very much regret that. I do not think that it is lowering their dignity to come into the Main Committee and place on public record in Hansard their support for the decision, which obviously they have been involved in. Their lack of participation—and, I might say, of the junior minister—in this debate to take note of the ministerial statement, I find galling. I think if I went to the Blacktown RSL sub-branch or the Rooty Hill RSL sub-branch, where the state conference was held, or the St Mary’s RSL sub-branch and said, ‘Yes, we’re sending more troops over to Afghanistan but the Minister for Defence, the junior minister and the Minister for Foreign Affairs didn’t participate,’ they would be rather shocked that they did not. I think it is offensive to those troops that there is nothing placed in this Hansard record from those three ministers.

Everyone remembers what they were doing on September 11. I can tell you that I was watching TV and surfing channels. My son told me to switch to Foxtel and, regrettably, I saw the second plane hit the tower. We can all remember what we were doing and it changed the world forever. The United States invoked the ANZUS treaty, and that is why Australian troops initially were in Afghanistan. For the first time ever ANZUS was invoked by the United States and Australia responded, as we are required to do, and we sent troops to tackle terror central—to tackle the Taliban and al-Qaeda. Of course, it is true that when Australian troops were withdrawn the opposition supported that withdrawal. We did so on the basis that we could trust what the Prime Minister had said—that it was now appropriate for us to withdraw, that the task had been achieved. We now know that we were misled and that in 2002 the Prime Minister of Afghanistan had pleaded with the Australian government—not to withdraw our troops. That was completely unknown to the opposition. So in question time, when the Minister for Foreign Affairs wants to make the point that we supported the withdrawal, it is absolutely true. But, like the Australian people whose trust was breached, we were in ignorance of the real situation there and the fact that the Prime Minister of Afghanistan had pleaded with us to stay.

Why are we back there? We went from our initial deployment down to one soldier, a lieutenant colonel. I have, with my tongue in cheek, described it as a one-man war. Up until April 2004 no-one had rung the bell or belled the cat until the shadow foreign affairs minister, who I note is in the chamber now, went over to Afghanistan and appraised the situation for himself.
On his return, he reported to the opposition, and it was on that basis that we started calling for more troops to be sent to Afghanistan. We in the opposition have always seen the Iraq war as a sidetrack to the main game, which was terror central—finishing off al-Qaeda once and for all. What a terrible price we have paid for neglecting Afghanistan. As I mentioned before, I think the whole world—certainly the Western world and indeed the Arab world—supported the United States in the aftermath of September 11 when they initially went into Iraq to tackle the Taliban and to tackle al-Qaeda. Unfortunately that goodwill and that sense of shared dismay, alarm and outrage at the attacks in New York by al-Qaeda have, I suppose, subsequently dissipated quite grievously. Of course, America has never since enjoyed the same level of goodwill as they did on that occasion.

I want to raise a couple of other matters about this deployment. Both the Prime Minister and the Leader of the Opposition have highlighted the danger in which we are placing our troops. I do not think it is right to suggest that they are merely performing peacekeeping operations. When the time comes to consider what appropriate recognition we should provide for our troops who have served in Afghanistan, I hope we do not get into the kind of unseemly debate that has occasionally occurred in relation to other deployments. I hope when those decisions are made that our troops are appropriately recognised for their service. As I say, they do not get to vote on whether they should go; they do not get to vote on what number should go. It is we who direct young men and women to go on these deployments. They have no say at all in it.

I would like to finish my remarks where I started and say that these troops enjoy our support, above and beyond politics. They are fine young men and women and wherever we have deployed troops overseas they have always done us proud. The member for Herbert would understand my frustration at no longer being a member of the Joint Standing Committee on Foreign Affairs, Defence and Trade and at no longer having the opportunity, as I once did, to see serving men and women in the field and reassure them of our support. I have always felt that, if it is good enough for a country to send troops overseas, no matter what the role, it is good enough for members of parliament to go over there and see them in action. I have not been to Afghanistan and I have not been to Iraq, but I have seen our troops in most other situations where they have been placed—in Rwanda, in Somalia, several times in East Timor, and several times in Bougainville. I wish I could have the opportunity to see them where they are currently deployed, both in Iraq and in Afghanistan. I regret that that opportunity has not presented itself to me; nevertheless, I am always in awe of the fantastic job they do.

I support our serving men and women. In particular, we support them in this dangerous mission, which is to try to make up for the fact that Australia took its eye off the ball when it came to Afghanistan and we are now desperately trying to make amends by way of this additional deployment. We have no idea how long it will take or what the exit strategy is.

The honourable member for Herbert talked about the expansion of the Army. I could talk about that for a little while, but I do want to make a couple of points. One is that, at the last election, the opposition was committed to an additional battalion. The other thing is that I still believe we are not treating our Army Reserve properly. I think there is a real case for reform and better utilisation. The reserve is costing us over $1 billion. Whilst I do not quibble about the quality of the people who are reservists—that is far from the point I am trying to make—
do say that we have not really tackled the issues of training and equipment that would allow them to be more properly utilised.

We ought to make no mistake: the Army and Defence Force are stretched beyond anything we have seen since the Vietnam War. In newspapers I see that columnists are now starting to point out the nature of how stretched we are. I hope the member for Lindsay would agree with me that we are inevitably going to get into trouble when we have departed from the three routine, which has always been mantra in the Army—that is, you deploy one unit, you rest one unit up and you have one unit training up. This government has changed it. We are down to two. The more you stretch the Army the way we are, the greater the probability that we will unintentionally cause a mishap because we are so stretched.

I pray that that will not be the case, but we ought to put into perspective this proposition about expansion of the Army. There is no cabinet submission, notwithstanding the story in the Australian newspaper. There is no indication of when a submission will be made. But I support the government in looking at how stretched the Army is because I think it is critical—and they have never since the Vietnam War been operating at a higher tempo than they are today, and that is not necessarily a good thing for them, because I think there are measures that we need to take.

Mr Rudd (Griffith) (12.51 pm)—In November 2002 the Howard government withdrew Australia’s troops from Afghanistan. Labor supported the move at the time because we had accepted in good faith the government’s public statements to the effect that the security situation in Afghanistan was under control. The government in November 2002 said that its decision to withdraw Australian troops was made because the job had been done. Clearly the job had not been done. This was a grave error of Australian national security policy. The government privately knows that; the government does not have the integrity to publicly recognise and acknowledge that. Today Afghanistan remains terrorism central, the home of al-Qaeda, the home of Osama bin Laden and the home of the Taliban, and these agents of insecurity are now increasing and consolidating their position. These organisations, most particularly al-Qaeda, also feed Jemaah Islamiah, the principal terrorist organisation operating in South-East Asia.

Two things have become clear about the government’s decision to withdraw from Afghanistan in 2002. The first is that the government kept very private, very secret, the diplomatic pleas from the government of Afghanistan for Australian troops to remain in the country due to the security situation at the time. The second is that the government’s decision to draw down Australian troops in Afghanistan was little more than a prepositioning exercise for the subsequent deployment of Australian troops to Iraq.

This decision-making process at the end of 2002 and early in 2003 was part and parcel of a pattern of mismanagement of this country’s national security priorities. Firstly with Afghanistan, the government abandoned ship before the job was done. They had been privately warned in diplomatic correspondence from the government of Afghanistan that the job had definitely not been done and they turned a deaf ear to it. Secondly, from about this time also, in 2003 the government began its active diplomatic efforts with the United Nations in New York to draw down our troop presence in East Timor. The result was that we again abandoned ship too early, before the job was done—and we all know the downstream consequences of
that in terms of the fresh, expensive and large deployment to East Timor which has subsequently become necessary.

But why were these two flawed decisions taken? The decision to cut and run from Afghanistan at the end of 2002, combined with the decision to cut and run from East Timor from 2003-04 on, was made because the government was preparing for and subsequently active in deployments in Iraq—the third element of the mismanagement of this government’s national security priorities. So there was a wrong decision about Afghanistan, where terrorism was still alive and well—and the government had been formally warned of this by the government of Afghanistan at the time—and the political instability was continuing in East Timor. But, nonetheless, the government decided to cut and run from that, all in order to feed the future or continuing military requirements in Iraq. Iraq itself will probably be recorded in history as one of the single greatest failures of Australian foreign policy and national security policy since the war.

On top of this pattern of mismanagement of our key national security decisions, the Solomons also looms large. In 2002 the government of the Solomon Islands made a formal diplomatic request, through the medium of a visiting parliamentary delegation to the Australian Minister for Foreign Affairs, seeking modest levels of police assistance to restore law and order in that country. The foreign minister directly rejected that request for assistance and subsequently we had to engage in a large-scale military deployment to the Solomon Islands. We had failed to recognise the early warnings of an emerging security policy challenge and instead had left it very late, resulting in a very large deployment indeed to the Solomon Islands at huge cost to the Australian taxpayer. That is further evidence of this pattern of national security policy mismanagement.

I visited Kabul in 2004 with the member for Bruce to see for myself how far the country had gone in re-establishing itself in the post-Taliban period. What was interesting about that visit was that I was offered no assistance whatsoever by the foreign minister in facilitating that visit—none whatsoever. At the time, of course, we did not have an embassy in Kabul, although we did have an embassy in Islamabad, but not a skerrick of assistance was offered. In undertaking that visit to Afghanistan, I had to rely entirely upon the good offices of the Afghan foreign ministry. This was an emerging country, an emerging democracy, an emerging foreign policy and foreign ministry establishment and they had to provide all the resources for my visit. The Afghan foreign ministry had to meet me, they had to provide my ground transport, they had to provide my ground security, together with that for the member for Bruce, and everything we did in the several days we spent in that country was provided exclusively per medium of the assistance of the government of Afghanistan.

I have often reflected on why the Australian government was so reluctant at the time to provide any such form of assistance. I know our diplomats in the field perform a first-class function and they are often—in fact, almost always—ready to provide assistance to visiting members of parliament, particularly for the official opposition and the official opposition foreign policy spokesman; but it became clear to me after a period of time that the government was not keen at all for me to see what I was about to discover, which was how degraded the security situation in Afghanistan was becoming, most particularly in the southern parts of the country.
I had extensive meetings with a range of Afghan government officials. I met with the Afghan foreign minister. I had dinner at the foreign ministry with the foreign minister. I met and had discussions with the Afghan President, Hamid Karzai, and a range of other Afghan government ministers responsible for domestic security and the opium eradication programs in that country. Bit by bit, piece by piece, together with discussions with the embassy of the United States in Kabul at the time, a picture began to emerge very clearly in my mind of the gross security challenges which were then presenting themselves to the government and people of Afghanistan, particularly with evidence of the re-emergence of the Taliban and the re-emergence of al-Qaeda related activity in the southern and south-eastern parts of the country.

I found a desperately poor country devastated by decades of civil war. In addition to the challenge of a swift move to democracy, the new government in Kabul confronted an out of control opium industry and, on that score alone, the United Nations estimate was that, as of 2004, the opium and heroin crop of Afghanistan lay at a market value of some $US2.3 billion per year. It was also estimated that Afghanistan’s opium crop was providing 85 per cent of Europe’s total opium supply. The Afghan government demonstrably was having difficulties dealing with opium production and controlling the overall domestic security situation.

When I came back to Australia it became plain to me that the decision we had taken to cut and run from Afghanistan at the end of 2002, as of March-April 2004, when I visited the country, made absolutely no national security policy sense at all. In fact, a number of Western military officials with whom I spoke—and I shall not name anyone individually for fear of compromising their position and the political relationships between those governments and this country—were privately critical of the Australian government’s decision to abandon ship. It was in many respects a poorly kept secret that Australia had, for reasons relating to Iraq, decided to exit the country and leave Afghanistan at a time of dire and acute need.

When I returned to Australia, the member for Bruce and I moved a motion on 29 March 2004, under private members’ business in the House, which, firstly, recognised the continued central importance of Afghanistan as critical to the war against terrorism; secondly, recognised that al-Qaeda, the Taliban and associated terrorist organisations continued to pose a security threat to the government of Afghanistan; thirdly, recognised that removing the threat required both the political transformation and economic reconstruction of Afghanistan with the full support of the international community; and, fourthly, recognised that Australia must play a significant and substantive role, both bilaterally and multilaterally, in underpinning a long-term, secure future for the people of Afghanistan.

That motion, moved by me and the member for Bruce, was put before the House nearly 2½ years ago. The response we got from the government at the time was one of absolutely deafening silence, because the government at that stage was beginning to work out that it was inextricably bogged down in the emerging quagmire which was Iraq.

Of course, other countries had acted in a different way. New Zealand, for example, maintained a military presence in Afghanistan, with around 100 officers in a provincial reconstruction team, and they were at that stage also planning to deploy some 50 special forces officers to assist the US military in combat operations. The defence minister now admits that, while Australia had its priorities trained on Iraq, Afghanistan over the past several years had remained a hot bed of terrorist activity. It is very interesting to read what the defence minister has now had to say. Last week he stated:
Australians, and too many Australian families, have been touched, if not scarred, in this decade by two 
Bali bombings and by the bombing of our embassy in Jakarta, Indonesia. And we have seen other evi-
dence of terrorist activity in our region.

There are a number of links between those who planned and committed these heinous crimes and 
Afghanistan.

The minister went on to say:
Samudra, who was sentenced to death for plotting the Bali bombing, testified during his trial that he had 
fought in Afghanistan in the 1990s, alongside Osama bin Laden. He also testified that it was his duty as 
a true Muslim to wage jihad against the West. The International Crisis Group in our region is headed by 
Sidney Jones ... 

They have also prepared a document on this. The minister continued:
A 2003 document to the International Crisis Group on Jemaah Islamiah in South-East Asia documented 
the relationship between those who trained in Afghanistan and terrorist activity in our own region. Zul-
karnaen, for example, who trained in Afghanistan in 1985, was a senior military commander of JI. Muk-
las, who was sentenced to death for the Bali bombings, trained there in 1986. Hambali, who is JI’s chief 
strategist and primary link between JI and al-Qaeda, was trained there in 1987.

Further, the minister said:
It is extremely important for us as Australians to appreciate, particularly when five per cent of the Aus-
tralian population is overseas at any one time, that the defence and security of our country, our people, 
our interests and our values is not just about our borders, nor indeed our region. It is about ensuring that 
we make a contribution, along with others, to demonstrate what the Australian newspaper describes as 
‘moral musculature’ in taking up the struggle against global terrorism. There is no greater source of it 
than Afghanistan.

My question is: where was the moral musculature in 2003; where was the moral musculature 
in 2004; where was the moral musculature in 2005? The bottom line is this: the security situa-
tion throughout that time was deteriorating. As at my visit there in 2004, Afghan government 
officials were absolutely clear-cut about the re-emerging terrorist threat right across the south-
ern and southern-eastern parts of that country. The government chose to turn a blind eye to it; 
they chose to turn a deaf ear to it because it was a politically uncomfortable message and be-
cause they had buried themselves in this other theatre called Iraq. That is a regrettable mani-
festation of the mismanagement of national security policy in this country.

The nation needs to pause right at this moment, when we are about to dispatch fresh troops 
to Afghanistan, and reflect on how this came about. This was a wrong decision in terms of 
national security priorities to withdraw our troops when we did. Everyone knows that and 
acknowledges that privately, but this government still to this day—three years or more since 
the withdrawal—does not have the moral fortitude to publicly recognise the simple, logical 
fact that this decision was wrong.

Of course, the reason for the distraction was Iraq, and we know what has happened there. 
We were to go to Iraq to eliminate weapons of mass destruction which did not exist. We were 
to go to Iraq in order to reduce the terrorist threat. In fact, we have increased the terrorist 
threat as a result. As a consequence of the invasion of Iraq, in the several years which have 
elapsed since the March 2003 invasion the UN now documents there have been some 50,000 
deaths in Iraq, running at the rate of about 1,000 per month. We have Iraq now on the verge 
of, if not in the middle of, a civil war between Sunni and Shiah and we have the rolling Iraq 
war contributing to the global energy crisis, or oil price crisis, and therefore the global price
of oil. And this was supposed to be the reason we exited from Afghanistan. Iraq will go down as one of the greatest foreign policy disasters perpetrated by any Australian government.

Turning to the current deployment, I would simply say this in conclusion: the troops going on this deployment have our full bipartisan support. They are brave, professional men and women in uniform doing their bit for their country. We support them wholeheartedly. But they have been redeployed to Afghanistan after three years of policy failure on the part of the Howard government. They are going to a highly dangerous, insecure environment. I am gravely concerned about their security, gravely concerned about casualties emerging, and the government, because of the mismanagement of the decision-making process on Afghanistan, has a double responsibility to ensure their physical security. *(Time expired)*

Debate (on motion by Ms Owens) adjourned.

*Main Committee adjourned at 1.06 pm*
QUESTIONS IN WRITING

Commonwealth Funded Programs
(Question No. 2262)

Ms Grierson asked the Minister representing the Minister for Communications, Information Technology and the Arts, 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 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 Newcastle received funding in (i) 2003-04 and (ii) 2004-05.

5. What sum of Commonwealth funding did each recipient receive in (a) 2003-04 and (b) 2004-05 and what are their names and addresses.

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

The Department of Communications, Information Technology and the Arts administers a number of funding programs that could potentially benefit organisations and individuals in the electorate of Newcastle, if they meet eligibility requirements. Details of these funding programs are in the Department’s annual report which is available at www.dcita.gov.au.

Commonwealth Funded Programs
(Question No. 2506)

Ms Hoare asked the Minister representing the Minister for Communications, Information Technology and the Arts, 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 are the print or other media outlets that 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 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 Charlton received funding in (i) 2003, and (ii) 2004 and what was the name and address of each recipient.

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

The Department of Communications, Information Technology and the Arts administers numerous programs and/or grants that potentially could provide assistance to organisations and individuals in the
federal electorate of Charlton, if they meet eligibility requirements. Details of these funding programs are available in the Department’s Annual Report, available at www.dcita.gov.

**Australian Broadcasting Corporation**  
(Question No. 3005)

**Mr Murphy** asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 8 February 2006:

1. Can the Minister confirm that, in its triennial funding submission to the Government, the management of the ABC has sought an additional $38.4 million for the period 2006-09.
2. What was the Government’s response to the submission.
3. Why has the Government not granted any additional funding to the ABC in response to the public broadcaster’s triennial submissions since it was first elected in March 1996.

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

1. The ABC’s triennial funding submission made public on 3 March 2006 seeks additional funding for 2006-09 of, on average, $38.4 million a year.
2. The ABC’s triennial funding submission was considered as part of the 2006-07 Budget process.
3. The Government has committed to maintaining, and has maintained, the ABC’s triennial funding in real terms.

   The ABC received significant new funding in the 2006-07 Budget. Triennial base funding will increase to $530.8 million in 2006-07, $543.5 million in 2007-08 and $555.0 million in 2008-09. In addition, the ABC will receive $88.2 million in additional funding over the three years:
   - $30 million to enable the ABC to establish an independent commissioning arm to invest in high quality drama and documentaries from the Australian independent production sector;
   - $13.2 million for regional and local programming, bringing total funding for this initiative to $68.7 million over the triennium; and
   - $45.0 million over three years for the ABC to buy new equipment, particularly for its studios outside Sydney and Melbourne.

   The ABC will receive funding from the Government of $822.7 million in 2006-07. This includes total appropriations of $808.4 million and equity injections of $14.3 million.

   The ABC will also receive approximately $600 million in additional funding from the Government over the decade from 2000-01 for its digital TV costs.

   In addition, the Government has provided the ABC with additional funding in a number of areas, including:
   - $71.2 million over four years from 2001-02 for new regional and rural programming, with a further funding commitment of $54.4 million over three years from 2005-06; and
   - ongoing funding of $4.2 million per year (indexed) from 2004-05 to help the ABC meet the increasing costs of television program purchasing.

**Consultancy Services**  
(Question No. 3268)

**Mr Bowen** asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 29 March 2006:
(1) Did the department or any agency in the Minister’s portfolio engage the services of a public relations, public affairs or media consultancy in 2005; if so, what was the (a) purpose and (b) cost of each engagement.

(2) What was the name and postal address of each company engaged for these purposes.

(3) For 2005, what sum was spent on public relations, public affairs or media consultancies by the department and each agency in the Minister’s portfolio.

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

(1) (3) The Department of Communications, Information Technology and the Arts did not engage the services of a public relations, public affairs or media management consultancy in 2005.

The details of portfolio agencies which engaged the services of a public relations, public affairs or media management consultancy in 2005 are as follows:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Purpose of engagement</th>
<th>Name and postal address of company</th>
<th>Cost of each engagement (including GST)</th>
<th>Total sum spent on public relations, media affairs or media management for 2005 (including GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Gallery of Australia</td>
<td>Public affairs.</td>
<td>Ken Begg and Associates Pty Ltd PO Box 4985 Kingston ACT 2604</td>
<td>$125,107.36</td>
<td>$125,107.36</td>
</tr>
<tr>
<td>National Archives of Australia</td>
<td>To design a marketing strategy</td>
<td>The Content Group 51 Blackall St Barton ACT 2600</td>
<td>$25,850.00</td>
<td>$25,850.00</td>
</tr>
<tr>
<td>Film Australia</td>
<td>Public affairs services.</td>
<td>Avviso Public Relations 3 MacDonald Street Paddington New South Wales 2021</td>
<td>$25,456.20</td>
<td>$25,456.20</td>
</tr>
<tr>
<td>Australian Film, Television and Radio School (AFTRS)</td>
<td>Public affairs services.</td>
<td>Michael Kiely Marketing 17 Newline Road West Pennant Hills 2125</td>
<td>(1)$20,000 (2)$22,000 (3)$23,637</td>
<td>$65,637.00</td>
</tr>
<tr>
<td>Film Finance Corporation Australia Limited (FFC)</td>
<td>Public affairs services.</td>
<td>The Lantern Group #88 ESA, Driver Avenue MOORE PARK NSW 1363</td>
<td>$69,300</td>
<td>$69,300</td>
</tr>
<tr>
<td>Australian Film Commission (AFC)</td>
<td>Public affairs services.</td>
<td>Avviso Pty Ltd 2 MacDonald Street PADDINGTON NSW 2021 Crosby Textor PO Box 3632 MANUKA ACT 2603</td>
<td>$173,438.10</td>
<td>$180,478.10</td>
</tr>
<tr>
<td>Australian Business Arts Foundation (AbA)</td>
<td>Public relations and media management relating to the AbA 2005 Awards</td>
<td>Emma Heath Public Relations and Management 256 Clovelly Road Clovelly NSW 2031</td>
<td>$20,196</td>
<td>$20,196</td>
</tr>
<tr>
<td>Australia Council</td>
<td>Public affairs services.</td>
<td>Maniaty Media Pty Ltd Registered office address: C/- Roberts Barbariol Suite 8 207 Great North Road Five Dock NSW 2046</td>
<td>$6720.00</td>
<td>$75,043</td>
</tr>
<tr>
<td>Agency</td>
<td>Purpose of engagement</td>
<td>Name and postal address of company</td>
<td>Cost of each engagement (including GST)</td>
<td>Total sum spent on public relations, media affairs or media management for 2005 (including GST)</td>
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<td>------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Development of international PR/media strategy for Venice Biennale 2005; international events management pre Biennale; international network development during the Venice Vernissage; organising of key event during the Venice Vernissage.</td>
<td>Brunswick Arts 16 Lincoln’s Inn Fields London WC2A 3ED England</td>
<td>$68,323.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia Post</td>
<td>Post regularly engages such companies to assist in a wide range of activities including strategic public and stakeholder relations, issues tracking, leveraging sponsorships and events, philatelic launches, publicity and promotions.</td>
<td>Australian Business Theatre 3 Bond Street SOUTH YARRA VIC 3141</td>
<td>The cost of each engagement is considered commercial-in-confidence.</td>
<td>Post spent a total of $1.2m on such activities in 2005.</td>
</tr>
<tr>
<td>Telstra</td>
<td>Telstra has its own internal public relations and public affairs units that form part of the Corporate Relations business unit. From time to time Telstra may employ an external group to conduct public relations work however this is organised through the various customer facing business units and no centralised record is maintained that would allow this information to be provided.</td>
<td>Sean Dignum &amp; Associates 8/460 Collins Street MELBOURNE VIC 3000 Communicado Marketing Communications Pty Ltd 383 Clarendon Street SOUTH MELBOURNE VIC 3205 The PR Edge 658 Church Street RICHMOND VIC 3121 Herton Communications 12 Middleton Street PETERSHAM NSW 2049 Javelin Communications 1/144 Morey Street SOUTH MELBOURNE VIC 3205 Cox Inal Communications 2/44 Mountain Street ULTIMO NSW 2007 Hill Knowlton 12/338 Pitt Street SYDNEY NSW 2000</td>
<td>No centralised record available.</td>
<td></td>
</tr>
</tbody>
</table>

**QUESTIONS IN WRITING**
### Money Spent on Media Training

<table>
<thead>
<tr>
<th>Agency</th>
<th>Purpose of engagement</th>
<th>Name and postal address of company</th>
<th>Cost of each engagement (including GST)</th>
<th>Total sum spent on public relations, media affairs or media management for 2005 (including GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NetAlert</td>
<td>Public affairs services.</td>
<td>Mr Rodney John Nockles, 68 Fairview Avenue, Camberwell in Victoria</td>
<td>$60,793.20</td>
<td>$299,514.20</td>
</tr>
<tr>
<td>Financial &amp; Corporate Relations Pty Ltd, 2 Bligh Street, Sydney in New South Wales</td>
<td>$238,721</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Media Training**  
*(Question No. 3362)*

**Mr Bowen** asked the Attorney-General, in writing, on 29 March 2006:

1. Did the (a) Minister and (b) his personal staff receive any media training in 2005.
2. What was the cost of the media training.
3. What was the name and postal address of each company engaged to provide media training.

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

1. (a) No, (b) No.
2. Not applicable.
3. Not applicable.

**Australian Broadcasting Corporation**  
*(Question No. 3394)*

**Mr Murphy** asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 30 March 2006:

1. Did the Minister read the article titled ‘A staff director is essential to protect the ABC’s independence’ in *The Age* on 29 March 2006.
2. In respect of that part of the report that read “With the staff-elected director removed, this will place the Government in a position like that of Silvio Berlusconi, who has his own TV stations as well as holding the state-owned media in his hands. Is that what Australians want?”, can the Minister explain how the abolition of the position of staff-elected ABC Board director would be in the public interest.
3. Will the Minister abandon the intention to introduce legislation to amend the Australian Broadcasting Act to abolish the position of staff-elected ABC Board director; if not, why not.

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

1. The Minister is aware of the article.
2. The Government believes it is in the public interest to abolish the position.

   There is an inherent conflict of interest between the clear legal duty of a Director to act in good faith and in the best interests of the ABC (imposed by the ABC Act, the CAC Act and backed up by *Bennetts v Board of Fire Commissioners*) and being elected by staff who may primarily expect the staff-elected Director to represent their interests rather than the interests of the ABC as a whole. The Government believes the changes remove the potential for a conflict of interest.
(3) Legislation to abolish the staff-elected Director position on the ABC board has passed through both Houses of Parliament and received Royal Assent.

Taxation
(Question No. 3451)

Mr Fitzgibbon asked the Minister for Revenue and Assistant Treasurer, in writing, on 9 May 2006:

(1) What is the current outstanding tax liability for the small business sector.
(2) Has the small business sector’s outstanding tax liability risen since 2000; if so, by what sum and order of magnitude and why.

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

(1) $8.11 billion as at 30 June 2006.
(2) Yes. Between 31 July 2003 and 30 June 2006 small business tax debt rose by $2.77 billion.
   The ATO is not able to provide a figure for the small business sector prior to 31 July 2003. The ATO did not report according to the same market segment prior to this period.

Australian Broadcasting Corporation
(Question No. 3460)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 9 May 2006:

(1) Has the Minister read the website www.getup.org.au/campaign/FundOurABC which advertises the campaign titled ‘Funding Our ABC’.
(2) Is she aware that the internet campaign includes a petition which on 26 April 2006 was claimed to have over 77,773 signatures.
(3) Can she confirm the website’s claim that the ABC is $264 million poorer in real terms today than it was 20 years ago; if so, will the Minister act to restore the ABC’s funding to the equivalent in real terms to the funding it received 20 years ago and if she will not, will the Minister explain why not.

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

(1) The Minister is aware of the website.
(2) The Minister is aware the website contains a petition which claims to have over 77,000 signatures.
(3) No. The ABC’s figures in its Annual Reports show that all of the claimed decline in funding occurred in the late 1980s and early ‘90s.

   While the Government does not agree with all elements of the ABC’s calculations, nonetheless, last year’s ABC Annual Report showed that the level of ABC funding in 2005-06 was very similar to the 1995-96 level (indexed by CPI). This analysis does not include approximately $600 million in additional funding the Government is providing over the decade from 2000-01 for the ABC’s digital TV costs.
   
   With the new funding announced in the Budget 2006-07, ABC funding in 2006-07 will exceed the level of the ABC’s funding in 1995-96 (indexed by CPI) even before the Government’s substantial contribution for digital television is added.
Cross-Media Ownership Rules
(Question No. 3588)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 30 May 2006:

(1) Would the Minister confirm whether she has received approximately 200 submissions to the discussion paper associated with the Government’s proposed reforms to Australia’s foreign and cross-media ownership laws.

(2) When will these submissions be made public.

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

(1) Yes.

(2) Non-confidential submissions were made available on the Department of Communications, Information Technology and the Arts’ website from 16 June 2006.

Media Ownership
(Question No. 3596)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 31 May 2006:

(1) Further to the Minister’s reply to part (2) of question No. 2745, what are the (a) “important constraints” on media ownership concentration in Australia; (b) “legitimate diversification strategies” for traditional and new media platforms; and (c) new services to which consumers would have access.

(2) Is there a material risk that the “legitimate diversification strategies” available to Australia’s biggest media companies will further concentrate media ownership in Australia and thereby pose a threat to the public interest and our democracy; if so, what are the details of that risk; if not, why not.

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

(1) and (2) Since the Honourable Member asked about these matters, the Government has announced a range of media reform measures that it intends to implement in 2006-07. The issues of protection of diversity and media concentration including in regional Australia are discussed in detail in the Government’s announcement “New Media Framework for Australia” of 13 July 2006.

Media Ownership
(Question No. 3600)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 1 June 2006:

In respect of the Minister’s discussion paper on media reform options titled Meeting The Digital Challenge - Reforming Australia’s Media Age, why does the discussion paper not explain (a) that the options proposed would allow Australia’s two biggest media owners to keep their existing media assets, and allow them to buy additional assets, and (b) how the public interest and Australian democracy may benefit from further concentration of media ownership in Australia.

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

The Honourable Member’s attention is directed to the Minister’s answer to Question 3596.
Media Ownership
(Question No. 3601)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 1 June 2006:

Further to the Minister’s reply to question No. 2745 (Hansard, 30 March, 2006, page 116), why did the Minister not guarantee that the Broadcasting Services Amendment (Media Ownership) Bill will not lead to further concentration of media ownership in Australia.

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

The Honourable Member’s attention is directed to the Minister’s answer to Question 3596.

Cross-Media Ownership Rules
(Question No. 3602)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 1 June 2006:

(1) In respect of the Minister’s proposed changes to Australia’s foreign ownership and cross-media ownership laws, can the Minister confirm that she was asked by Senator Conroy at the Senate’s Environment, Communications, Information Technology and the Arts Committee hearing on 23 May 2006 if she could guarantee that News Limited and Publishing and Broadcasting Limited would not be allowed to merge.

(2) In respect of News Limited and Publishing and Broadcasting Limited, is the Minister aware of (a) the extent of traditional and new media owned, and (b) the audience reach, and potential influence on public opinion of their electronic and print media assets; if so, will the Minister provide those details; if not, why not.

(3) Why did the Minister not tell Senator Conroy that the Government would never allow News Limited and Publishing and Broadcasting Limited to merge.

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

(1) to (3) The Honourable Member’s attention is directed to the Minister’s answer to Question 3596.

Australian Federal Police: Protective Helmets
(Question No. 3611)

Mr Bevis asked the Minister representing the Minister for Justice and Customs, in writing, on 1 June 2006:

How many protective helmets does the Australian Federal Police currently have?

Mr Ruddock—The Minister for Justice and Customs has provided the answer to the honourable member’s question as follows:

The Australian Federal Police has 668 ballistic helmets and 237 riot helmets.

Media Ownership
(Question No. 3642)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 14 June 2006:

QUESTIONS IN WRITING
(1) Did the Minister read an article titled “Nats meet to hammer out media policy”, which was published in The Australian Financial Review on 13 June 2006.

(2) What is the Minister’s response to that part of the article that read: “But Nationals MP Paul Neville yesterday said he believed the ‘five-four’ diversity test was flawed and would trigger an overcentralisation of regional media” and “You’re going to have big companies controlling three or four forms of media—that’s not competition, that’s the dumbing down of competition”.

(3) What is the Minister’s response to that part of the article that read: “National Senator Barnaby Joyce said it was essential the reforms ensured there were enough competitive players in country regions and they generate genuine local content”.

(4) Will the enactment of the Minister’s proposed media reform legislation permit further concentration of media ownership in Australia; if not, why not.

(5) Will the Minister guarantee that there will be no further concentration of media ownership under the proposed media reform legislation.

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

(1) Yes.

(2) to (5) The Honourable Member’s attention is directed to the Minister’s answer to Question 3596.

Taxation

(Question No. 3644)

Mr Fitzgibbon asked the Minister for Revenue and Assistant Treasurer, in writing, on 15 June 2006:

What was the average time required to complete a Business Activity Statement (BAS) form in (a) 2003-2004, (b) 2004-2005, and (c) 2005-2006 for businesses with (i) 1-4 employees, (ii) 5-19 employees, and (iii) 20-100 employees. (2) What was the average time required to complete a BAS form in (a) 2003-2004, (b) 2004-2005, and (c) 2005-2006 for businesses with annual turnover of (i) under $50,000, (ii) $50,000-$1 million, (iii) $1 million-$2 million, (iv) $2 million-$10 million, and (v) $10 million-$20 million.

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

Monthly BAS - Average time (in hours) to complete by number of employees:

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
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<tr>
<td>i. 1 – 4</td>
<td>2.5</td>
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<td>ii. 5 – 19</td>
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<td>iii. 20 – 100</td>
<td>2.9</td>
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Quarterly BAS - Average time (in hours) to complete by number of employees:

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<thead>
<tr>
<th>Number of employees</th>
<th>2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
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<td>iii. 20 - 100</td>
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Monthly BAS - Average time (by hours) to complete by annual turnover:

<table>
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<tr>
<th>Annual Turnover</th>
<th>Income year 2003-04</th>
<th>2004-05</th>
<th>2005-06</th>
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<tbody>
<tr>
<td>i. under 50,000</td>
<td>1.6</td>
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<tr>
<td>ii. between 50,000 and 999,999</td>
<td>3.4</td>
<td>2.6</td>
<td>2.6</td>
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<tr>
<td>iii. between 1,000,000 and 1,999,999</td>
<td>3.3</td>
<td>3.4</td>
<td>3.5</td>
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<tr>
<td>iv. between 2,000,000 and 9,999,999</td>
<td>4.4</td>
<td>3.5</td>
<td>3.4</td>
</tr>
<tr>
<td>v. between 10,000,000 and 19,999,999</td>
<td>3.9</td>
<td>3.7</td>
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</table>

Quarterly BAS - Average time (by hours) to complete by annual turnover:

<table>
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<td>4.7</td>
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</tbody>
</table>

The average time to complete the BAS is based on information from the time-box label in the BAS. This is a non-compulsory field. In total, approximately 25% of businesses complete this label for any given year.

Data for the 2003-04 income years is incomplete. Care should be taken in any comparisons made.

Child Care

Ms Plibersek asked the Minister for Industry, Tourism and Resources, in writing, on 19 June 2006:

1. Do any agencies in the Minister’s portfolio offer childcare to employees; if so, which agencies.
2. In respect of agencies that offer childcare, (a) is the childcare (i) long day care, (ii) outside school hours care, or (iii) another type of care, (b) is the childcare facility located at the agency’s premises; if so, (i) what is the maximum capacity of the childcare facility, (ii) is enrolment at the facility available to children whose parents are not employees of the agency, and (iii) do the children of agency employees receive preferential enrolment over the children of non-employees; if so, what are the provisions of the preference rule; and (c) will the Minister provide a copy of the information sheet given to employees seeking employer assistance with childcare.
3. Are employees given the option of salary-sacrificing childcare offered by the agency.
4. How many employees within each of the Minister’s portfolio agencies have made salary-sacrifice arrangements with the employing agency for childcare expenses.
5. In respect of the employees identified in the response to part (4), how many use on site-childcare.
6. Do any of the Minister’s portfolio agencies have salary-sacrifice agreements relating to childcare with employees who do not use the on-site childcare centre; if so, how many agreements of this type are there?
7. Will the Minister provide a copy of the childcare benefits provisions from the Certified Agreements of each of the Minister’s portfolio agencies.
8. What financial assistance for childcare, other than salary-sacrificed fees, is available to employees (including those on AWAs) of each of the Minister’s portfolio agencies.
9. Have any agencies in the Minister’s portfolio sought private or public rulings from the Australian Taxation Office relating to childcare and fringe benefits tax; if so, when.
(10) Do any of the Minister’s portfolio agencies have arrangements with other Government agencies to provide childcare to employees, such as sharing childcare facility costs at a site within, or external to, one of the agencies.

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

DEPARTMENT OF INDUSTRY, TOURISM AND RESOURCES
(1) The Department of Industry Tourism & Resources (DITR) does not offer childcare to its employees.
(2) to (5) Not applicable.
(6) Four DITR employees currently have salary-sacrifice arrangements for childcare expenses.
(7) In the 2003-2006 Certified Agreement the following provisions were included.

“DITR will investigate the provision of childcare facilities, including a shared facility with other Government agencies,………….. A report will be provided to the WRC no later than 31 March 2004.

ITR is scheduled to tender for new premises in Canberra before the expiration of this Agreement and the following will be included in the tender specifications for the new premises:

provision of a child care centre:………….”
(8) DITR provides family assistance arrangements as follows:

vacation child care subsidy of up to $20 per child per day for accredited providers.
access to a work-life information and referral service that provides information on options for child care, elder care and care for dependants with a disability.
(9) DITR is currently seeking a private ruling from the Australian Taxation Office.
(10) DITR does not have arrangements with other Government agencies to provide childcare to employees.

IP AUSTRALIA
(1) IP Australia does not offer childcare to its employees.
(2) to (6) Not applicable.
(7) IP Australia does not have any childcare benefits provisions in its Certified Agreement.
(8) IP Australia does not provide any financial assistance for childcare to its employees.
(9) IP Australia has not sought any private or public rulings from the Australian Taxation Office relating to childcare and Fringe Benefits Tax.
(10) IP Australia does not have any arrangement with other Government agencies to provide childcare to employees.

GEOSCIENCE AUSTRALIA
(1) Geoscience Australia does not offer childcare to its employees.
(2) to (6) Not applicable.
(7) Geoscience Australia does not have any childcare benefits provisions in its Certified Agreement.
(8) Geoscience Australia does not provide any financial assistance for childcare to its employees.
(9) Geoscience Australia has not sought any private or public rulings from the Australian Taxation Office relating to childcare and fringe benefits tax.
(10) Geoscience Australia does not have any arrangement with other Government agencies to provide childcare to employees.
NATIONAL OFFSHORE PETROLEUM SAFETY AUTHORITY
(1) The National Offshore Petroleum Safety Authority does not offer childcare to its employees.
(2) to (9) Not applicable.
(10) The National Offshore Petroleum Safety Authority does not have arrangements with other Government agencies to provide childcare to employees.

TOURISM AUSTRALIA
(1) Tourism Australia does not offer childcare to its employees.
(2) to (5) Not applicable
(6) While Tourism Australia allows all Australian-based staff to salary-sacrifice for childcare expenses, there are no employees using this arrangement. Salary-sacrifice arrangements are not available to Tourism Australia’s overseas staff due to different taxation laws.
(7) Under the Tourism Australia Certified Agreement 2005-2008, employees under this agreement are entitled to maternity, paternity and adoption leave as per sections 29, 30 and 31 of the Agreement. The Agreement also provides for the payment of $20 per day per child to a maximum of $200 per week for carer’s assistance during school holiday periods.
(8) As detailed in (7) above, employees may receive payment of $20 per day per child to a maximum of $200 per week for carer’s assistance during school holiday periods.
(9) Tourism Australia has not sought any private or public rulings from the Australian Taxation Office relating to childcare and fringe benefits tax.
(10) Tourism Australia does not have arrangements with other Government agencies to provide childcare to employees.

Leadership Coaching
(Question No. 3700)
Mr Bowen asked the Minister Assisting the Minister for Defence, in writing, on 19 June 2006:
(1) How many senior officials in the Minister’s Department have a personal leadership coach or trainer.
(2) In each of the cases identified in part (1), what is the cost per hour of the leadership coach.
(3) What sum has been expended on leadership coaching in the Minister’s Department during the 2005 – 06 financial year.
Mr Billson—The answer to the honourable member’s question is as follows:
(1) Twenty.
(2) 1 senior officer x $410.
   2 senior officers x $250.
   17 senior officers x $320.
(3) $33,658.

Leadership Coaching
(Question No. 3701)
Mr Bowen asked the Minister for Industry, Tourism and Resources, in writing, on 19 June 2006:
(1) How many senior officials in the Minister’s Department have a personal leadership coach?
(2) In each of the cases identified in part (1), what is the cost per hour of the leadership coach?

(3) What sum has been expended on leadership coaching in the Minister’s Department during the 2005-06 financial year.

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

(1) In financial year 2005-06 a total of 32 senior officials had personal leadership coaching.

(2) Fees charged by leadership coaches vary dependant upon the skills and experience of the individual coach. In financial year 2005-06 leadership coach fees paid have been at the rates of $250, $270, $300 and $360 per hour (exclusive of Goods and Services Tax) dependant upon the coach used.

(3) The amount of money expended for leadership coaching in the 2005-06 financial year was $23,905 (exclusive of Goods and Services Tax).

Leadership Coaching
(Question No. 3705)

Mr Bowen asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 19 June 2006:

(1) How many senior officials in the Minister’s Department have a personal leadership coach or trainer.

(2) In each of the cases identified in part (1), what is the cost per hour of the leadership coach.

(3) What sum has been expended on leadership coaching in the Minister’s Department during the 2005-06 financial year.

Mr Brough—The Minister for Families, Community Services and Indigenous Affairs has provided the following answer to the honourable member’s question:

In 2005-06, six senior officials of the Department have had a personal leadership coach. Not all arrangements were based on cost per hour. The sum expended on leadership coaching during the 2005/06 financial year is $15,670.

Defence: Medals
(Question No. 3710)

Mr McClelland asked the Minister Assisting the Minister for Defence, in writing, on 19 June 2006:

In respect of campaign medals awarded to Australian Defence Force (ADF) personnel for service in Iraq and/or Afghanistan, (a) have some personnel been waiting to receive their medals since 2001; if, so how many, (b) what is the reason for the delay in awarding the medals; (c) has the Directorate of Honours and Awards recruited additional staff to process applications and to expedite the awarding of the medals; (d) what impact is the delay in the awarding of the medals having on the retention of trained and experience personnel, and (e) when can eligible applicants expect to receive their medals.

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

(a) No. While ADF personnel have been on operation in Afghanistan from 2001 and Iraq from 2003, the creation of the campaign medals for Afghanistan and Iraq was only announced on 25 April 2004.

(b) Following the announcement of the creation of the campaign medals in April 2004, the Letters Patent and Regulations establishing the medals were approved by Her Majesty the Queen in October 2004. A competitive tendering process for the manufacture, engraving and dispatch of the medals was undertaken, with a contract being signed in April 2005. Some quality difficulties were encountered with medals manufactured by the original contractor and this contract was terminated.
Defence then entered into an arrangement with the Royal Australian Mint, and full production of the medals commenced in February 2006.

(c) No. As the delay in providing the campaign medals to eligible Australian Defence Force personnel is related to the manufacturing of the medal, the issue of additional staff has not been considered.

(d) None. ADF members have already been recognised for their service in Afghanistan and Iraq with the Australian Active Service Medal with appropriate clasp. Defence is working very hard to ensure that all servicemen and women get the recognition they deserve. While a level of frustration may have been experienced by ADF members in receiving the medal, it should not have an impact on retention.

(e) The Mint is currently manufacturing 500 medals per week. Over 2,500 Afghanistan Campaign Medals and over 4,500 Iraq Campaign Medals have been issued to date. The majority of the remaining campaign medals are expected to be issued to eligible personnel by August 2006.

Defence: Medals

(Question No. 3711)

Mr McClelland asked the Minister Assisting the Minister for Defence, in writing, on 19 June 2006:

In respect of a new medal recognising service in the Australian Defence Force (ADF), of which the announcement in June 2004 included the criteria that service for the specified period was voluntary, (a) why was the ‘voluntary’ criterion subsequently removed in an announcement on 30 March 2006, (b) which veterans’ and ex-service organisations were consulted prior to the removal of the ‘voluntary’ criterion, and (c) over what time-frame did consultation take place.

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

(a) The eligibility criteria for the Australian Defence Medal were broadened to recognise all personnel who served their country, including national servicemen. For this reason, the medal is inscribed with the words ‘for service’.

(b) Significant consultation occurred with individuals, ex-Service organisations and the ADF. Those in the ex-Service community and others who lobbied the Government included, but were not limited to:

• the Returned and Services League;
• the Ex-Service Women’s Medal Group;
• the New Medals Groups;
• the National Servicemen’s Association of Australia;
• the Women’s Royal Australian Naval Service Association;
• the Totally and Permanently Incapacitated Association;
• the Far East Strategic Reserve Association;
• the Ex-Women’s Royal Australian Air Force Reunion Group;
• various Members of Parliament and Senators; and
• numerous individuals.

While a number of these groups were not contacted directly by the Government or Defence, they made their views known through ministerial representations. The Government considered all their views and opinions, and agreed to revise the criteria for the award.

(c) June 2004 to December 2005.
Defence: Medals
(Question No. 3712)

Mr McClelland asked the Minister Assisting the Minister for Defence, in writing, on 19 June 2006:

In respect of the Australian Defence Medal, (a) when will it be awarded to eligible applicants, (b) how many applications is the Directorate of Honours and Awards currently processing, (c) what is the estimated number of former and serving Australian Defence Force (ADF) members who are currently eligible for the medal, and in respect of these members, how many have received medals to date, (d) upon what criteria is the order in which the medals are awarded based, (e) what is the anticipated time between receipt of application and award of the medal, (f) what is the anticipated time between receipt of application and acknowledgment of receipt, (g) why are protracted delays being experienced in acknowledging receipt of applications, and (h) has the Directorate of Honours and Awards recruited additional staff to expedite the processing and award of the medal.

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

(a) My media release of 21 April 2006 announced that the first medals were despatched during the week ending 21 April 2006.
(b) As at 30 June 2006, 39,000.
(c) Approximately 1,200,000. As at 30 June 2006, 31,296 medals have been despatched.
(d) Applications from ex-serving ADF members and reservists are being assessed in order of receipt. Permanent ADF members are being assessed automatically with medals being issued to the most junior members first.
(e) After an application is received the applicant must be assessed to confirm eligibility. The period between receipt of the application and award of the medal will, therefore, depend on the number of applications being received, the individual circumstances of each applicant and the resources available. Once assessed as eligible, applicants can expect to be awarded the medal within three to four months.
(f) and (g) Applications requiring further research are being acknowledged within a four to six week time frame. All other applications are assessed on receipt, but are not acknowledged. This decision was made due to the limited number of resources available, and to ensure that the assessing function continues.
(h) Yes, 16 additional staff members have been employed to process applications for the Australian Defence Medal, and the Directorate of Honours and Awards has recently signed a contract for the research and assessment services for the medal, which will further increase the number of staff processing applications.

Defence: Medals
(Question No. 3713)

Mr McClelland asked the Minister Assisting the Minister for Defence, in writing, on 19 June 2006:

(1) Is it a policy that eligible serving Permanent Force members are being awarded the Australian Defence Medal ahead of serving Reserve Force members, some of whom may serve together in the same composite units; if so, is this consistent with the ‘total force’ concept of operations.
(2) Are eligible Permanent Force members being awarded the Australian Defence Medal ahead of Reserve Force members who transferred from the Permanent Force.
(3) Are eligible former Permanent Force members who did not transfer to the Reserve Force being awarded the Australian Defence Medal ahead of currently serving Reserve Force members; if so, is this a policy as to the priority of awarding the medals.

(4) Are eligible serving Reserve Force members required to apply for the award of the Australian Defence Medal whilst eligible Permanent Force members are awarded the medal automatically; if so, is this consistent with the ‘total force’ concept of operations.

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

(1), (2) and (3) No. Awards for current and former members, both Permanent and Reserve, are being processed concurrently, which is consistent with the ‘total force’ concept of operations. Current serving Permanent members are identified through an automatic list generated by the personnel database. Reserve members need to formally apply, as their effective service data is not recorded by the personnel database. In addition, inactive Reserve Force members need to provide updated contact details.

(4) Yes. It is necessary for eligible serving Reserve Force members to apply for the Australian Defence Medal as their details of effective service are not captured by the personnel database. However, in accordance with an updated Defence Instruction, ‘active’ Reserve Force members can provide a letter from their Commanding Officer certifying that they have completed four years service. In addition, ‘inactive’ Reserve Force members need to provide updated contact details for the despatch of the medal. The whole process is consistent with the ‘total force’ concept of operations.

Armidale Class Patrol Boats

(Question No. 3715)

Mr Bevis asked the Minister for Defence, in writing, on 19 June 2006:

Does the Government have an option to acquire additional Armidale-class patrol boats; if so, (a) how many can be acquired and (b) at what cost per boat.

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

There is no formal option in the current contract to acquire additional boats apart from the two for North-West Shelf protection, which were included in a contract change at the end of June 2006.

Australia Post

(Question No. 3716)

Mr Georganas asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 19 June 2006:

What changes to fees for Australia Post services payable by Age Pensioners (a) have been implemented in the 2005-06 financial year and (b) are anticipated in the 2006-07 financial year.

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

Based on information provided by Australia Post:

(a) From 22 May 2006 Australia Post has ceased providing letter holding and redirection services to eligible pensioners for free, and is now providing these services on a concessional basis. Holders of Centrelink Pensioner Concession cards, Department of Veteran Affairs Pensioner Concession cards, and Centrelink Health Care (Sickness Allowance) will now pay half of the standard rate for these services. As a transitional measure, Australia Post gave existing users of these services the opportunity to extend their current services for up to 12 months free of charge.

Australia Post has advised that it has made this decision because the cost of providing mail holding and redirection services for free has grown prohibitive. Historically, Australia Post had absorbed
the cost of providing mail redirection and mail holding services to pensioners. The services were intended to provide a temporary solution for customers who may be moving from one address to another or absent from their home for a short period.

According to Australia Post, in 2004-05 pensioners accounted for around 25% of all mail redirection/holding applicants, many of whom have been using the service on a continual basis, rather than as the temporary solution it is intended to be. It now costs the Corporation $5.7 million per year to provide these services for free.

Under the new arrangements, all applications lodged by eligible concession cardholders from 22 May 2006, pensioners will be charged a concessional rate for mail redirection and mail holding services. The concessional rate for mail redirection is $5.50 for one month and $11.50 for a three month period. The concessional rate for mail holding is $5.50 for the first month and $2.00 for each additional month. Australia Post has advised that this concessional rate is consistent with the pensioner concessions offered by other service organisations.

Prior to the introduction of these fees, Post undertook extensive consultation with key stake holder groups, including the Australian Council of Social Services, the Australian Retired Persons Association and the Council of the Ageing/National Seniors.

(b) Australia Post has advised that it does not have any current plans to change mail redirection and holding fees for eligible pensioners during the 2006-07 financial year.

**Media Ownership**

*Question No. 3720*

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 19 June 2006:

(1) In respect of the Minister’s plan to amend Australia’s media ownership laws, has the Minister read an article by David Crowe titled “Nats out of tune with Coonan on media”, which appeared on page 1 of The Australian Financial Review on 15 June 2006.

(2) In respect of that part of the report that said: “But Communications Minister Helen Coonan insisted yesterday her plan went far enough to safeguard rural diversity”, will the Minister explain how her plan to reduce the current number of media owners in regional Australia (for example, in Bundaberg) from six to four (a) safeguards rural diversity and (b) is in the public interest and good for Australia’s democracy.

(3) What is the Minister’s response to that part of the report that refers to the Member for Hinkler, Mr Neville, as advising The Australian Financial Review that: “the government’s plans flew in the face of competition policy and could gut regional media” and “what is being proposed is the exact opposite of competition. It’s centralising and consolidating regional markets, it’s not creating a more vibrant and competitive market”.

(4) Will the Minister comply with the Member for Hinkler’s request to “move away from the 5/4 (voices) rule”; if not, why not.

(5) What is the Minister’s response to that part of the report that quotes the Member for Hinkler as saying: “regional diversity was too important to sacrifice” and “if you can’t stand your ground, you may as well not be here”.

(6) How is it in the public interest, or good for Australia’s democracy, to permit a media owner to own a free-to-air television station, two radio stations and a newspaper in a regional Australian town like Bundaberg.
Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

(1) Yes.

(2) to (6) The Honourable Member’s attention is directed to the Minister’s answer to Question 3596.

Media Ownership
(Question No. 3721)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 19 June 2006:

Did the Minister read an article by Steve Lewis titled “Sceptical Nats a threat to reform”, which appeared in The Australian newspaper on 15 June 2006; if so, what is the Minister’s response to that part of the report that reads: “The threat of deregulation leading to further concentration and cutting the level of local content is causing angst among National MPs”.

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

Yes. The Honourable Member’s attention is directed to the Minister’s answer to Question 3596.

Media Ownership
(Question No. 3723)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 19 June 2006:

Did the Minister read an article by Lisa Murray titled “Cooman: room to move on radio rules”, which appeared in The Sydney Morning Herald on 15 June 2006; if so, what is her response to that part of the article that reads: “Nationals MP Paul Neville said the proposed diversity test, of five voices in metropolitan areas and four in regional areas, was inadequate” and “There would need to be a lot of work on that to convince me that was a good model”.

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

Yes. The Honourable Member’s attention is directed to the Minister’s answer to Question 3596.

Foreign Aid
(Question No. 3725)

Ms King asked the Minister for Foreign Affairs, in writing, on 19 June 2006:

(1) Measured as a percentage of GDP per capita, what is the current amount allocated to foreign aid programs.

(2) What is Australia’s ranking among all nations for the allocation of foreign aid measured as a percentage of GDP per capita.

(3) What has been the percentage increase or decrease in foreign aid allocated in the previous five years.

(4) If current trends continue, what will Australia’s ranking among all nations for the allocation of foreign aid measured as a percentage of GDP per capita be by 2015.

(5) Measured as a percentage of GDP, and according to current projections, what will Australia’s foreign aid allocation be by 2015.

(6) What percentage of Australia’s foreign aid allocation is spent on (a) immediate human relief, (b) the construction of infrastructure, and (c) governance, security, policing and ‘democracy building’.
(7) What percentage of Australia’s foreign aid allocation is given to Australian contractors?

(8) What is the percentage of Australia’s foreign aid allocation given to Australian contractors in each of the countries assigned to receive the allocated aid.

(9) In dollar terms, what are the top ten recipients of Australian foreign aid.

(10) Based on GDP per capita, what are the ten poorest nations in (a) the world and (b) the Pacific Rim.

(11) Has the Government made a commitment to increase foreign aid to 0.7% of GDP by 2015, in line with the Millennium Development Goals; if so, (a) when was the commitment made, (b) what annual increase in foreign aid allocation is required in the Budget to meet the goal, and (c) what is the current annual increase in foreign aid required in the Budget to meet this goal.

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

(1) Australia does not use a measure of GDP (or GNP) per capita to measure overseas aid. The relevant index used in determining Official Development Assistance (ODA) as a measure of economic activity is the Gross National Income (GNI). The Australian Bureau of Statistics changed its measure of the amount of national economic activity from the Gross National Product (GNP) to the GNI in 1998, in line with international standards. Generally, GNI figures are slightly higher than corresponding GNP figures. Australia’s ODA to GNI ratio for 2006-07 is estimated at 0.30 per cent. ODA volume for 2006-07 is estimated at $2.95 billion.

(2) Please refer to answer (1). A 2005 calendar-year comparison of ODA to GNI ratios for OECD Development Assistance Committee (DAC) member countries places Australia 19th of 22 countries. It should be noted that Australia’s aid allocations are volume based and not based on a percentage of GNI or any relative DAC rankings.

The third annual Commitment to Development Index, published by the Centre for Global Development, compares donor country policies on development. It ranks Australia fourth out of 21 nations. Australia ranks equal first for its performance on security, and second for its performance on trade.

(3) The 2006-07 Budget is the sixth consecutive budget that has delivered real growth in ODA. In 2006-07, Australia will provide an estimated $2.95 billion in ODA, an increase of $455 million over the 2005-06 Budget or a 15.5 per cent real increase budget-to-budget. There has been an overall percentage increase in Australian overseas aid across the previous five years of 62.7 per cent based on current prices and using a projected increase for 2005-06 (actual outcomes not yet available).

(4) and (5) Please refer to answer (1). Reliable projected future comparisons between aid donor countries to 2015 are not available. Comparisons based on projected ODA/GNI ratios would depend on varying economic growth rates and the extent to which donors delivered against their announced commitments. Australia’s goal of increasing Australian ODA to around $4 billion by 2010 is subject to annual review and aid effectiveness. It is also conditional on strengthened governance and reduced corruption in recipient countries.

In the Australian Government’s view the announced goal of increasing ODA to around $4 billion by 2010 represents an appropriate Australian contribution to international efforts to increase official financing for development. Based on OECD estimates of GNI, an Australian ODA allocation of around $4 billion by 2010, would give an ODA/GNI ratio of approximately 0.36 per cent.

(6) (a) 13 per cent for 2004-05 (2005-06 figures not yet available)
(b) 3 per cent for 2004-05 (2005-06 figures not yet available)
(c) 31 per cent for governance for 2004-05 (2005-06 figures not yet available)

Security, policing and ‘democracy building’ are subsets of aid program expenditure on governance.
(7) and (8) AusAID’s activity management system does not currently provide information on aid funding expensed through Australian contractors. The resources/costs involved in manually gathering this information are not justified. Details of AusAID contracts are published on AusTender. It should be noted that published contract limits reflect a range of expenditure categories, including funds managed by developing country sub-contractors or local aid delivery agents, reimbursable costs as well as agreed management fees.

(9) Historical and anticipated Australian ODA flows by country are set out in detail on page xv of the Aid Budget Statement–Australia’s Overseas Aid Program 2006-07.

(10) (a) The International Monetary Fund, through its World Economic Outlook Database, April 2006, provides a listing of the Ten Poorest Nations in the World 2005.

**Ten Poorest Nations in the World 2005**

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita, current prices (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myanmar</td>
<td>$97</td>
</tr>
<tr>
<td>Burundi</td>
<td>$107</td>
</tr>
<tr>
<td>Congo, Democratic Republic of</td>
<td>$119</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>$153</td>
</tr>
<tr>
<td>Malawi</td>
<td>$161</td>
</tr>
<tr>
<td>Guinea-Bissau</td>
<td>$181</td>
</tr>
<tr>
<td>Eritrea</td>
<td>$206</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>$219</td>
</tr>
<tr>
<td>Rwanda</td>
<td>$242</td>
</tr>
<tr>
<td>Madagascar</td>
<td>$263</td>
</tr>
</tbody>
</table>


(10) (b) The International Monetary Fund, through its World Economic Outlook Database, April 2006, provides a listing of the Ten Poorest Nations in the Pacific Rim 2005.

**Ten Poorest Nations in the Pacific Rim 2005 (a)**

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita, current prices (Estimated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>$375</td>
</tr>
<tr>
<td>Timor-Leste, Dem. Rep. of</td>
<td>$378</td>
</tr>
<tr>
<td>Lao People’s Democratic Republic</td>
<td>$463</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>$598</td>
</tr>
<tr>
<td>Vietnam</td>
<td>$612</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>$666</td>
</tr>
<tr>
<td>Kiribati</td>
<td>$672</td>
</tr>
<tr>
<td>Honduras</td>
<td>$1,145</td>
</tr>
<tr>
<td>Philippines</td>
<td>$1,159</td>
</tr>
<tr>
<td>Indonesia</td>
<td>$1,259</td>
</tr>
</tbody>
</table>

(a) Pacific Rim is defined as including countries on the edges of the Pacific Ocean as well as the various island nations within the region


(11) No. While the Australian Government will continue to support the UN goal of 0.7 per cent aid to GNI as an aspiration, it does not support a time bound target to reach this goal. The Government...
endeavours to maintain aid at the highest level, consistent with the needs of partner countries, our own capacity to assist and other priorities for Australian Government expenditure.

**Shoal Bay Receiving Station**

(Question No. 3730)

Mr Melham asked the Minister for Defence, in writing, on 20 June 2006:

1. What was the total cost of the Shoal Bay Receiving Station refurbishment project.
2. What work was involved in the refurbishment project.
3. When did the refurbishment project commence and when was it completed.
4. What private contractors were involved in the refurbishment project.

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

1. $2.448 million.
2. Refurbishment included:
   - expansion of the air-conditioning system, and remediation of the existing air-conditioning system;
   - removal and replacement of an asbestos contaminated firewall, along with associated electrical and computer cabling; and
   - expansion of uninterruptible power supply, along with the installation of electrical power filters and distribution switchboards.
3. The contract commenced on 25 March 2004, and the work was completed on 13 May 2005.

**Shoal Bay Receiving Station**

(Question No. 3731)

Mr Melham asked the Minister for Defence, in writing, on 20 June 2006:

Further to the answer to question No. 2327 (*Hansard*, 1 November 2005, page 143), since 1 November 2005, have any Federal or State Members of Parliament (a) visited the Shoal Bay Receiving Station, Northern Territory and (b) received classified briefings on the functions of the station; if so, which Members and when did the visits and briefings take place.

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

(a) Yes.
(b) Yes. On 7 March 2006, the following Members of Parliament visited the Shoal Bay Receiving Station in their capacity as members of the Parliamentary Joint Committee on Intelligence and Security:
   - Mr Steven Ciobo MP, Member for Moncrieff;
   - Mr Alan Ferguson, Senator for South Australia;
   - The Hon Duncan Kerr SC MP, Member for Denison;
   - Mr Stewart McArthur MP, Member for Corangamite; and
   - Mr Julian McGauran, Senator for Victoria.
AUSTRALIAN DEFENCE SATELLITE COMMUNICATIONS STATION
(Question No. 3732)

Mr Melham asked the Minister for Defence, in writing, on 20 June 2006:
Further to the answer to question No. 2327 (Hansard, 1 November 2005, page 143), since 1 November 2005, have any Federal or State Members of Parliament (a) visited the Australian Defence Satellite Communications Station (ADSCS) at Geraldton, Western Australia and (b) received classified briefings on the functions of the ADSCS; if so, which Members and when did the visits and briefings take place.

Dr Nelson—the answer to the honourable member’s question is as follows:
(a) Yes.
(b) Yes. On 8 March 2006, the following Members of Parliament visited the Australian Defence Satellite Communications Station in their capacity as members of the Parliamentary Joint Committee on Intelligence and Security:
Mr Steven Ciobo MP, Member for Moncrieff;
Mr Alan Ferguson, Senator for South Australia;
The Hon Duncan Kerr SC MP, Member for Denison;
Mr Stewart McArthur MP, Member for Corangamine; and
Mr Julian McGauran, Senator for Victoria.

SYRIA
(Question No. 3734)

Mr Danby asked the Minister for Foreign Affairs, in writing, on 20 June 2006:
(1) Can he confirm that on 3 May 2006 the Syrian Government issued an arrest warrant for Lebanese opposition leader Walid Jumblatt.
(2) Is he aware that the Lebanese Parliament overwhelmingly rejected Syria’s intervention in Lebanese sovereignty by their attempt to arrest prominent Lebanese MP and Druze Leader Walid Jumblatt.
(3) Does he believe Syria’s attempted arrest of Mr Jumblatt to be a further sign of the renewed determination of the Ba’athist regime in Damascus to intervene in Lebanon.
(4) Does Australia oppose Syria’s attitude to Lebanon.
(5) Has he, or have his representatives, spoken on the United Nations Detlev report on Syria’s role in the murder of Lebanese Prime Minister Rafik Hariri.
(6) Has he expressed his views on the matters referred to in this question to the Syrian Embassy.

Mr Downer—the answer to the honourable member’s question is as follows:
(1) Yes.
(2) Yes.
(3) I am concerned that the attempted arrest of Mr Jumblatt demonstrates that the Syrian Government is not complying with international calls for Syria to respect Lebanese sovereignty and to cease interventions in Lebanon’s political affairs.
(4) Australia urges the Syrian Government to respect Lebanese sovereignty and to meet its obligations under United National Security Council Resolution (UNSCR) 1644 and ensure compliance with UNSCR 1559, which calls for the withdrawal of all foreign forces from Lebanon and the disbanding of militias.
(5) Yes. Hansard for 3 November 2005 refers.

(6) The last meeting I had with the Syrian Ambassador was on 16 March 2005, in which I encouraged the continued withdrawal of Syrian intelligence forces from Lebanon, in accordance with UNSCR 1559.

Palestinian Authority
(Question No. 3735)

Mr Danby asked the Minister for Foreign Affairs, in writing, on 20 June 2006:

(1) Is he aware that the US House of Representatives voted on 23 November to severely restrict US aid to the Palestinian Authority in the wake of the takeover of the Authority by Hamas.

(2) In respect of aid given by Australia to the Palestinian Authority, (a) what is the current annual sum given, (b) for what purposes is the aid given, and (c) what monitoring activities does Australia carry out to ensure that the aid is used for the intended purposes.

(3) In respect of Hamas, (a) does Australia currently class it as a terrorist organisation, (b) can he say whether it remains committed to terrorism and to the destruction of the State of Israel, and (c) has it given any indication since assuming control of the Palestinian Authority that it is prepared to renounce violence and enter peace negotiations based on the recognition of Israel.

(4) Will he give an assurance that no Australian aid money given to the Palestinian Authority will be used by Hamas in support of terrorist activities; if so, what steps will he take to ensure that this will be the case.

(5) Will he place restrictions on Australian aid to the Palestinian Authority to ensure that no aid reaches Hamas.

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

(1) I am aware that the US House of Representatives has voted to restrict aid to the Palestinian Authority.

(2) (a) Australia does not provide aid directly to the Palestinian Authority.

(b) Not applicable.

(c) Not applicable.

(3) (a) The military wing of Hamas, the Izz al-Qassam Brigades, has been listed by the Australian Attorney-General as a terrorist entity under the Criminal Code 1995. Hamas, in its entirety, is also listed as an entity associated with terrorism under the Charter of the United Nations Act 1945 and it is a criminal offence to deal in the organisation’s assets or make assets available to the organisation.

(b) Hamas advocates an Islamist State in all of historical Palestine. It has neither renounced violence nor recognised Israel.

(c) Since taking government Hamas has failed to respond to the demands of the international community, including Australia, that it recognise Israel, renounce violence and respect commitments already made. The Australian Government continues to urge it strongly to do so.

(4) Australia does not provide direct assistance to the Palestinian Authority.

(5) Yes. I have already done so.
Supported Accommodation Assistance Program
(Question No. 3740)

Mr Albanese asked the Minister for Community Services, in writing, on 21 June 2006:

1. Is he aware that the NSW Government has agreed to index its Supported Accommodation Assistance Program (SAAP) contribution by 3.3% to meet the increases in the NSW Social and Community Services Award, which is due on 1 July.

2. Will the Commonwealth Government commit to match this increase in funding to meet the very modest increase in community workers’ wages for services such as Jean’s Place, a women’s refuge in my electorate, which provides critical support to some of the most vulnerable people in our society.

Mr John Cobb—The Minister for Community Services has provided the following answer to the honourable member’s question:

I am aware that the NSW Government has agreed to index its Supported Accommodation Assistance Program (SAAP) funding to meet the increases in the NSW Social and Community Services Award. Under the terms of the SAAP V Agreement, which came into force on 30 September 2005, the Australian Government has committed an additional $100 million in funding over five years. In addition, the $75 million GST compensation, which was included as part of SAAP IV, has been retained. The Australian Government’s contribution to SAAP is indexed to accommodate increases in operational expenses.

Personnel Recruitment Advertising
(Question No. 3741)

Mr Melham asked the Prime Minister, in writing, on 21 June 2006:

For each financial year since 1 July 2000, what was the total cost of personnel recruitment advertising and related services for the Office of National Assessments.

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

For each financial year since 1 July 2000, the total cost of personnel recruitment advertising in the press and the Gazette for the Office of National Assessments is:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-2001</td>
<td>$41,760</td>
</tr>
<tr>
<td>2001-2002</td>
<td>$44,334</td>
</tr>
<tr>
<td>2002-2003</td>
<td>$39,897</td>
</tr>
<tr>
<td>2003-2004</td>
<td>$35,577</td>
</tr>
<tr>
<td>2004-2005</td>
<td>$53,588</td>
</tr>
<tr>
<td>2005-2006</td>
<td>$84,612</td>
</tr>
</tbody>
</table>

There are no “related services”.

Personnel Recruitment Advertising
(Question No. 3743)

Mr Melham asked the Attorney-General, in writing, on 21 June 2006:

For each financial year since 1 July 2000, what was the total cost of personnel recruitment advertising and related services for the Australian Security Intelligence Organisation.
Mr Ruddock—The answer to the honourable member’s question is as follows:
ASIO’s spending on recruitment advertising for each financial year since 1 July 2000 is below:
2000-01, $180,000
2001-02, $250,851
2002-03, $222,206
2003-04, $753,836
2004-05, $835,347
ASIO does engage recruitment and marketing agencies to assist with recruitment advertising but does not generally publish detailed financial data below Organisational level for reasons of national security.

Australian Secret Intelligence Service
(Question No. 3744)

Mr Melham asked the Minister for Foreign Affairs, in writing, on 21 July 2006:
For each financial year since 1 July 2000, what was the total cost of personnel recruitment advertising and related services for the Australian Secret Intelligence Service.

Mr Downer—The answer to the honourable member’s question is as follows:
Consistent with the policy of successive Australian Governments not to comment on ASIS’s activities, it is not appropriate that I publicly discuss specific information relating to ASIS. In general terms, I note that ASIS is subject to rigorous scrutiny and oversight in relation to its administration and expenditure through the Parliamentary Joint Committee on Intelligence and Security (PJCIS). On 15 September 2005, the PJCIS, under section 29(1)(a) of the Intelligence Services Act 2001, commenced a review of the administration and expenditure of the intelligence agencies, including ASIS, with particular reference to recruitment and training. I am advised the PJCIS will produce a public report “Review of Administration and Expenditure No.4 – Recruitment and Training” which will be tabled in Parliament in the near future.

US Strategic Bomber Training Exercises
(Question No. 3745)

Mr Melham asked the Minister for Defence, in writing, on 21 June 2006:
Further to the answer to question No. 2785 (Hansard, 9 February 2006, page 193), (a) what organisation is conducting, or has conducted an Environmental Impact Assessment of the proposed United States Strategic Bomber Training program, (b) what is the cost of the Environmental Impact Assessment, (c) what are the findings of the Environmental Impact Assessment, and (d) will the Environmental Impact Assessment be publicly released.

Dr Nelson—The answer to the honourable member’s question is as follows:
(a) HLA-Envirosiences Pty Ltd.
(b) $49,980.
(c) The assessment found four issues with some potential to impact on the environment: introduced pests and diseases, land contamination and pollution, aircraft accidents and social consequences. A thorough risk assessment was conducted for all the aspects and potential impacts. The assessment detailed the management and mitigation measures that would be applied to minimise the potential impacts. Defence concluded from the report that the impacts associated with the Strategic Bomber Training program were not likely to be significant.
(d) Yes, Defence intends to make the assessment documents available on its website, once the process is complete.
Australian Workplace Agreements
(Question No. 3748)

Ms Macklin asked the Minister for Vocational and Technical Education, in writing, on 21 June 2006:

Under the Skilling Australia’s Workforce arrangements, is the Commonwealth requiring State and Territory Governments to report the number of Australian Workplace Agreements (a) offered and (b) accepted in TAFE institutes; if so, (i) how often must the States and Territories report and (ii) can Commonwealth funding be withheld if these reports are not made.

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

No.

Human Rights: West Papua
(Question No. 3751)

Mr Murphy asked the Minister for Foreign Affairs, in writing, on 21 June 2006:

(1) What is his response to the 2006 World Report published by Human Rights Watch which observed, inter alia, that (a) there have been reports of widespread displacement of civilians, arson and arbitrary detention in West Papua and (b) military operations in West Papua are characterised by undisciplined and unaccountable troops committing widespread abuses against civilians, including extra-judicial executions, torture, beatings and arbitrary arrests.

(2) Can he confirm that the Australian Defence Force and/or other Australian agencies have cooperative ties with the Indonesian military which include military education and training; if so, can he ensure that no Australian trained Indonesian troops have been involved in the alleged human rights abuses referred to in part (1); and if not, why not.

(3) What have been the outcomes of official visits made to the province of West Papua by the Government, including through the Australian Embassy in Indonesia.

(4) Has the Government held discussions about alleged human rights violations in Papua with central and regional Indonesian government authorities, human rights groups and non-government agencies; if so, what are the details and outcomes of these discussions; if not, why not.

(5) Can he confirm that the Indonesian Government has made adequate efforts to investigate suspected abuses to ensure that the human rights of all Indonesians are respected; if not, will the Government support calls for the Indonesian government to grant access to West Papua for the United Nations special rapporteur on torture and the office of the High Commissioner for Human Rights; and if not, why not.

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

(1) The Australian Government continues to urge the Indonesian Government to investigate suspected human rights abuses and ensure that the human rights of all Indonesians are respected.

(2) This is a question for the Department of Defence.

(3) The main objectives of visits to Papua by Australian Government officials are to discuss developments in the province with relevant stakeholders, raise issues of interest or concern with relevant authorities, and inform the development of Australian Government policy, including in relation to our development assistance program.

(4) Yes. Indonesian authorities have noted our representations.

(5) The Australian Government continues to urge the Indonesian Government to investigate suspected human rights abuses and ensure that the human rights of all Indonesians are respected. The investigation of alleged human rights violations is a matter for the relevant Indonesian authorities.
Workplace Relations
(Question No. 3754)

Mr Murphy asked the Minister for Employment and Workplace Relations, in writing, on 21 June 2006:
Further to his reply to part (5) of question No. 2579 (Hansard, page 117, 15 June 2006) why did he not give an unequivocal guarantee that no Australian would be worse off under the Workplace Relations Amendment (WorkChoices) Act 2005.

Mr Andrews—The answer to the honourable member’s question is as follows:
The Australian Government’s economic record stands as its guarantee. Unemployment now is lower than it has been for 30 years. Real wages have risen by 16.8 per cent since 1996. Interest rates are lower, taxes are lower and Australians have better opportunities of getting jobs.
The only way to guarantee jobs and increase wages in Australia is to maintain a strong economy. A strong economy delivers more jobs and higher wages for all Australians.

Australian National Audit Office
(Question No. 3756)

Mr Melham asked the Attorney-General, in writing, on 22 June 2006:
What arrangements are in place for the Australian National Audit Office (ANAO) to conduct (a) annual audits and (b) performance audits of the Australian Security Intelligence Organisation.

Mr Ruddock—The answer to the honourable member’s question is as follows:
(a) The Auditor-General Act 1997 provides a legislative framework for the office of the Auditor-General and the Australian National Audit Office. The Act outlines the mandate and powers of the Auditor-General, as the external auditor of Australian Government public sector entities. The ANAO performs a full audit of ASIO’s annual financial statements each financial year. Appropriately cleared ANAO personnel have access to any records they deem necessary to complete the audit.
(b) The ANAO assists the Auditor-General to carry out his duties under the Auditor-General Act 1997 to undertake performance audits of Commonwealth public sector bodies and to provide independent reports and advice to the Parliament, Government and the community. As a public sector body ASIO participates in these audits when requested to do so by ANAO. An SES officer from the ANAO attends all ASIO Audit and Evaluation Committee meetings. This provides an opportunity for ANAO to comment on ASIO’s annual internal audit program and coordinate ASIO’s involvement in ANAO’s broader audit program.

Australian National Audit Office: Annual Audits
(Question No. 3757)

Mr Melham asked the Minister for Foreign Affairs, in writing, on 22 June 2006:
(1) What arrangements are in place for the Australian National Audit Office (ANAO) to conduct annual audits and performance audits of the Australian Secret Intelligence Service (ASIS).
(2) Does ANAO have access to the financial statements and records of any and all corporate or other entities controlled by ASIS.
(3) Can he provide an assurance that the ANAO is given full access to monitor all of ASIS’s financial operations, including the operations of ASIS controlled entities.
Mr Downer—The answer to the honourable member’s question is as follows:
Consistent with the policy of successive Australian Governments not to comment on ASIS’s activities, it is not appropriate that I publicly discuss specific information relating to ASIS. In general terms I note that as an FMA entity, ASIS is subject to appropriate audit provisions including oversight by the ANAO.

Polygraphs
(Question No. 3758)

Mr Melham asked the Attorney-General, in writing, on 22 June 2006:
(1) Has the Australian Security Intelligence Organisation (ASIO) completed its trial of the use of polygraphs as a security tool; if so; (a) when was the ASIO polygraph trial completed, (b) has a copy of the report of the trial been provided to the Parliamentary Joint Committee on Intelligence and Security, and (c) what were the major findings of the trial.
(2) What was the total cost of the ASIO polygraph trial.
(3) Is the Government considering the use of polygraph testing as a security tool.

Mr Ruddock—The answer to the honourable member’s question is as follows:
(1) (a) ASIO completed the trial on behalf of the Australian Intelligence Community in 2003.
    (b) No. The report was presented to the Secretaries Committee on National Security in August 2005 as reported in ASIO’s 2004-05 Report to Parliament (page 29).
    (c) The results of the trial will not be made public.
(2) ASIO does not generally publish detailed financial data below organisational level.
(3) The Government has no plans to introduce polygraph testing.

Australian Defence Force
(Question No. 3759)

Mr Melham asked the Minister for Defence, in writing, on 22 June 2006:
(1) How many (a) Australian Defence Force personnel, (b) Defence civilian personnel, and (c) contractor personnel are employed in the Defence Security Authority (DSA).
(2) How many DSA personnel are located in (a) Canberra, (b) Sydney, (c) Brisbane, (d) Melbourne, (e) Hobart, (f) Adelaide, (g) Perth, (h) Darwin, (i) Alice Springs, and (j) other locations.
(3) What was the total cost of DSA operations in each financial year since 2001-2002.

Dr Nelson—The answer to the honourable member’s question is as follows:
(1) (a) Ten.
    (b) 351.
    (c) None.
(2) (a) 195 (ACT).
    (b) 17 (NSW).
    (c) 45 (QLD).
    (d) and (e) 33 (VIC and TAS).
    (f) 30 (SA).
    (g) 21 (WA).
    (h) 17 (NT).
    (j) 3 (Alice Springs).
(3) Financial Year | Cost $million
---|---
2001-02 | 19.85
2002-03 | 39.24
2003-04 | 42.31
2004-05 | 41.60
2005-06 | 28.05

**Australian Workplace Agreements** *(Question No. 3764)*

Mr Hayes asked the Minister for Employment and Workplace Relations, in writing, on Thursday, 22 June 2006:

(1) How many Australian Workplace Agreements have been registered by employers located in the postcode area (a) 2167, (b) 2168, (c) 2170, (d) 2171, (e) 2174, (f) 2178, (g) 2179, (h) 2555, (i) 2557, (j) 2558, (k) 2559, (l) 2560, (m) 2563, (n) 2564, (o) 2565, (p) 2566, (q) 2567, (r) 2568, (s) 2570, (t) 2745, (u) 2752 and (v) 2232.

(2) How many Australian Workplace Agreements have been registered since March 27, 2006 by employers located in the postcode area (a) 2167, (b) 2168, (c) 2170, (d) 2171, (e) 2174, (f) 2178, (g) 2179, (h) 2555, (i) 2557, (j) 2558, (k) 2559, (l) 2560, (m) 2563, (n) 2564, (o) 2565, (p) 2566, (q) 2567, (r) 2568, (s) 2570, (t) 2745, (u) 2752 and (v) 2232.

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

(1) Australian workplace agreements (AWAs) data in this format are only available from 1 January 2002. The table below lists the number of AWAs approved for employers with the relevant postcodes between 1 January 2002 and 27 March 2006. Where postcodes listed in the question do not appear in the table below, there is no record of any approved AWA. Please note the Company Postcode is the registered business postcode, not necessarily the worksite postcode.

<table>
<thead>
<tr>
<th>Company Postcode</th>
<th>Number of Australian workplace agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>2168</td>
<td>61</td>
</tr>
<tr>
<td>2170</td>
<td>1189</td>
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<tr>
<td>2171</td>
<td>27</td>
</tr>
<tr>
<td>2232</td>
<td>447</td>
</tr>
<tr>
<td>2558</td>
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</tr>
<tr>
<td>2560</td>
<td>277</td>
</tr>
<tr>
<td>2565</td>
<td>55</td>
</tr>
<tr>
<td>2566</td>
<td>9</td>
</tr>
<tr>
<td>2567</td>
<td>134</td>
</tr>
<tr>
<td>2570</td>
<td>31</td>
</tr>
<tr>
<td>2745</td>
<td>66</td>
</tr>
</tbody>
</table>

(2) The table below shows the number of AWAs lodged by employers with the relevant postcodes between 27 March and 30 June 2006. Where postcodes listed in the question do not appear in the table below, there is no record of any approved AWA. The company postcode relates to the registered business postcode, not necessarily the worksite postcode.
Company Postcode | Number of Australian workplace agreements
--- | ---
2170 | 109
2560 | 1
2566 | 16
2567 | 6
2570 | 8
2745 | 2

**Timor-Leste Defence Force**

(Question No. 3765)

Mr McClelland asked the Minister for Defence, in writing, on 22 June 2006:

1. Did the Government place any conditions on continued funding for the training of the Timor-Leste Defence Force (F-FDTL) during its original period of responsibility for the matter; if so, what were these conditions.

2. What mechanism did the Government have in place to oversee the training of the F-FDTL to ensure it was meeting objectives.

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

1 and 2. Since the establishment of the Defence Cooperation Program with Timor-Leste, our two governments have consulted regularly on a range of activities to support the development of the nascent Timor-Leste defence organisation. The activities and their funding are considered by Defence on an annual basis for the upcoming financial year. Defence Cooperation personnel in Timor-Leste engage regularly with their counterparts to design and implement activities in support of this objective. High level talks are held to discuss progress and strategic directions are considered for the development of future activities.

**Australian Workplace Agreements**

(Question No. 3766)

Ms Bird asked the Minister for Employment and Workplace Relations, in writing, on 22 June 2006:

1. Since the introduction of Australian Workplace Agreements (AWAs) by the Government, to March 2006, how many AWAs have been approved by (a) the Office of the Employment Advocate and (b) industry, for employees residing in the electoral division of (i) Cunningham, (ii) Throsby, and (iii) Gilmore.

2. In respect of each electoral division listed in part (1), what is the number of employees covered by (a) registered collective agreements, (b) unregistered collective agreements, (c) awards only, and (d) common law agreements for the period March 1996 to March 2006.

3. In respect of each electoral division listed in part (1), what is the number of employees, by industry, covered by (a) registered collective agreements, (b) unregistered collective agreements, (c) awards only, and (d) common law agreements for the period March 1996 to March 2006.

4. In respect of each electoral division listed in part (1), what is the average weekly wage of employees covered by approved AWAs since the introduction of AWAs to March 2006.

5. In respect of each electoral division listed in part (1), what is the average weekly wage of employees covered by (a) registered collective agreements, (b) unregistered collective agreements, (c) awards only, and (d) common law agreements for the period March 1996 to March 2006.
Mr Andrews—The answer to the honourable member’s question is as follows:

(1) The Office of the Employment Advocate estimates that since March 1997, a total of 2,940 Australian workplace agreements have been approved for employees residing in the electoral division of Cunningham, 1,673 in Throsby, and 5,103 in Gilmore. It is not possible to further disaggregate the electoral data on an industry basis within electoral divisions.

With respect to questions (2), (3), (4), and (5), data concerning the numbers of employees covered by various industrial instruments and common law contracts at the electoral division level are not held. Also, data concerning average weekly wages are not held at the electoral division level.

**Australian Workplace Agreements**

(Question No. 3767)

Ms Bird asked the Minister for Employment and Workplace Relations, in writing, on Thursday, 22 June 2006:

(1) What is the number of Australian Workplace Agreements (AWAs) approved by (a) the Office of the Employment Advocate and (b) industry for employees residing in the electoral division of (i) Cunningham; (ii) Throsby and (iii) Gilmore for the period 27 March 2006 to 21 June 2006.

(2) In respect of the AWAs approved for the period 27 March 2006 to 21 June 2006 for employees in the electoral divisions referred to in part (1), how many (a) exclude at least one protected Award condition, (b) remove leave loadings, (c) remove penalty rates, (d) remove shift-work loadings, (e) do not contain gazetted public holidays, (f) modify overtime loadings; (g) modify rest breaks, (h) modify holiday payments, (i) do not provide a wage increase over the life of the AWA, (j) exclude all Award conditions, and (h) replace award conditions with WorkChoices minimum standards

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

(1) The number of Australian workplace agreements (AWAs) lodged pre-WorkChoices and approved by the Office of the Employment Advocate (OEA) in the period 27 March 2006 to 21 June 2006 in each of the electoral divisions of Cunningham, Throsby and Gilmore, is 51, 13, and 10 respectively. It is not possible to further disaggregate the electoral data on an industry basis within electoral divisions.

The number of AWAs lodged with the OEA under the WorkChoices legislation in the period 27 March 2006 to 21 June 2006 in each of the electoral divisions of Cunningham, Throsby and Gilmore, is not currently available.

(2) The OEA does not analyse every AWA lodged with it under WorkChoices. Rather, the OEA analyses a small sample of AWAs each month to establish how protected award conditions are treated by the parties and to ascertain whether the agreements, prima facie, provide for compliance with the Australian Fair Pay and Conditions Standard. The electoral division of an employee party to a sampled AWA is not recorded at the time the sample is drawn.

**Sydney-Wollongong Corridor Strategy**

(Question No. 3769)

Ms Bird asked the Minister for Transport and Regional Services, in writing, on 22 June 2006:

In respect of the development of a corridor strategy for Sydney-Wollongong, (a) on what date did the development commence, (b) what consultations with stakeholders are taking place, (c) which stakeholders have been consulted since the commencement of the development, (d) has a completion date been established; if so, what is it, and (e) will the development strategy be publicly released; if not, why not.
Mr Truss—The answer to the honourable member’s question is as follows:

(a) Preparatory work on the Sydney-Wollongong corridor strategy commenced in January 2006 in concert with the Sydney Urban Corridor Strategy with substantive activity getting underway in July 2006.

(b) A range of stakeholder consultation is planned and this process will provide an opportunity for key stakeholders to provide both initial input against key questions and subsequent comment on a draft of the corridor strategy document.

(c) Key stakeholders have been identified by the project team (July 2006) and approaches will shortly be made to those stakeholders.

(d) The completion date for the Sydney-Wollongong corridor strategy is December 2006.

(e) A draft corridor strategy report will be publicly available on the Department of Transport and Regional Services and relevant New South Wales agency (eg the Roads and Traffic Authority) websites for a consultation period of four weeks before the strategy document is finalised for presentation to federal and state ministers with responsibility for transport infrastructure and planning, meeting as the Australian Transport Council. A similar process will apply for all corridor strategies.

Human Rights: Indonesia

(Question No. 3773)

Mr Murphy asked the Minister for Foreign Affairs, in writing, on 22 June 2006:

Further to his reply to question No. 3390 (Hansard, 22 May 2006, page 183), in light of his response to the question relating to the sentencing of three Indonesian Catholics to death for their alleged roles in sectarian violence, will he follow the lead taken by His Holiness Pope Benedict XVI in sending an envoy, and send an envoy from the Australian Government to plead with the Indonesian Government for their release; if so, when; if not, why not.

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

This is a matter for the Indonesian legal system. A request for clemency in these cases to the Indonesian President has been refused. I am aware of reports the Vatican sought a review of the death sentences for these cases. Australia encourages universal ratification of the Second Optional Protocol of 1989 to the International Covenant on Civil and Political Rights which requires states-parties to abolish the death penalty within their jurisdictions.

Aviation

(Question No. 3784)

Mr Rudd asked the Treasurer, in writing, on 22 June 2006:

Has he written to the Australian Competition and Consumer Commission Chairman, Graham Samuel, in respect of plans by Qantas and Air New Zealand to sell seats on each other’s aircraft.

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

No.

Human Rights: Burma

(Question No. 3785)

Mr Danby asked the Minister for Foreign Affairs, in writing, on 22 June 2006:


(2) Is he aware of the human rights violations in Burma described in the article referred to in part (1).
(3) Has he pursued action through appropriate United Nations channels to ensure that such human rights violations do not continue in Burma; if not, why not.

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

(1) Yes.
(2) Yes.
(3) Yes.
(4) The Government is willing to consider any practical and realistic initiatives with the potential to encourage the return of democracy to Burma.