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- **NEWCASTLE** 1458 AM
- **GOSFORD** 98.1 FM
- **BRISBANE** 936 AM
- **GOLD COAST** 95.7 FM
- **MELBOURNE** 1026 AM
- **ADELAIDE** 972 AM
- **PERTH** 585 AM
- **HOBART** 747 AM
- **NORTHERN TASMANIA** 92.5 FM
- **DARWIN** 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—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—Mrs Kay Elizabeth Hull MP
Whip—Mr Paul Christopher Neville MP

Australian Labor Party
Leader—The Hon. Kim Christian Beazley MP
Deputy Leader—Ms Jennifer Louise Macklin MP
Chief Opposition Whip—The Hon. Leo Roger Spurway Price MP
Opposition Whips—Mr Michael David Danby MP and Ms Jill Griffiths Hall MP

Printed by authority of the House of Representatives
## Members of the House of Representatives

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PARTY ABBREVIATIONS

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

Heads of Parliamentary Departments

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

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

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

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

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

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

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

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

Minister for Community Services

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

Special Minister of State
The Hon. Gary Roy Nairn MP

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

Minister for Ageing

Minister for Small Business and Tourism
Senator the Hon. Santo Santoro

Minister for Local Government, Territories and Roads
The Hon. Frances Esther Bailey MP

Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence
The Hon. James Eric Lloyd MP

Parliamentary Secretary to the Minister for Finance and Administration
The Hon. Bruce Frederick Billson MP

Parliamentary Secretary to the Minister for Industry, Tourism and Resources
The Hon. Dr Sharman Nancy Stone MP

Parliamentary Secretary to the Minister for Health and Ageing
Senator the Hon. Richard Mansell Colbeck

Parliamentary Secretary to the Minister for Defence
The Hon. Robert Charles Baldwin MP

Parliamentary Secretary to the Minister for Transport and Regional Services
The Hon. Christopher Maurice Pyne MP

Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs

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

Parliamentary Secretary to the Treasurer
The Hon. De-Anne Margaret Kelly MP

Parliamentary Secretary to the Minister for the Environment and Heritage
The Hon. Andrew John Robb MP

Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry
The Hon. Malcolm Bligh Turnbull MP

Parliamentary Secretary to the Minister for Education, Science and Training
The Hon. Christopher John Pearce MP

Parliamentary Secretary (Foreign Affairs)
The Hon. Gregory Andrew Hunt MP

The Hon. Sussan Penelope Ley MP

The Hon. Patrick Francis Farmer MP

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

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<td>Gavan Michael O’Connor MP</td>
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<td>Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow Minister for Small</td>
<td>Joel Andrew Fitzgibbon MP</td>
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<td>Shadow Minister for Homeland Security and</td>
<td>The Hon. Archibald Ronald Bevis MP</td>
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<td>Alan Peter Griffin MP</td>
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<td>Shadow Minister for Defence Industry, Procurement and Personnel</td>
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<td>Shadow Minister for Ageing, Disabilities and Carers</td>
<td>Senator Jan Elizabeth McLucas</td>
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<td>Senator Joseph William Ludwig</td>
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<td>Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs</td>
<td>The Hon. Warren Edward Snowdon MP</td>
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Wednesday, 18 October 2006

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

IRAQ

Mr BEAZLEY (Brand—Leader of the Opposition) (9.01 am)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Leader of the Opposition moving forthwith: That this House requires the Minister for Foreign Affairs to immediately apologise to the Australian people for:

1. sending Australian troops to the wrong war in Iraq;
2. making Australia a bigger target for terrorists;
3. constantly shifting the goal posts on our troops; and
4. turning a blind eye while Australian money bought bullets fired on our troops.

Mr Speaker, if they have made such strategic misjudgements about this—

Mr ABBOTT (Warringah—Leader of the House) (9.01 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.06 am]

(The Speaker—Hon. David Hawker)

Ayes............. 80

Noes............. 59

Majority........ 21

AYES


NOES


CHAMBER
Question agreed to.

Mr McCLELLAND (Barton) (9.10 am)—I second the motion. The government is guilty of complete lack of planning in respect to—

Mr ABBOTT (Warringah—Leader of the House) (9.10 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.11 am]

(The Speaker—Hon. David Hawker)

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<th>AYES</th>
<th>NOES</th>
<th>Majority</th>
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<td>80</td>
<td>59</td>
<td>21</td>
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By ballot:

AYES


NOES


* denotes teller
Question agreed to.

Original question put:
That the motion (Mr Beazley’s) be agreed to.

The House divided. [9.15 am]
(The Speaker—Hon. David Hawker)

Ayes………… 59
Noes………… 79
Majority……… 20

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

NOES
Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
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.
Costello, P.H. Downer, A.J.G.
Draper, P. Dutton, P.C.
Elson, K.S. Entsch, W.G.
Farmer, P.F. Fawcett, D.
Ferguson, M.D. Forrest, J.A.
Gamboro, T. Gash, J.
Georgiou, P. Haege, B.W.
Hardgrave, G.D. Hartsuyker, L.
Henry, S. Hunt, G.A.
Jensen, D. Johnson, M.A.
Jull, D.F. Katter, R.C.
Keenan, M. Kelly, D.M.
Kelly, J.M. Laming, A.
Lindsay, P.J. Lloyd, J.E.
Macfarlane, I.E. Markus, L.
May, M.A. McArthur, S. *
McGauran, P.J. Mirabella, S.
Nairn, G.R. Nelson, B.J.
Neville, P.C. * Pearce, C.J.
Prosser, G.D. Pyne, C.
Randall, D.J. Richardson, K.
Robb, A. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Slipper, P.N.
Smith, A.D.H. Somllyay, A.M.
Southcott, A.J. Stone, S.N.
Thompson, C.P. Ticehurst, K.V.
Tollner, D.W. Tuckey, C.W.
Turnbull, M. Vaile, M.A.J.
Vale, D.S. Vasta, R.
Wakelin, B.H. Washer, M.J.
Wood, J.

* denotes teller

Question negatived.

BUSINESS

Mr ABBOTT (Warringah—Leader of the House) (9.21 am)—I move:

That so much of the standing and sessional orders be suspended to enable the following to occur during the periods set aside in standing order 34 for government business on Wednesday 18 October 2006:

(1) in relation to proceedings on the Broadcasting Legislation Amendment (Digital Television) Bill 2006, at the conclusion of the second reading debate, not including a Minister speaking in reply, or at 11.00 am, whichever is the earlier, a Minister to be called to sum
up the second reading debate and thereafter, without delay, the immediate question before the House to be put, and when resolved the Bill then (if required) being considered in detail for up to 30 minutes and then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate; and

(2) immediately after proceedings on the Broadcasting Legislation Amendment (Digital Television) Bill 2006 have concluded, the Broadcasting Services Amendment (Media Ownership) Bill 2006 to be called on and the immediate question then before the House to be put, and when resolved the Bill then (if required) being considered in detail for up to 30 minutes and then any question or questions necessary to complete the remaining stages of the Bill to be put without amendment or debate; and

(3) any variation to this arrangement to be made only by a motion moved by a Minister.

I do not wish to detain the House very long in speaking to this motion. I simply say that the government did suggest to the opposition that all speakers on the speaking list could be heard before question time. The opposition, for all sorts of reasons, did not want to ensure that the debate was finished by question time. For that reason, I have moved this motion. I now move:

That the question be now put.

Question put.

The House divided. [9.26 am]

(The Speaker—Hon. David Hawker)

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<td>Noes</td>
<td>61</td>
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<td>Majority</td>
<td>18</td>
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AYES


NOES


CHAMBER
Question agreed to.

Original question put:
That the motion (Mr Abbott’s) be agreed to.

The House divided. [9.32 am]
(The Speaker—Hon. David Hawker)

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* denotes teller

Question agreed to.
INSPECTOR OF TRANSPORT SECURITY BILL 2006

First Reading

Bill and explanatory memorandum presented by Mr Vaile.

Bill read a first time.

Second Reading

Mr VAILE (Lyne—Minister for Transport and Regional Services) (9.36 am)—I move:

That this bill be now read a second time.

Transport security in Australia continues to compare well with benchmark countries. There has been significant cooperation between Australian governments to improve transport security over recent years. Aviation and maritime security legislative regimes have been strengthened, and state and territory governments have been working to improve the security of the surface transport sector.

The Inspector of Transport Security Bill 2006 provides a strong legislative basis to support the conduct of independent and impartial inquiries into Australia’s transport security arrangements. Upon direction by the Minister for Transport and Regional Services, the Inspector of Transport Security will be able to inquire into major transport security incidents and patterns or series of incidents that point to a systemic failure or possible weaknesses or vulnerabilities in aviation and maritime transport and security regulated offshore facilities. There is also the ability for the minister to task the inspector with an inquiry into surface transport security. This will require the agreement of the relevant state or territory minister and the scope of the inquiry will be agreed between ministers.

The Inspector of Transport Security will not be responsible for regulating transport security in this country. The Office of Transport Security in the Department of Transport and Regional Services has the responsibility for the day-to-day regulation of transport security in the aviation and maritime sectors.

The strengths of the legislative framework to support the role of the Inspector of Transport Security include:

- the independence of the inspector;
- the no-blame nature of the inspector’s inquiries;
- protection of information collected as part of the inquiry; and
- the recognition that the work of investigative agencies should not be interfered with by inquiries undertaken by the inspector.

This bill enshrines the independence of the inspector. While the Minister for Transport and Regional Services tasks the inspector with an inquiry, the inspector is not subject to direction from the Minister for Transport and Regional Services in the conduct of that inquiry. Nor is the inspector subject to direction from the Secretary of the Department of Transport and Regional Services or any other public servant.

Another key feature of this bill is the ‘no blame’ aspect. The purpose of an inquiry by the inspector is not to gather evidence to apportion blame—other agencies properly exercise that role. Instead an inquiry by the Inspector of Transport Security will be seeking to establish how our already robust transport security arrangements can be improved. To ensure this, the bill provides that reports from the inspector are not admissible in proceedings which seek to apportion blame. Importantly, this will include disciplinary proceedings.

To further emphasise the ‘no blame’ aspect the bill ensures that except for coronial inquiries, the inspector, employees or third parties involved in an inquiry cannot be
compelled to provide evidence in any proceedings.

Another key feature of the legislative framework is that protections are in place for information provided to the inspector in the course of an inquiry. All information gathered in the course of an inquiry is exempt from a freedom of information request. In addition, the bill protects information provided to the inspector in the course of an inquiry. Breach of these protections can result in up to two years imprisonment.

When the provisions in the bill regarding on-board recordings and cockpit voice recordings were being drafted, the Australian government was aware of the importance of protecting this type of information to fulfill our obligations under annex 13 of the Chicago convention and to ensure that safety investigations by the Australian Transport Safety Bureau are not affected. The bill protects this type of information by ensuring that on-board recordings and information arising from safety investigations will only be available to the inspector through the Executive Director of the Australian Transport Safety Bureau. Before agreeing to disclose this information, the bill requires the executive director to make a judgement that the public interest is served by disclosing the information. If the inspector obtains this information from the Executive Director of the Australian Transport Safety Bureau the inspector is then bound by strict restrictions in its use as part of the inquiry or in reports.

This bill balances two competing policy interests. One is to establish a 'no blame' legislative framework to encourage the provision of information to the inspector that will contribute to improving transport security. The second is to ensure that, where information acquired by the inspector in the conduct of an inquiry indicates that a serious offence is imminent, the legislation provides that the inspector may disclose this information to the appropriate law enforcement bodies.

If the inspector receives sensitive on-board recording or cockpit voice recording information that indicates that a serious offence is imminent and the information may be relevant to preventing a crime, the inspector may only reveal this information to the relevant agency if a judge or member of the Administrative Appeals Tribunal agrees that the information should be disclosed.

It is important to note that the role of the inspector is not one of a law enforcement agency. The inspector’s inquiries will not hinder the important work of law enforcement agencies. The inspector will work cooperatively with state and territory governments and relevant agencies of the Australian government with direct investigative roles such as the police or the Australian Transport Safety Bureau. The bill contains specific provisions encouraging such cooperation. For example, the inspector may provide information from a transport security inquiry to the Australian Transport Safety Bureau where it is requested and disclosure of it will not adversely affect a current or future inquiry.

In preparing this bill extensive consultation has been undertaken with industry stakeholders and state and territory governments. Issues that have arisen during the consultation process have been, wherever possible, taken into account. The government has worked hard to address concerns raised.

This bill will further provide quality assurance for transport security as it establishes the Inspector of Transport Security, who will conduct no-blame inquiries focused solely on improving transport security for all Australians. I commend the bill to the House.

Debate (on motion by Mr Gavan O’Connor) adjourned.
INSPECTOR OF TRANSPORT SECURITY (CONSEQUENTIAL PROVISIONS) BILL 2006

First Reading

Bill and explanatory memorandum presented by Mr Vaile.

Bill read a first time.

Second Reading

Mr VAILE (Lyne—Minister for Transport and Regional Services) (9.44 am)—I move:

That this bill be now read a second time.

The Inspector of Transport Security Bill 2006 is a part of this government’s commitment to ensuring safe and secure transport systems and is vital to our national security and our economic security.

A very important feature of the bill is the protections that are in place for information provided to the Inspector of Transport Security in the course of an inquiry. These protections are intended to encourage full disclosure to the inspector. The protections provide that the information gathered by the inspector generally can only be used for the purposes of the inquiry.

To provide further support for the protection of information generated or gathered in the course of an inquiry this bill amends the Freedom of Information Act 1982 to ensure that the information is exempt from a freedom of information request.

This bill gives the added protection to information that is required to encourage those that have valuable information to come forward and provide that information to assist the inspector in his inquiry without fear of it being disclosed. I commend the bill to the House.

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

MEDIBANK PRIVATE SALE BILL 2006

First Reading

Bill and explanatory memorandum presented by Mr Nairn.

Bill read a first time.

Second Reading

Mr NAIRN (Eden-Monaro—Special Minister of State) (9.46 am)—I move:

That this bill be now read a second time.

The Australian government has always recognised the importance of the private health insurance industry as an essential partner to the public health sector.

Members will be aware that my department and the Department of Health and Ageing are consulting industry on a range of reforms to the private health insurance industry.

These reforms are aimed at:

• making private health cover more affordable;
• improving customer access to information about health insurance products, to help customers make decisions about the cover they need; and
• streamlining the regulation of the industry while maintaining the benefits of competition and strong prudential oversight.

The reforms will be the first big changes to health insurance legislation since the early 1990s and will give health insurers the opportunity to provide policies that reflect contemporary clinical practice and provide more competition and improved services to consumers.

The government is committed to maintaining a viable and competitive private health insurance industry and the sale of Medibank Private represents an opportunity to improve industry competition and thereby
benefit consumers. This bill provides the legislative framework to facilitate the sale.

The private health insurance sector comprises 38 funds. The Australian government, through the Minister for Health and Ageing, has a critical role to play in the regulation of these funds and the products that they offer to the public.

There is no sound policy reason for the Australian government to continue to own a health fund. Competition between funds is the best way of keeping a lid on premiums. Importantly, if a customer of any health fund is unhappy with the fund’s premiums, they are able to move to another fund without any waiting period.

The private health insurance industry will also benefit from the largest health fund being privately owned and competing on a level playing field. Further, selling Medibank Private will allow the Australian government to remove its conflict of interest in being both the industry regulator and the owner of the largest participant in that industry, thereby allowing the Australian government to focus on its role as regulator.

Decisions about implementing the sale of Medibank Private will be made in the context of the Australian government’s objectives for the sale:

- to contribute to an efficient, competitive and viable private health insurance industry;
- to maintain service and quality levels for Medibank Private contributors, including in regional and rural Australia;
- to ensure the sale process treats Medibank Private employees in a fair manner, including through the preservation of accrued entitlements;
- to minimise any post-sale residual risk and liabilities to the Commonwealth; and
- having regard to the above objectives, to maximise the net sale proceeds from the sale.

These objectives emphasise the Australian government’s focus on the benefits to customers and the industry arising from the current reform process and in the sale of Medibank Private.

The current board, managing director and management of Medibank Private have done an excellent job turning around the company’s finances and putting it in a position where there is significant interest from potential buyers.

Claims that the sale of Medibank Private will somehow be the cause of an increase in premiums for health cover are unfounded.

Competition for members between funds is the best way to limit premium increases. Consumers, and the industry as a whole, will benefit from the largest health fund being privately owned and competing on a level playing field.

A detailed study by Carnegie Wylie also concluded that a privately owned fund would be able to be more efficient, through lower management expenses and through scope for expansion into new business areas. A privately owned Medibank Private could expand into other areas, be they other forms of insurance or other medical products or other financial products—and through this greater scope, be a more efficient operation. And it is through more efficient operation that a health fund can further restrain premium growth.

There are already five ‘for profit’ private health insurance funds operating in Australia and there is no evidence that these ‘for profit’ insurers charge higher premiums than other health funds.

The government in the 2006-07 budget has already announced increased funding for
medical research as a result of the sale of Medibank Private.

The bill facilitates the sale of Medibank Private, but provides flexibility to the Commonwealth regarding how that sale will be carried out.

Importantly, the bill permits Medibank Private to change from a company run on a ‘not for profit’ basis to being run for profit. As I mentioned earlier, there is no evidence that health insurers that are run for profit charge their customers higher premiums. To the contrary, commercial market pressures associated with being a for profit company provide strong mechanisms in restraining premium growth.

The bill also sets out a range of provisions relating to the conduct of the sale, including providing for exemptions from the Corporations Act 2001 and other legislation.

The bill also amends the National Health Act 1953 to clarify the circumstances in which a registered organisation run for profit can distribute profits or return capital, and to facilitate any restructuring of Medibank Private that may be necessary to ensure that the Commonwealth’s competition objectives of the sale are met. These amendments are consistent with the more wide ranging amendments being developed by the Australian Government with industry and preserve the oversight role of the Private Health Insurance Advisory Council.

Importantly, the bill does not affect the obligations of Medibank Private Limited to comply with the capital adequacy and solvency standards under the National Health Act 1953, or the other obligations Medibank Private has under that Act as a registered health benefits organisation.

In addition to other measures, the bill limits individual share ownership to 15 per cent of the company for five years and requires that Medibank Private remain based, incorporated and headquartered in Australia and that the majority of the directors be Australian citizens, also for a period of five years. The shareholder cap will provide the company with an extended period for consolidation where it can concentrate on internal reform, secure in the knowledge that it will not be subject to hostile takeover. Further, the ‘Australianess’ provisions will provide stability for Medibank Private employees and contributors in the period following the privatisation, and would reduce the risk that market forces would lead to any precipitous structural change immediately following the sale.

I commend the bill to the House.

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

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION AMENDMENT (AUDIT INSPECTION) BILL 2006

First Reading

Bill and explanatory memorandum presented by Mr Pearce.

Bill read a first time.

Second Reading

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (9.54 am)—I move:

That this bill be now read a second time.

Today I introduce a bill which will amend the Australian Securities and Investments Commission Act 2001 (the ASIC Act) to provide a legislative framework to empower the Australian Securities and Investments Commission, otherwise known as ASIC, to enter into cooperative audit agreements or arrangements with foreign regulatory bodies. The bill will also enhance ASIC’s current audit inspection powers.
At the outset, the government would like to express its appreciation to key stakeholders for their constructive participation in the consultative process which has assisted the government in shaping the measures contained in the bill. I am pleased to inform the House that as a result of this consultative process, all the key of stakeholders, including the major audit firms and the professional accounting bodies, support the proposals contained in the bill. The bill will facilitate ASIC entering into a cooperative arrangement with the US Public Company Accounting Oversight Board, otherwise known as the PCAOB, which was established under the Sarbanes-Oxley Act of 2002 (the SOX Act).

Australian auditors that audit Australian companies registered with the US Securities and Exchange Commission, or that are indirectly involved in the preparation of audits for US capital market participants, are required to register with the PCAOB and to comply with US audit requirements including PCAOB audit inspection processes.

In light of the global nature of capital markets, the PCAOB has adopted a policy of seeking to cooperate with non-US regulators, like ASIC, to facilitate the conduct of joint audit inspections with the local regulator.

In addition to the public interest in fostering the close cooperation between Australian and US regulators, the streamlining of the information-gathering process under the proposed joint inspection arrangement by ASIC and the PCAOB will result in significant cost savings for audit firms in that they would have to accommodate only one joint inspection rather than two separate inspections, one by ASIC and the other by the PCAOB.

The bill will also enhance ASIC’s audit inspection powers to facilitate the proposed joint audit inspection arrangement between ASIC and the PCAOB. The enhancement of ASIC’s audit inspection powers are also designed to reduce compliance costs and clarify uncertainty about the scope of ASIC’s existing powers to review audit firms which the Financial Reporting Council identified in its 2004-05 auditor independence report.

Important legislative and other safeguards will apply to the proposed arrangement between ASIC and the PCAOB, such as existing privileges protected by law and in relation to confidentiality of information.

The ultimate safeguard is that an agreement or arrangement between ASIC and a foreign regulator will be subject to ministerial consent which the minister could vary or revoke.

The government has also decided that the operation of the proposed arrangement between ASIC and the PCAOB should be reviewed after the completion of the first round of triennial PCAOB inspections in Australia. This has been put in place to assess whether the expectations in relation to the objectives of the joint inspection process have been met.

This is a valuable initiative because, with the globalisation of capital markets and the cross-border operations by many corporations, there is a trend towards greater consistency in global regulatory standards and a recognition of the need for closer international cooperation by regulators.

Auditing Standards Amendment

The bill also contains a technical amendment to a transitional provision relating to auditing standards in the Corporations Act 2001 (Corporations Act).

The purpose of the technical amendment is to ensure that the current immunity against criminal liability under subsection 1455(5) of the Corporations Act is extended to cover all financial reports for periods ending on or before 29 June 2007 that are audited using...
This bill is another step towards the government achieving a simpler regulatory system, and I once again commend all stakeholders for their valuable input into this process. I present the explanatory memorandum to the bill and commend the bill to the House.

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

BROADCASTING LEGISLATION AMENDMENT (DIGITAL TELEVISION) BILL 2006

Cognate bill:

BROADCASTING SERVICES AMENDMENT (MEDIA OWNERSHIP) BILL 2006

Second Reading

Debate resumed from 17 October, on motion by Mr Hunt:

That this bill be now read a second time.

Mr GARRETT (Kingsford Smith) (10.01 am)—It is 13 hours since the beginning of my speech on the Broadcasting Legislation Amendment (Digital Television) Bill 2006 and Broadcasting Services Amendment (Media Ownership) Bill 2006 was interrupted because the parliament had to close down for the evening. But, in the 13 hours since I spoke, we have already seen the consequences of the minister’s legislation after its likely passage through this House—what will now become one of the biggest feeding frenzies on the Australian media landscape that we have witnessed and which, critically, offers up the prospect of a diminution in the diversity of voices, a diminution of the capacity of the media and journalists to fully inform Australians about what is going on in their country. It reflects, I think, very clearly the concerns that Labor members have been raising in this House.

Furthermore, this morning—notwithstanding that the front pages of the newspapers are dominated by items on the likely impact of these changes and the takeovers that are being mooted—we are also, facing, yet again, the government gagging debate. So, shamefully, there will be Labor members on this side of the House who will be prevented from expressing their views. The government not only brings legislation of this kind into the House but also does not give us the opportunity, as our constituents and the people of Australia would very much require, to speak to the issues fully.

In 1999 the Howard government asked the Productivity Commission to advise them on the practical courses of action to improve competition, efficiency and the interests of consumers in broadcasting services. The commission’s report, published in 2000, recommended the repeal of the cross-media ownership laws under certain conditions, including the removal of regulatory barriers, with a corresponding provision of spectrum for new broadcasters; the abolition of the foreign ownership rules; and the provision of a media-specific public interest test.

Following the Productivity Commission report, the government introduced a bill in 2002 to remove foreign ownership restrictions and grant exemptions to the cross-media rules. A number of amendments were accepted from the Senate Standing Committee on Environment, Communications, Information Technology and the Arts, but the bill lapsed at that time because the government decided that putting legislation like that through the House in the lead-up to the 2004 election was electorally unpalatable. But now, 12 months out from the next election, the judgement of the government apparently is that there is enough time for them to finesse what actually happens with these changes.
The Minister for Communications, Information Technology and the Arts brought legislation in here that she argues is needed because traditional media services are challenged by new digital technologies, resulting in the emergence of new players, new content, new services and new platforms. Nothing could be further from the truth. The minister’s discussion paper, *Meeting the digital challenge: reforming Australia’s media in the digital age*, missed the point that the transition to digital should open up the possibilities for new entrants into the market, not restrict diversity of ownership. As Elizabeth Knight remarked in this morning’s *Sydney Morning Herald*, the digital revolution called on by the minister seems to be nothing more than a ‘red herring to allow consolidation’ in the traditional media markets. The demise of the fourth free-to-air network, which has now gone into space, is to the detriment of those of us in this country who believe that a diverse media is absolutely essential to our political health.

This broadcasting services amendment bill sets out the new conditions under which media companies can purchase licences. The government has decided that there are to be at least five commercial voices in metropolitan markets and four in regional markets. The arbitrary nature of this decision means how it was decided is not clear, but if the government believes that halving the number of voices in a market like Sydney, where there are currently 12, is acceptable or in Newcastle, where the number will be reduced as well, then they are not listening to the people that I am listening to when I talk to them about the kind of media that they want to see in this country.

The National Party describes the two out of three proposal in the bill—the so-called safeguards—as a big win, but I have to say it is unclear how it is going to encourage real diversity in regional markets such as Wagga Wagga, where there are currently only five voices, as the member for Richmond and others have pointed out. The vitality and health of community media and local media—hearing local voices—requires much more than has been provided for under this legislation.

The other competition measure the government stipulated was a role for the ACCC to examine proposed mergers. This is all well and good, and the ACCC is required to take into account the effect on competition and market power. But the problem that has been pointed out by Labor consistently is that the ACCC does not have the capacity to take into consideration issues regarding the public interest. While the ACCC has a responsibility to ensure there is no anti-competitive behaviour by media organisations, its role does not include examining diversity—and diversity clearly does have implications for the public interest. So it is critical when legislation like this comes through that the public interest is not left behind, and yet it has been in this legislation, which is why we oppose it.

Previously, the Prime Minister stated he was unwilling to waste political capital on media reform. So why are these changes here now? Is it an attempt to pay off National Party figures with promises of local content requirements and reviews which will go who knows where? Perhaps. But the effect for the average consumer of media in both metropolitan and regional areas—and that represents a substantial proportion of people in this country—is they will be worse off. And they recognise this.

Roy Morgan published a poll in August this year which found that 52 per cent of respondents opposed the relaxation of the cross-media rules. Thirty-five per cent thought the changes would reduce diversity. For journalists, the concerns are high.
Eighty-two per cent of journalists polled in a survey published by Crikey—which some members here do read—believe that the changes would have a negative impact on reporting, and 85 per cent thought the changes would reduce diversity. Journalists are concerned about the likely impact that it will have on the media because they have already seen what happens when consolidations of this kind take place. There is a sharing of resources and a need to increase the margins particularly given the high prices that are likely to be paid in the bidding frenzies, and it is content-driven important media journalism in particular—journalism that is expensive—that will be under threat.

Claims by the government that these changes to the media laws are essential to ‘meet the digital challenge’ are simply spurious. The government’s record on digital television take-up is poor. Despite the fact that we have digital free-to-air television available to 85 per cent of households, current estimates put digital take-up at around 15 per cent. Many Australians are unaware of digital television at all so for the minister to trumpet these changes and for this legislation to in some way provide backing for the claims from the government that we are going to enter the digital revolution is a complete furphy. It could not be further from the truth. There is more for the government to do in this digital area now that the switchover has been slated for somewhere between 2010 and 2012. It keeps going backwards but these media changes are on us right now.

I note additionally the impact that these media reforms will have on community broadcasting. It is a matter of some concern to me that the community broadcasting sector, which is a critical sector in Australia—a sector which attracts an accumulative monthly audience of more than three million—is not subsidised by the federal government. It is also a sector which is a real driver of diverse Australian content but still does not have digital spectrum. Minister Alston promised action in 1998. We are looking at significant media reforms—backward reforms, we would say—in 2006 and community broadcasting has been left behind altogether.

Democracies like Australia depend on a diversity of comment from their media organisations for their vitality and health, so a concentration of media voices, which clearly will be the result of these changes and has been identified not only by speakers but by commentators and media experts, academics and others, can only pose a threat to the democracy which we hold so dear. In particular the concentration of power in the already influential sectors of the media including the daily national newspapers, radio talkback programs and the television news and current affairs programs is a concern. Such concentration and a narrowing down of views will often mean that Australians do not get an opportunity to hear fully about what is going on in their country, and the government’s argument that citizens are getting information from new platforms including websites and blogs ignores the fact that the news sites that attract the most hits are still owned by the traditional media companies. As Jock Given has pointed out:
Cross-media limits have not stopped *Big Brother* integrating elements of television, radio, print, mobile telephony, and the Web ...

It is not simply a consequence of media diversity that you provide a reduction in a diversity and argue that from the other non-traditional media you will get the information or access to material. Activities and services can come together without actually converging ownership.

Members of the Media, Entertainment and Arts Alliance have raised legitimate concerns that the quality of journalism will suffer, and their professional concerns have been ignored, I think, by this government. The concern has always been that as a consequence of these changes we would see a number of ructions including sell-offs—and we have already seen that in the pages of the newspapers today—and the targeting of so-called low-hanging assets including Southern Cross Broadcasting, Fairfax and Network Ten. Mr Stokes has already announced his intentions. And in this context I also raise the question of the future of the Austereo network, a network which I would much prefer to see remain in Australian hands given the necessary commitment to Australian music. As well, it is required if we are to have a healthy and an open media.

The media environment that we live in under the Howard government means that we have got a reduction in voices in our country because of the laws that are coming through the House. The capitulation of Senator Joyce and Senator Fielding means that democracy is weakened. Diversity of opinion is curtailed when you have the concentration of media ownership—all of which is happening at the public expense and all of which we are experiencing as these laws are pushed through this House and this parliament today. We oppose these bills. We recognise that the diversity of opinion and view that needs to be heard in a free and open society like Australia is being constricted in a way which raises fears about the likely health of our democracy into the future. The fact that the Howard government, supposedly, is not a position to do anything about it yet has forced these changes through is unacceptable. (*Time expired*)

*Mr Hatton* (Blaxland) (10.14 am)—I am opposed to the Broadcasting Services Amendment (Media Ownership) Bill 2006 and will vote against it with my Labor colleagues this day. This is the most disgraceful piece of chicanery we have seen introduced to this parliament since 1901 and behind it is the dirtiest, grubbiest deal we have ever seen between an Australian prime minister and a media organisation in this country. Prime Minister Howard did a deal with Mr Packer senior in 1995—which he denied of course—which he has attempted to put into action three times in the past 10 years. That deal was to destroy the cross-media ownership laws introduced into this parliament by my former boss, the former member for Blaxland, the Treasurer and then Prime Minister, Paul Keating.

The cross-media ownership laws that Keating introduced in the late 1980s were right and correct. They ensured at least some diversity in Australia’s media. They ensured that up to this point in time the Fairfax organisation, once it was released from the grip of young Warwick, could, with its mastheads the *Australian Financial Review*, the *Sydney Morning Herald* and the *Age*, be at least one place in Australia where it was possible for Australian journalists to have a bit of their say, a bit of expansion of a different point of view from the views of the News Corporation, owned by Rupert Murdoch, or Publishing and Broadcasting Limited, owned by the Packers.

This legislation is not just about creating a duopoly—we are almost back to that situa-
tion here—this disgraceful piece of work is about creating the most concentrated level of media ownership in Australia’s history. It is about power and control. It is also about subverting almost all of the fundamental laws of the Commonwealth of Australia to take one private company and put it in a position where having stripped away all of Australia’s controls in terms of the ability of foreign entities to buy into Australia’s media those entities would buy for good or for ill.

The purpose of it is not to allow companies from one end of world to the other to come in and bid for Australian media interests. The purpose of this is very simple: it is to allow the deep concentration of media ownership in this country to be further embedded.

This situation did not happen overnight. It has been done by design, behind closed doors, in secret meetings away from the eyes of the Australian public by the Prime Minister of this country, the Treasurer and the communications minister. They should stand condemned from this day forward for bringing it into the Senate and getting it passed through every means available to them. As the member for Lowe indicated at the end of his speech: there is nothing that this government would not do to put these media laws into play.

Who is to benefit—the Australian people? The answer to that is no. Who is to benefit: a public company at the moment that is going private again. It will become a private equity company again, not just an Australian company but one that will do a deal, as has been demonstrated in the last two days. Before I read the Financial Review, these questions occurred to me: why would PBL be acting in the way they are in response to these media laws? They never do anything except by design. It is well thought through, well crafted, well engineered and then executed as well as they can. Why just a week ago did James Packer as the chair indicate that there had been lots of long discussions? He was pretty happy with the way in which this legislation was ramping up. Why? I called for a stake in the sand in relation to this set of laws and that we should be looking in the future at divestiture if the tests under the current laws—our cross-media laws—were to be trammelled by what was introduced in this House and by what is done in the future. The reaction to that was largely this: ‘Don’t worry too much about that because the speculation is that PBL is not really interested in media any more; it is interested in gambling and casinos.’

James Packer is currently in Singapore bidding for a $3.5 billion casino licence. He is more interested in that. Mr Deputy Speaker, I tell you something: he is interested in the casino that they have got in Burswood in Perth, he is interested in the casino licence that they have got in Melbourne and he is interested in the Star City Casino in Sydney. Twenty-five per cent to 50 per cent control of PBL media assets in Australia means control of any Australian government that is run by the coalition—any Australian government that has not got the backbone to stand up to those media operators and say: ‘You cannot run this country from one end to the other. You cannot exercise power and control—that is the government’s job. It is our job to regulate what happens in here. It is our job to try to run this place in a democratic way.’

We do not want in a modern Australian democracy to descend to the level of the 1930s—in fact, in the twenties initially—when in Italy the corporate state was developed: lo stato corporativo. We do not want to descend to the situation where that idea was taken up and brutally made real under the fascists in Germany, where individuals had their rights crushed under an iron heel and a society was completely atomised. People lost control over their lives because the churches
were destroyed, the trade unions were destroyed and people’s capacity to fight for their rights at work was destroyed. The power in the country went to two central points: one political party that dominated the country and, secondly, those who were in league with them, the major corporations.

This bill gives enormous power to Australia’s media interest. This bill will ensure that the level of pressure that publishing and broadcasting has been able to exert on Australian governments will continue to be exerted so that its monopoly interest in casinos in Perth, Melbourne and Sydney can be assured into the future.

The deal that has been done is quite remarkable. Would you think that any Australian company would seek to do a deal with the Gordon Gekkos of the American private equity market not just where they are preyed on by them but also where they would then seek to prey on every Australian media or gambling interest that is up for stake? Watch out, Tabcorp in Victoria, because the money to pay to take your holding is right there. Watch out, Fairfax Media and those journalists who are part of what are some of the greatest newspapers that the world has seen, because the voices of diversity in those media empires and those parts will be crushed out of the system.

It is believed that the deal has been put together with complete foreknowledge. The only way in which it can be done is to take advantage of laws crafted not just by the Prime Minister, the Treasurer and the Minister for Communications, Information Technology and the Arts in the other place but also in hiding, in secret and behind closed doors between PBL and those very people. What we have are laws that are designer made to allow PBL to break free of the shackles of having to do what they do in Australia. The foreign ownership restriction being taken away allows them to do deals with Newbridge Capital and the other two entities that seemingly are a part of this to say, ‘What we are going to do is sell off part of our interest—50 per cent or so of those interests—and we will have a new media company.’

What is in it? ACP Magazines, the Nine Network, ninemsn, 25 per cent of Foxtel, 27 per cent of SEEK, 50 per cent of Hoyts and further consolidation opportunities such as Tabcorp and Western Australian Newspapers. Are PBL still interested in media? You bet your life they are. Are PBL interested in being able to buy up the advertising list that Fairfax has? You bet your life they are. Do PBL know that under the existing rules they cannot do it? Of course they do. That is why they want them completely destroyed. Do PBL know that under the Trade Practices Act, having what they have in SEEK and also attempting to take over the whole of carsales.com.au would put them in a position where they would not be able to take up Fairfax?

We have a government that connives with those private companies and private interests to bring this piece of chicanery into this House and introduces legislation which says that it is okay to subvert virtually all of our laws to gain what Publishing and Broadcasting wants. What we have here is very simple. In allowing them to go overseas to sell off half of their interest into this new vehicle, PBL can argue and say: ‘It is very simple. We have a diluted interest in this entity. Firstly, it is foreign owned. Secondly, our interest is diluted. We only have a maximum of 50 per cent of our current holdings.’ You do not need 50 per cent to control anything. Kerry Packer proved on his own—before a Senate committee, in fact—that 15 per cent allowed you full control.
This brings me to a bit of history. What does this really look like? I was thinking about it the other day and had a talk to a couple of people—someone from the library and a couple of other people I know—and I asked, ‘What does this really look like?’ before we got the *Financial Review* and the *Sydney Morning Herald* rolling out what it was. Do you know what it looked like? It looked like the Tourang consortium. Who was in the Tourang consortium? Conrad Black, Kerry Packer and Trevor Kennedy. They rolled up to the government of the day—a Labor government—and said, ‘We’re here to help. We are going to put this deal together and change the way in which the assets of Publishing and Broadcasting are put together.’ That would have succeeded if the very key question in Tourang had not been answered. Kerry Packer had 15 per cent of Tourang. He also had absolute control of it. He put together a device which the Labor government at the time rubbed out and said he was not going to get away with it.

What do we have instead under this vile shambles of a government? We have Australia’s capacity to govern itself being sold away. We have a situation where this government thinks that it can benefit from continued support from the major media companies. This government thinks that it can, in darkened places, come to these deals which inevitably mean that media is so concentrated and venality so embedded in this country that you can get a result like this. I think it is gangsterism. It reminds me of the twenties and thirties in the United States. It is also reminiscent of the period from 1860 to the 1890s in the United States. It was the period of the great robber barons in the oil and media industries where—untrammelled—companies could exercise monopoly capitalism, with governments doing nothing to stop them. It almost destroyed the United States of America and foreshortened its rise to power and great significance.

One thing the Americans learnt out of that was that untrammelled monopoly capitalism will destroy modern democracies. The United States, for all its faults, actually has governments that believe in governing. Our cross-media laws came from the example in the United States. The United States understands that if you have a cabal—a group of companies joining together in order to control markets—you need to break it and smash it. We have the example of the Taft-Hartley Act of 1947. We have the example of what they did to AT&T and the Bell Telephone Company where these entities, which were monopoly organisations, were broken into small pieces or ‘baby Bells’. What do we have here in Australia? It is supposedly a modern democracy but it is rapidly moving towards an advanced form that is different from a modern democracy. If you give control to companies in this way, you are on the road to fascism, pure and simple.

What we face here is a very simple situation. By handing control of so much of Australia’s central communications infrastructure to PBL, by allowing it to do what it is doing, by allowing it to double its capacity, it will be able to create a war chest of between $4½ billion and $4¾ billion—or possibly, as one of the papers stated, $6 billion—to buy more casino assets and to dominate media interests. Casinos from one end of the world to the other have a number of functions. So many people, poor common punters from my electorate and elsewhere, have had their capacity to live a normal life ripped away because of their addiction to gambling. But we also know that casinos worldwide are places where money is laundered by criminal interests. We know that it is unhealthy to actually encourage it. What we have got here is an empire built (1) on casino interests and (2) on dominating media interests. The one con-
tinuing public company in the gun sights here is Fairfax. This legislation will mean that it will be destroyed.

At the same time, we have got a government that has taken a public monopoly in Telstra and is turning it into a private monopoly with the sale of T3. This is a complete and utter disgrace, and it is monopoly capitalism, which almost destroyed the United States, on the road to destroying this country as well. You cannot simply argue that Australia is so big that you have to have a monopoly in every industry. This is disgraceful work that is being done. It is really hard to undo. What should this Australian government be doing? It should be doing the sort of thing that is in Labor’s broadband policy. Instead of flogging Telstra off in the way it has, it should have enforced the fundamental responsibility for Telstra to provide Australia’s backbone and network for communications. Instead, Telstra has been allowed to have its own private monopolies in that area. This is a complete and utter disgrace.

These bills on media ownership really do put a flag into the ground. They create a dividing line between what was a relatively naive past and what will be a deepening and darkening future for the Australian people and for this parliament. This legislation is unconscionable. It puts private interests above every public interest in this country. It is the dirtiest of deals one could imagine. What is the play on this? A bloke coming out of Cranbrook School with Lachlan Murdoch started One.Tel—what a genius piece of work that was—and had a series of other ideas. This is being hailed by a number of people as a stroke of genius—completely brilliant and marvellous.

The only way this deal could be put together was for this company to deliberately connive with this government to subvert the laws of the Commonwealth for its own private interests. The great difficulty we will have is: how do we pull this to pieces? I have tried to do something, as others have. Labor has strongly said how significant the cross-media ownership rules are, how much we support them and how much we support diversity. The government want to smash them out completely because they simply want to create one state in which they control the lot through what they have done in concert with their corporate buddies—those that they think will stick with them.

I see nothing here that is positive. All the talk about voices is simply ludicrous. The Nationals have sold Australia’s national interest down the drain. This legislation will be gagged very shortly. I am glad that at least I have had the opportunity to have one single, solitary say about how devilish, nasty, vicious and fascist this legislation is. This is a dark and terrible day for our country. I am completely against this atrocity. (Time expired)

Ms GRIERSON (Newcastle) (10.34 am)—I rise to oppose the Broadcasting Legislation Amendment (Digital Television) Bill 2006 and the Broadcasting Services Amendment (Media Ownership) Bill 2006. I support the comments made by my colleague the member for Blaxland regarding the gagging of this bill. Having had the gag used against me on several occasions, depriving the electorates of Newcastle some representation, I also condemn the government for not allowing full speaking rights to all members of this parliament on such important legislation.

I oppose these proposed new laws because they will lead to a massive concentration of media ownership in both metropolitan and regional Australia. They will also reduce competition and consumer choice and, perhaps most importantly, they are a direct threat to the free and open discussion of
ideas and opinions that is the lifeblood of our democracy. This legislation will no doubt work well for media moguls who cherish the thought of some serious retail shopping therapy ahead, but it offers the Australian people nothing in return—just the ‘shop until someone else drops’ approach.

Media diversity is not simply about media ownership. It is about making sure that multiple voices, views, opinions and a whole range of experiences and interests—including those of culturally and linguistically diverse communities—are given room for expression in our media. Without diversity in media ownership, you can be sure that fewer voices will be heard on an ever-diminishing range of issues. This is no basis for a healthy democracy and it is certainly not a reflection of the communities in which we live.

Hot on the heels of the Howard government’s sedition laws, these new media ownership laws will further restrict the capacity for free and open discussion in Australia. This will have a devastating impact on our arts community in particular, and it will almost certainly redefine the nature of political life in Australia. Make no mistake: these proposed changes are extreme. Contrary to government rhetoric, they are designed to facilitate media mergers which, in turn, minimise opportunities for diverse views and opinions to be heard.

Other democracies, like the US, the United Kingdom, France, Germany, Korea and the Netherlands, have cross-media laws. These countries appreciate the protection to democracy such laws afford. The Howard government evidently does not share the concerns of these other democracies. It has no qualms about legislating to allow for a massive concentration of media ownership in Australia. This is the Howard government’s third attempt in the last 10 years to scrap the cross-media ownership laws, so let us not be fooled by the Prime Minister pretending that it is not a priority for him. Of course it is.

What we have before the House today is a package of legislation that very clearly looks after the interests of media moguls—certainly not media consumers.

The Broadcasting Services Amendment (Media Ownership) Bill 2006 is one of four pieces of legislation currently before the parliament to implement the government’s so-called media reform package. This bill, the centrepiece of the government’s package, repeals the current cross-media rules that prevent the common ownership of newspaper, radio and television assets all in the same market. Instead, media mergers will now be subject to the so-called five-four voices test, the Howard government’s alleged safeguard to prevent excessive concentration. Under this test a media merger will not be allowed to occur unless a minimum of five media voices remain in metropolitan markets and four remain in regional Australia. For the purposes of this test, a voice is a commercial television licence, a commercial radio licence or a newspaper that is sold in the relevant area at least four days a week. It also includes a media group that has a combination of these assets.

The government has provided no satisfactory explanation as to why it thinks that five and four are acceptable numbers. Indeed, these numbers appear to be completely arbitrary, serving no purpose other than to pave the way for companies to reap the financial benefits of acquisitions, mergers and so-called economies of scale. Far from acting as a safeguard, the new five-four test is designed to facilitate those mergers. There are currently 12 owners of the major commercial media in Sydney, 11 in Melbourne, 10 in Brisbane, eight in Perth and seven in Adelaide. In 19 major cities in regional Australia, cities like Newcastle, in my electorate,
Cairns and Bundaberg, there are six or seven owners, so the five-four rule is just a recipe for increased concentration, less diversity and fewer voices.

This fact became so obvious last week that the minister was compelled to announce that the five-four test will now be supplemented by a two out of three rule—an absurd game of numbers unfolds. The so-called two out of three rule will prevent proprietors from owning newspapers, radio and television assets in the same market. While some members of the National Party have claimed that this is a great concession, in reality it offers little additional protection for media diversity. The proposal does nothing to protect diversity in the 17 regional markets where there are only five major media voices. Let us be clear: the five-four test or the two out of three rule is absolutely no safeguard against media concentration.

In Newcastle, the media ownership bill means that we will almost certainly see a reduction in diversity. Currently we have a daily newspaper owned by Fairfax. Also counted for the Newcastle region under the new laws is the \textit{Maitland Mercury}, which is owned by Rural Press. We have four commercial radio stations, two each of which are owned by the Macquarie-Austereo consortium and the Broadcast Operations Group respectively. We also have three different television stations, Prime, Ten and NBN, so that is seven owners in the Newcastle area. The current legislated minimum is six. The Howard government’s latest legislation reduces the new minimum number of owners to four. Let us look at these local voices a little closer and see how much diversity we will be getting under the new rules.

The real test of diversity is how many different places people can get their news and other local content from. Starting with TV, I note that in the Newcastle area there is only one nightly local news bulletin, the one on NBN. Prime and Southern Cross-Ten do provide local content in the form of local news updates—which are very brief—but since Prime cut its local nightly news in 2001 there has been only one locally produced nightly news bulletin in Newcastle. This means that, for the purposes of in-depth local television news, there really is currently only one voice.

When we look at newspapers, we have the \textit{Maitland Mercury} and the \textit{Newcastle Herald}. For the purposes of my constituents in the city of Newcastle, you can cut out the \textit{Maitland Mercury}, which, while a fine newspaper, serves a completely different area. So that leaves us with one voice in newspapers, that of Fairfax’s \textit{Newcastle Herald}. In radio, we have the four commercial stations split between two large owners—so two voices there. That means we really only have four voices serving the city of Newcastle: NBN, the \textit{Herald} and the two radio groups. Thank goodness for 1233 ABC Newcastle radio.

This may seem adequate: a local paper, a local nightly TV news program and two local commercial radio newsrooms. Perhaps it is. However, under the Howard government’s new laws we could see much of this diversity disappear, giving one owner enormous power over the local news received by the people of Newcastle—the sixth-largest city in Australia. It would also mean cost pressures on the groups to merge their newsrooms, so that a single newsroom could be producing the same news across TV, radio and print. We all know that when the media moguls go shopping the first things they look for are ways to save, save, save.

Merging newsrooms is an excellent way for them to make these cost savings. This will inevitably result in even less diversity and journalistic quality, with people receiving the same news no matter whether they
are watching TV, listening to the radio or reading the newspaper. When newsrooms merge, jobs are lost, and that really is a terrible thing to do to regional Australia. Regional newsrooms are wonderful training grounds for young journalists in particular. There are many highly respected journalists who got their start in Newcastle—one, in fact, was John Laws—and many who have had long and distinguished careers within our city.

We have an excellent communications degree at the University of Newcastle. A diverse local media environment is essential for its students while they are studying and when they graduate. The worst-case scenario is only four different voices in our region and that is exactly what is possible under this legislation. In fact, it is highly likely. We have already seen shares in PBL put on hold pending an announcement that it may divest itself of its media assets, and we have seen Kerry Stokes showing an interest in buying Western Australian print media. We have seen speculation that Fairfax’s regional papers, which include the Newcastle Herald, could be a target for Rural Press. In fact, regional newspapers are the fastest growing media sector in Australia, so they will no doubt be highly attractive and contested assets.

The key players are circling each other, and the Howard government’s claim that it would not lead to a rush of buying and selling looks absolutely laughable. We do have a vibrant local media scene in Newcastle. Clearly I do not always agree with what gets broadcast and published, but I do feel that Newcastle’s current media organisations provide a very good service for our community. Newcastle people are extremely well informed. They are always questioning and seeking answers on public issues when they contact my office. They contribute to debate in an intelligent way in the letters pages and on radio talkback.

It is not just in news and editorial content that our local media organisations contribute to the life of our community. Through sponsorship and involvement in community and charity events, local media organisations can use their reach to raise awareness of and support for local causes. Fewer owners mean fewer opportunities for our local organisations to find a media outlet to lend support to them through sponsorship or publicity. So this legislation simply does not stack up for the Newcastle community, and certainly not for the rest of Australia. It will lead to a loss of diversity for no apparent reason.

In providing a local approach, community broadcasting is also something that needs support. Currently, I am making representations on behalf of TIN Radio, a local organisation which broadcasts on the internet and on temporary frequency during special events. Such special events include the This Is Not Art Festival—the TINA Festival—which is held in Newcastle every October long weekend. TINA brings in more than 4,000 visitors to Newcastle and makes a vibrant contribution to our city, particularly for young people, our students and our artistic community. TINA is an important national festival—actually, it is the largest youth festival in Australia—that reminds us of the importance of free speech, dissent and creative thinking and passion.

I was proud to speak at the opening of this year’s festival and to stay for a provocative panel discussion on the Howard government’s new sedition laws. That this debate on one of our big national issues took place in Newcastle, with participants and an audience made up of mostly young people from all over the country, inspires me with confidence for the future of our democracy—even
if the sedition laws and these cross-media laws do not.

During this festival, TIN Radio has access to a temporary broadcast frequency for the duration. However, I understand that this frequency—100.5FM, from Sugarloaf Range near Newcastle—is now being made available by the Australian Communications and Media Authority on a permanent basis. But there is some indication that the licence for this frequency may be awarded to a group to rebroadcast to Newcastle programming from Sydney. I understand that the group concerned, Radio for the Print Handicapped, does good work; however, when there is a clear demand for a licence and capacity to deliver programming from a local group like TIN Radio, this surely would be more relevant to the people of Newcastle and to serving localism, particularly when it would be the only local media outlet specifically focused on youth.

It would be a terrible loss if TIN Radio were not to be awarded that. We have a high teenage unemployment rate in Newcastle, and TIN Radio provides one of a number of excellent local forums in which young people can learn and gain skills. Over 100 volunteers have participated in the TIN Radio project in the past year. This is a great local contribution, and at the very least ACMA should consider TIN Radio’s proposal as part of an open and transparent allocation process for any frequency being made available for community use in Newcastle. I am certainly calling for them to do so and I bring this issue to the minister’s attention.

The Hunter Community Television group, Novacast, have also made a submission to the current House committee inquiry into community broadcasting, pointing out that our region has no terrestrial free-to-air community TV service. Novacast have previously sought access from ACMA to channel 31 spectrum but have been unsuccessful. I hope the committee considers the group’s submission carefully. I also hope the committee thinks about the importance of community and public broadcasting under the regime to be created by this legislation. In the face of rapid technological change and the advent of new enabling technologies like IPTV and very high speed broadband—to name just two—much of this government’s so-called media reform package could be obsolete within the next five years.

The technology driving this new media landscape is digital, and these changes will happen very quickly. Curiously, however, the Minister for Communications, Information Technology and the Arts does not have a serious digital plan for Australia—no plan for the future. With a switch-on date that now looks like it could push out as far as 2015 for digital TV, there are no incentives for consumers to switch to digital. We should be doing much more to prepare for digital. It increases access to global information networks via the internet and would generate renewed interest and place greater emphasis on the need for local content in our media. We need to make sure that we protect, resource and, indeed, strengthen Australian cultural and media icons like the ABC and SBS. The role of the ABC and SBS in maintaining local content and local news, in spite of their ongoing struggles against funding constraints, will become increasingly important in a world that has such access.

So what checks and balances are there in these new media ownership laws? The Howard government has tried to make much of the so-called powers of the ACCC to examine cross-media mergers to see if they substantially lessen competition. But as the Productivity Commission has made clear: ... the Trade Practices Act as it stands would be unable to prevent many cross media mergers or acquisitions which may reduce diversity.
The fact is that the Trade Practices Act is equipped to deal only with threats to competition due to the concentration of market power. The ACCC is a competition regulator which has consistently failed, in my view, to protect small- to medium-sized businesses and operators across a range of sectors.

Significantly, the ACCC has no responsibility for protecting diversity in media content or media ownership. It does not have the capacity to deal with threats to our democracy and culture through the concentration of media ownership. Those are the powers which are deficient within the ACCC. It should be given those powers. If we are to be serious, there should be a serious public interest test as well. Also, with the advent of media convergence, the ACCC must focus on the concentration of content rather than on looking solely at the mediums—that is to say, it must focus on the content of news, sports and arts, for example, not just the mediums by which that content is conveyed or who owns them.

But this is not the only concern I have in responding to the issue of media diversity. The Productivity Commission recommended a public interest test be inserted into the Trade Practices Act to encourage competition in and entry into an increasingly convergent environment. Under that test, significant media acquisitions or mergers would not be permitted unless it could be demonstrated that the merger or acquisition was not contrary to the public interest. Obviously that public interest in regional areas must include localism and the real respect of local interests. It would be a test that adequately addressed the public interest in promoting diversity of ownership and diversity in sources of opinion and information. Each case would be required to involve public consultation and would therefore reach out to the community and find out what their needs and desires are for media diversity. Currently, however, the ACCC is not able to take public interest consideration into account when assessing the impact of mergers under section 50 of the Trade Practices Act—and this legislation does nothing to rectify this glaring omission.

Labor’s approach to the issue of media ownership is based on the principle that regulation should promote the free expression of a diverse range of views. There is no doubt that free and open discussion of ideas and opinions is the lifeblood of democracy. The case for cross-media laws which restrict media companies to owning newspapers or radio or television assets in any one market remains as valid today as it did in 1987 when the laws were first introduced. I again refer to the Productivity Commission report, which spelt out clearly why diversity of ownership is so important in a democracy. The Productivity Commission stated:

The likelihood that a proprietor’s business and editorial interests will influence the content and opinion of their media outlets is of major significance.

The public interest in ensuring diversity of information and opinion leads to a strong preference for more media proprietors rather than fewer. This is particularly important given the wide business interests of some media proprietors. Diversity of opinion, ideas and a variety of lived experiences and information are fundamental to our democratic principles. We need to strengthen avenues to promote those rather than curtail media diversity in Australia. It is vital for our social and cultural development as a nation. It is vital to our collective health and wellbeing. This bill will be a disaster for media diversity in this country. It is a disaster for our democracy and clearly fails to meet that much-needed public interest test. Not only should the cross-media rules be retained; we need to ensure the introduction of an enforceable public interest test to prevent the ongoing efforts of the
Howard government to concentrate media ownership into the hands of just a few already very powerful media moguls. As today's headline 'Stokes joins media frenzy' demonstrates, these laws present little more than a tremendous opportunity for some serious 'retail therapy' at the big end of town. I oppose these cross-media ownership laws in the interests of diversity, democracy and the public interest.

Ms OWENS (Parramatta) (10.53 am)—I rise to speak against the Broadcasting Legislation Amendment (Digital Television) Bill 2006 and the Broadcasting Services Amendment (Media Ownership) Bill 2006. I note at the outset that I will be gagged in about six minutes—another demonstration of the contempt that this government has both for this parliament and for the community that it claims to represent. I, along with several other speakers who wished to follow me, will not have the opportunity to speak fully on behalf of my constituents on what is one of the most important bills that this House has seen. The Prime Minister might describe media reform as a second order agenda, but nobody who cares about the character of a nation, the ideas, memories and dreams that we as a people share and the exchange of ideas and the empowering of its individuals could ever call media ownership a second order issue.

Media at its heart is about the way we communicate with each other and the way we share information. It supports our film industry; it supports music, creative arts and the development of opinion leaders within our community; and it supports the telling of our own stories. Importantly, it also supports the democratic process, facilitating the flow of information that allows for the creation of views and opinions throughout the community. Nobody who understood the important role of media in our community, not just within the commercial media sector, would have put this bill before the House, and they certainly would not have been pushing it through in the unseemly way that we have seen this government behave in the last week. It is absolutely a first order issue, an important issue central to the functioning of our society, the healthy functioning of our democracy, the development of our national character, the way we view ourselves and what we know of ourselves and our world.

Labor's approach on media ownership regulation is founded in the need to promote diversity of opinion in the marketplace for ideas. In a democracy it is incredibly important to prevent a concentration of power that would influence public opinion. It is important to keep a range of views out there flowing through our community so that people can make their own decisions and so that there is open and free discussion of ideas and opinions, which is the lifeblood of a democracy. But what is the policy objective of this government with this bill? To get it done as quickly as possible and as silently as possible—to push it through with very little community consultation and get it out of the light as quickly as possible. There can be only one principle underlying media policy, and that is a not negotiable policy objective when it comes to media policy—that is, to have openness, range and diversity of views and to have a media landscape across a range of commercial, public and community media that provides for open exchange in the community, that encourages a range of views and that is inclusive of many views.

This government's media ownership bill we are debating today will not increase diversity. It will not open up the spaces in which our community works through its views and concerns. In the name of almighty competition, an ideology that places competition above all—before cooperation, compassion and community—this bill will reduce media diversity, it will reduce the social
value of our media and it will stifle debate and community engagement. Ironically, as so often is the case in highly non-competitive markets such as this one, defined by its nature by limited spectrum, opening up the market to increased competition is more likely to reduce competition and, ultimately, consumer choice. This is legislation that reduces the level of service to the community and as such is not worthy of being called reform. It is a retrograde step, poorly thought through, with little real community or stakeholder consultation and pushed through this House, after so much incompetent dithering, with unseemly haste. The abolition—

Mr Hunt—that was consultation.

Ms OWENS—the view on the other side of this House of consultation means, ‘Discuss it with the big end of town but don’t discuss it with the community.’ Let us talk about what has happened in the last couple of weeks with consultation, since it has been raised by the other side of this House. The Senate Standing Committee on the Environment, Communications, Information Technology and the Arts was given three weeks to conduct an inquiry into this legislation—this incredibly important piece of legislation—and the public had one week to make its submissions on the four bills of the package. The Senate communications committee was able to conduct just two days of hearings into which were crammed more than 30 witnesses. For most witnesses, the opposition had 10 minutes to ask questions.

The government’s rush job continued in the Senate, with amendments raining down like confetti. More than 100 pages of amendments and explanatory material were released during the debate, which again was gagged with unseemly haste, and again today we see the government gagging debate on this bill. This is not a bill that they want consultation on; this is a bill that they want to get through this House with as little attention as possible and as quickly as possible. I have to say that if I were the Prime Minister I would not want this bill to be scrutinised either. The government knows this is an unpopular bill. It knows that you cannot sell increased media concentration as good public policy. Nobody is buying it; nobody bought it the last time the government tried to introduce it or the time before that. And, yes, this is the third attempt. This time of course they have the numbers, but it was bad policy the first time, it was bad policy the second time and it is bad policy the third time.

The Broadcasting Services Amendment (Media Ownership) Bill is deeply flawed. It makes two main changes to the media ownership laws: (1) it repeals the specific foreign ownership provisions in the Broadcasting Services Act that relate to commercial and subscription television—

The DEPUTY SPEAKER (Hon. AM Somlyay)—Order! In accordance with the resolution agreed to earlier today, I call the Parliamentary Secretary to the Minister for the Environment and Heritage.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (11.00 am)—In summing up the position of the government and thanking the speakers from both sides of the House in relation to the Broadcasting Legislation Amendment (Digital Television) Bill 2006 and the Broadcasting Services Amendment (Media Ownership) Bill 2006, I want to proceed on three fronts. The first is to put these bills into the global context of the technological changes which have revolutionised communications platforms over the last 20 years. The second is to address, in that context, the three great principles for reform which we take forward: choice, microeconomic reform and the protection of diversity.
The third is to address the specific issues raised by our friends on the other side of the chamber.

The first point I wish to raise is the global context of the legislation. Over the last 20 years we have seen a movement from three traditional platforms in relation to public communications. The traditional platforms have been newspapers, radio and television. We now move to a situation of having six platforms within the communications world. The additional platforms are the mature technologies of the internet and pay television and the still developing technology of mobile devices: 3G, handheld telephony and mobile television. In particular, the digital television bill helps to address a way for the last of these six platforms to evolve and develop and helps to create a full and broad set of six platforms for communications on a mass scale and on a targeted scale within our society. That is the historic shift against which these bills must be viewed—that we have a situation in which the traditional media operators face three new platforms with which they must work and must compete and against which everything must be viewed.

It has been the greatest proliferation of media sources and media platforms in the history of communications. That is a function of technological development, of liberalisation in democratic environments and of all of the different moves in the availability of capital, content and platform. The sources and range of communications are greater than they have ever been. They pose challenges for a structure which has been set in stone for over 20 years and lacks the flexibility that comes from microeconomic reform—which has been available and in which we have seen progress in other areas of our economy.

That leads me to my second point, which is the principles that govern these bills. There are three fundamental principles. The first of those principles is choice. In particular, the digital television bill expands dramatically the range of choices which will be available to ordinary Australians in their own homes and on the streets. It does this, firstly, by allowing up to 15 new digital television channels, in addition to the five major stations, to be available by the commencement of 2009. It does this by allowing, at the point of switch-over from analog to digital television, upwards of 25 channels on a free-to-air basis to be available to ordinary consumers in their own homes.

Secondly, it deals with the fact that the allocation of channel A for datacasting will provide a range of new specific material, often for groups that are not catered for by generalised broadcasting. It is material that will be available in the home to groups that may be disadvantaged and that may not ordinarily qualify, so it is a democratisation of information in a tremendously important way. That democratisation will allow for narrowcasting and datacasting and will do so against the background that digital television will open up over the coming years to 25 new free-to-air channels within the existing structure of the five major stations. The legislation also, through the activity of channel B, allows for an encouragement of new devices in the form of mobile television, in whatever way that technology may mature, to be available. So it provides the opportunity, the encouragement and the certainty necessary to allow this sixth great platform of communications to develop.

The next principle, after choice, is reform. These reforms come, firstly, on the basis that we think that the media ownership changes will help to introduce capital into our three existing traditional platforms. Secondly, they will help to introduce synergies into the way in which these different platforms interact. Thirdly, they will provide media operators
with flexibility and the capacity to take those synergies and to operate in a new environment in which, inevitably, the six platforms must overlap in different ways. That is the future, and we make no apologies for choosing the future as opposed to staying with a set in stone, set in concrete, past which will restrict Australia and which compares unfavourably with changes that are happening around the world.

The third of the principles is that with these changes, firstly in terms of choice and secondly in terms of microeconomic reform—something which was once embraced by our friends on the other side of the chamber—there come fundamental protections. The protections proceed on a basis that may easily be understood through a countdown. Six combinations of media groups, as a minimum, are guaranteed for Melbourne and Sydney. There must be, under the legislation, a minimum of five different media groupings across the three traditional platforms in our major cities. There must be a minimum of four major groups across the different platforms in our regional areas. No group can hold more than two out of three platforms in any media area, and no group can hold more than two radio licences. All of these ownership relationships, restrictions and protections are twinned with the provisions that have been set forth in the bills for protection and, in particular, promotion of local content, a measure that is aimed directly at assisting rural Australia to maintain its identity, maintain its voice and maintain specific local jobs.

So those are the principles: choice, reform and protection of diversity. Against those principles, we have seen a series of issues raised during this debate. I want to deal briefly with what I regard as being the five major concerns raised by the opposition, and I hope that I do them justice in addressing them. The first of those is that many other countries have cross-media rules. There is this perception that Australia is somehow embarking upon a set of reforms which would place us at odds with the democratic and liberal market countries of the world. Wrong. Let me give four examples. The United Kingdom, Canada, Germany and New Zealand all take not just a similar approach to cross-media mergers to the one in the current Australian restrictions but a more liberal approach. That may in fact be an argument for going further, but we have set the line to which we are willing to proceed at this point in time. It is important to note that those four countries, whose markets all have great analogies to the Australian market, take a more liberal approach than Australia.

The second of the areas of criticism is that there are no actual benefits, that this is done to help large players. Wrong. The fundamental principle of microeconomic reform is that it helps create an efficient economy, which helps allocate the resources, which helps create the jobs, which means that we are not carrying a dead weight. We do this unashamedly. The three great benefits are: firstly, it introduces capital into our system; secondly, as I said, it introduces synergies across the different platforms; and, thirdly, it provides flexibility in moving forwards.

The third of the criticisms is a suggestion that we should remove foreign ownership restrictions but not cross-media restrictions. If you wanted to do something to harm existing Australian players, you could not devise a better combination, because that would favour foreign companies over Australian companies. It is an absurd proposition and one which would absolutely damage Australian companies. It would not give them the flexibility to move but allow them to be picked off.

The fourth of the claims put forward by the opposition is the notion that the require-
ments for local content are not genuine. What they have done—with the greatest of respect—is overlook the fact that section 43B of the amended act will require that merged or sole regional radio licensees maintain their local presence, quite apart from local content obligations. This is twinned with the prescribed level of local content of 4½ hours a day for all regional radio licensees and the fact that this can only be changed by a disallowable instrument before the parliament. So not only are there protections but some would argue that in fact this is promoting a much greater level of local content than has previously been the case.

Finally, there has been a game around antisiphoning and a view that sports should be allowed to premiere on multichannels. It is not a widespread view that has been put forward, but it has been put forward by some. This in effect would mean that people who currently rely on free-to-air analog channels would risk the possibility that major sporting events could be premièred on digital TV, and the majority of Australians who at this point in time rely on analog television could be denied the right and the opportunity to see the most popular and the most favoured sporting events. So it is a muddle-headed provision and a muddle-headed approach, precisely because it would achieve the opposite of what is intended. It would be denying ordinary Australians the opportunity to see their most popular and most desired events.

(Quorum formed) I thank the Chief Opposition Whip for the audience. In summing up on the Broadcasting Services Amendment (Media Ownership) Bill 2006 and the Broadcasting Legislation Amendment (Digital Television) Bill 2006, the principles that we set out were clear—they were principles of choice, reform and protection, and they come against the background of the most dramatic change ever in the availability of communications platforms for contact with the broader public, as we move from three platforms to six. These bills recognise that environment, respond to that environment and allow us to prepare for a future which gives all Australians more access to media, greater access to information and more control over how they access that information over the coming decade. I thank the minister, Senator Helen Coonan, the officers in her department and the members of her office. I am delighted to commend the Broadcasting Services Amendment (Media Ownership) Bill 2006 and the Broadcasting Legislation Amendment (Digital Television) Bill 2006 to the House.

Question agreed to.

Bill read a second time.

Third Reading

The DEPUTY SPEAKER (Hon. AM Somlyay)—In accordance with the resolution agreed earlier, I put the question that the remaining stages of the bill be agreed to.

Question agreed to.

Bill read a third time.

BROADCASTING SERVICES AMENDMENT (MEDIA OWNERSHIP) BILL 2006

Second Reading

Debate resumed from 16 October, on motion by Mr Hunt:

That this bill be now read a second time.

Question put.

The House divided. [11.21 am]

(The Deputy Speaker—Hon. AM Somlyay)

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AYES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Mr STEPHEN SMITH (Perth) (11.28 am)—by leave—I move:

(1) Schedule 1, page 3 (line 2) to page 47 (line 16), - Opposition to oppose

(2) Schedule 2, item 6, page 53 (lines 6 and 7), - Opposition to oppose

Let me first give a technical description of these amendments. These amendments seek to remove from the Broadcasting Services Amendment (Media Ownership) Bill 2006 provisions which delete the current cross-media ownership laws from the Broadcasting Services Act 1992 and replace them with the government’s weaker regime, which will facilitate a massive consolidation of media ownership in this country.

The government’s new media diversity regime is inserted into the act by schedule 1. The new regime, with the so-called five-four voices test and the two out of three rule, fails to protect media diversity in this country and, as a consequence, threatens the health of our democracy. Amendment (1) deletes schedule 1 from the bill. Item 6 of schedule 2 deletes the cross-media rules, which are
presently found in sections 60 and 61 of the Broadcasting Services Act. Amendment (2) will remove item 6 from the bill.

If these amendments are successful, the effect will be that the amended media ownership bill will remove the foreign ownership restrictions relating to commercial and subscription television. Provisions of the bill which insert local content requirements for regional television and radio will remain part of the amended bill. By passing these amendments, the House can support media reform that promotes diversity and enhances local content.

Having dealt with the bill’s technical effects, let me now deal with the substantive policy and political effects. This is the last chance the parliament has to prevent a massive concentration of Australian media ownership. This is the last chance the parliament has to secure, protect and preserve media diversity in Australia. This is the last chance for the National Party, this is the last chance for the Liberal Party, and this is the last chance for our parliament to prevent a massive concentration of media ownership in Australia and a massive undermining of diversity of media opinion and media ownership in the marketplace. That will be the consequence of the government’s law, and that is the consequence of the marketplace seeing what the government proposes to enact as law in this country.

We have seen the PBL example and we have seen the Channel 7 and West Australian example. It may well be that the PBL example we have seen is consistent with current law. If that is structured in the same way in which Channel 10 and CanWest structured their arrangement—which caused the regulator, then the ABA and now ACMA, considerable consternation over a long period of time—that may well be lawful. It may well be lawful if the deal is predicated to take effect upon the changing of the law, and it would not be affected adversely by Labor’s amendment, which allows the removal of the foreign ownership restrictions. (Extension of time granted) And I was quite surprised to hear the parliamentary secretary opposite, the member for Flinders, saying that he did not believe that foreign capital investment in Australia was a good thing.
Mr Hunt—I didn’t say that. That is a complete fabrication.

Mr STEPHEN SMITH—You did. You exactly did. So the PBL example may well be available under the current law, and what Mr Stokes and Channel 7 are doing—apparently, purchasing 14.9 per cent of the West Australian—is clearly available under current law. As the member for Perth, let me deal with the Channel 7/West Australian example. I said in my remarks in the second reading debate:

… in my home state of Western Australia, in its capital city of Perth, a person who owns Channel 7 and the West Australian would have a tremendous capacity to influence the political debate. That is because, on a good day, Channel 7 rates 40—if you want to get a message to the Western Australian community, get yourself on Channel 7—and, on a bad day, the front page of the West Australian will drive electronic media interest in Western Australia. So, if you own the West Australian newspaper, the monopoly newspaper in a capital city, and you own Channel 7, that gives you significant influence—too much influence for one organisation, in my view. I am not being critical of Mr Stokes; I have a high regard for Mr Stokes. I have known Mr Stokes for a long time. But again it comes down to this: it is not about good individuals or bad individuals and it is not about good companies or bad companies; it is about bad public policy. The West Australian/Channel 7 illustration, which is not prevented by the four-five voices rule of the government or by the two out of three rule, will have an adverse effect on diversity in Western Australia and Perth—and that can be replicated throughout the nation, throughout the Commonwealth.

Senator Conroy, the shadow minister for communications, said that he expected there would be a frenzy. No-one quite expected, not even the market, that we would see the beginning of the frenzy before the bill had even passed the parliament, before the bill had been proclaimed. But it is quite clear we will see a massive concentration of media ownership. That is not good for diversity. It is not good for our democracy. But it is quite clear that the market believes that what is occurring is available to it.

Labor have for a long period of time been absolutely committed to ensuring diversity in Australia’s media—to ensuring the necessary safeguards for the public interest and for the national interest to ensure diversity of opinion. Labor will continue to harass the government on the issue of media diversity. In the run-up to the next election, we will outline a range of measures which will have the effect of seeking to secure diversity of opinion in Australia’s media. So we remain committed to pursuing policies that protect and promote a diverse range of information and opinion in Australia’s media. There are a range of options available to achieve this objective and Labor will consult widely in the development of our media policy.

The new media ownership regime will not come into effect before 1 February 2007 at the earliest and possibly not until 1 January 2008 at the latest. It is likely the media landscape will be radically different in two years time. The capacity of the ACCC to block mergers which reduce media diversity will be much clearer, and we will obviously take that experience into account in formulating a comprehensive policy statement, along with all the relevant legal issues, including consideration of what various policy options would give rise to a requirement for the Commonwealth to pay compensation if divestiture was required—although I make the point, as Senator Conroy has, that we are a long way from that.
This is the parliament’s last chance to prevent a massive concentration of media ownership in Australia, to prevent a massive concentration of media information, opinion and view. It is the last chance to prevent a substantial and dangerous weakening of the diversity of opinion in Australian society. This is the last chance for the National Party, the last chance for the Liberal Party and the last chance for this parliament, and this House should avail itself of that opportunity.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (11.38 am)—The government rejects the opposition’s amendments for a very simple principle: they would trap Australia’s media and communications network in the last century rather than allowing them move forward into the coming century. I repeat: the reason we reject these amendments is that they would trap and freeze Australia’s media and communications sector in the last century rather than allowing it to move forward and operate in preparation for the coming century. I make those points precisely because over the last 20 years we have seen a revolution in communications which has meant that the old rules applying to the old economy do not allow for the flexibility that will assist Australian firms and the Australian media prepare for the coming century. In essence, we have moved from three to six platforms, as I mentioned earlier. The traditional platforms of newspapers, radio and television have been supplemented by the now mature platforms of the internet and pay television and the sixth emerging platform of mobile communications in the form of 3G and mobile television.

These bills allow for a real transition and infusion of capital into that area. They allow for those transitions by creating diversity in terms of 15 new channels potentially by 2009, 25 new channels of high-definition TV, or digital television, by the point of switch-over from analog to digital, all free to air. But they recognise—and this is the point—that the fundamental mechanism for doing that is to allow reform. To compete in the global media environment where global communication is coming through the new three platforms you must allow the old platforms to evolve and work in an environment of reform.

That means there must be capital. I do not object to foreign capital at all. If people want to invest in Australia and to contribute their funds to the development of Australia, that is a profoundly good thing. But I do object—and here I respond directly to what the opposition shadow has said—to the proposition that we should do that without modifying our existing environment to give Australian content providers, Australian communicators and Australian communications companies the flexibility to compete. If you do one and not the other, it fails the package. The package around foreign ownership and cross-media communications does a very simple thing: it sets out the provisions which ensure that there can be capital, synergies and flexibility, but contrary to the view put forward by the opposition, there are real protections.

So their amendments provide all of the restrictions but none of the flexibilities. It is last century’s approach to this century’s great revolution. There are adequate and deep protections. There is provision for a minimum of six media groups in Melbourne and Sydney, five in the major cities, four in the regional areas and a requirement that no group can hold more than two out of three platforms and a maximum of two radio stations in any particular media market and, significantly, quite powerful local content provisions which, I would argue, actually expand the capacity and the requirements for the provision of local content around Australia.
On that basis we reject the arguments put forward. I note in particular that the shadow spokesperson of the opposition has a misunderstanding. I am advised that the speculation in today’s media about changes in media ownership is about movement under the current rules. So with great respect, there is a misunderstanding and for those reasons, because this is the way forward, we reject the position put forward and the amendments. I again commend the bill in its original form to the House.

Mr MURPHY (Lowe) (11.37 am)—I certainly know who is misguided in this debate. The National Party stand condemned today. Senator Fielding stands condemned. Senator Fielding from the ‘Packer Family First Party’ knows not what he has done. The Howard government does. Senator Fielding is the new Meg Lees of this parliament. We all remember what happened to Meg Lees when, like Senator Fielding, she surrendered her vote to the Howard government for the GST. Look where the Democrats are today. Like the Democrats, the Packer Family First Party’s Senator Steve Fielding and his party will disappear without trace. Senator Fielding is clearly the Judas of the 41st Parliament. Senator Fielding was elected to represent the most disadvantaged, the most impoverished and the poor and he has put the Packer family first. The poor and the impoverished and the disadvantaged are crying out today, ‘Senator Fielding, why have you abandoned us?’

I am pleased to be able to say that on the election of Kim Beazley as Prime Minister of this country at the end of next year Kim Beazley will save our democracy. I spoke to him again when I spoke yesterday in my party room and he has assured me that the Labor Party will have a strong media policy to ensure real diversity in media ownership in this country. Moreover, he has signalled for the benefit of the public broadcaster and all those Friends of the ABC that there will be a big boost in funding to the public broadcaster to provide some real competition to the big media companies.

Let me also assure this House and the manic media executives at PBL going gangbusters at the moment that they would be well advised to pull their heads in and put the corks back in the Bollinger. There is no constitutional impediment for a government to require a media company to sell some of its assets, and that will be something that the Labor Party will take into account upon election to government if they get an absolute stranglehold on our democracy.

This is a black day for the public interest. This is a black day for our democracy because what we are witnessing, particularly with PBL, is that PBL are shoring up their media interests to protect their monopoly gambling interests. How can Senator Fielding have on his conscience that he is protecting the interests of PBL in relation to their gaming and gambling activities to make billions of dollars, doubling the family fortune out of gambling? Senator Fielding sold out and gave his preference and his priority to one of the wealthiest people not only in this country but in the world to look after his interests. What a disgrace!

What a venal act Senator Fielding has engaged in so that he can get preferences for the Family First Party at the next federal election. He is not going to get them, because the Labor Party will have a duty to educate the people of Victoria about Senator Fielding’s complicity in mortgaging our democracy and looking after the interests of the privileged in Australia to the detriment of the future of our country. How can he stand in this parliament with any credibility—completely in tatters, like the reputation of the National Party?
At least Barnaby Joyce has some integrity, but I cannot say the same about Senator Coonan. She went behind his back because she does not trust one of her own. If you cannot trust one of your own, how can you trust the government to do a deal with Senator Fielding so that we have a stranglehold on media ownership in Australia and we give the Packer family everything that they have ever wanted? Kerry Packer is not even stiff and already the market is announcing that Jamie Packer has increased the family fortune by 50 per cent and potentially could double the family fortune. What a disgrace! Who is really running the country? Who is running Australia? It appears that the Packer family is certainly running this government and Kim Beazley, when he is elected to government, will restore our democracy. You can be sure of that. *(Time expired)*

Mr CIOBO (Moncrieff) (11.48 am)—I have been very pleased and interested to hear the contributions made by the opposition in this debate. All the shrill shrieks have come from the opposition as they are concerned about the great threat to Australian democracy. We have heard comments by the member for Perth and the member for Lowe that in some way this government’s legislation will lead to a massive reduction in diversity, as the member for Perth said. The reality is that the bills before the House—the first, which has been passed, and the one we are currently debating—will do much to bring an outdated, outmoded regulatory approach that was implemented 20 years ago by the Australian Labor Party into the 21st century.

The core issue in this debate and what the member for Perth is proposing in the amendments that he has put forward to the House today is not to take Australia forward when it comes to media policy. It is not to set a new agenda or to develop a policy framework that takes into account the advent of the internet; the advent of a whole variety of subscription services that are delivered via, for example, online services; the advent of new digital serves such as snack TV on digital TV channels; and the advent of additional TV channels. We know that there will be approximately 15 channels by 2009 with the switch-off of analog. All of that is ignored by the member for Perth and the Australian Labor Party as they turn their backs on the 21st century and look straight back to 1987 by moving amendments that seek to ensure that the regulatory regime the Australian Labor Party has had for the last 20 years is good enough as far as the Labor Party is concerned to meet the needs of Australia for the next 20 or 30 years.

In essence, that is the best policy that the Australian Labor Party can come up with—a policy that served our country for 20 years that ignores the advent of the internet, that ignores digital TV and that ignores subscription services and the great myriad of new technology and new media platforms that are made available to Australians, whether you live at the back of Bourke or in downtown Sydney. The Labor Party policy turns its back on all of that and says, ‘No, we’ll sit with the policy framework that has existed since 1987,’ when in essence all there was were newspapers, TV stations and a handful of radio stations.

Amongst the outrageous claims that I have heard from the opposition are that we need more than the two or three test and the four or five voices test. We need more than that. We need greater safeguards. This ignores the fact that, under this policy proposal put forward by the Howard government under what has been years of consultation by the Howard government not only with the public but also with various media proprietors both in and outside of Australia, we have in place a framework that will protect media diversity rules. But you do not hear any remarks from the Labor Party about that. If an unaccept-
able media diversity situation arose, ACMA has at its disposal a number of powerful sanctions including, for example, fines of $2.2 million per day and up to $11 million per day for companies, and the ability to force divestiture by those with licences. The ALP will say that there are not adequate safeguards but ignore the fact that there are fines of up to $11 million, for example, and powers of divestiture that are afforded to the industry regulator.

The simple fact is that it is high time the Australian Labor Party came up to speed with modern media, and it is high time that the Australian Labor Party recognised that under the proposal the government has put forward there is not some great threat to voices in Australia; rather, there is an increased level of flexibility that will ensure that, going forward, media players in our country have the opportunity to move into new markets and, importantly, be subject to greater levels of competition which, by definition, means greater levels of diversity in this country. That is the direct consequence of this bill. Foreign owners of media companies coming into Australia and entering marketplaces is something that should be welcomed. We have in place a floor, a safeguard, which prevents media markets from becoming too shallow, and that is also an appropriate safeguard for the Australian people. Turning your back on those safeguards and attempting to have in place a 20-year rule is simply farcical. (Time expired)

Mr WINDSOR (New England) (11.53 am)—I listened with interest to the member for Moncrieff on the Broadcasting Services Amendment (Media Ownership) Bill 2006. He talked about new media; it is the old players that are controlling the media. The diversity is going to be controlled by a limited number of players, and it is a matter of great concern to the community—particularly country people—that this legislation is going to get through the parliament. In just the last two days we have seen the way in which the old players have reacted in the marketplace to this legislation. There is absolutely no doubt about who has been writing the script. Some of the diversions in which the National Party were involved in the Senate have been purely that—diversions from the main task.

I commend the member for Lowe for his work over many years on this particular subject and I also commend and recognise the member for Hinkler. I think he really did try and recognise many of the problems but, unfortunately, he has given up at the last hurdle. The member for Lowe made some comments about Senator Fielding. I think it is a great shame that the credibility that Senator Fielding had when he came into this place has been absolutely sold out on this issue. To represent gambling interests and to sell out to big money in the way he has in the Senate completely eradicates any credibility that he had in supposedly representing families.

I was one of many speakers unable to speak in the second reading debate because the government saw fit to truncate debate on a very important piece of legislation. We are going to see a reflection of that through the few people who will control our media and the diversity of the media that comes through to the people—regional people and city people—as well. There are many very good local television and radio stations that are trying to do their best to relay media to country people. I will put in a slight ad, if I could, for the ABC. This parliament needs to back the ABC more than it ever has to get opinions, views and local information out. We are in the middle of a drought at the moment and it is imperative that local people—through their local commercial and ABC media—are able to access that information.
This legislation is a sell-out to a few private interests for political or financial gain and I will be supporting the amendments moved by the member for Perth. I make the plea that, because of the limited number of voices that are out there in country Australia, in particular the ABC, all members of parliament support an extension of funding to the ABC so that views can be expressed at a local level and local information for local people is able to get out there. I think we are fortunate—particularly in my part of the world—to have commercial stations that are still working very hard on local interests. Some of this legislation will make that more difficult for them. I do not agree with the National Party where they have said that they have made some great achievements in the amendments to this legislation. I do not think that is correct at all. I think what they have done is lose sight of the major objective—diversity of view and diversity of media in regional areas—and settled for some minor leavings and some small trinkets regarding local content but sold out on the major content of the legislation.

The **DEPUTY SPEAKER** (Mr Wilkie)—Order! In accordance with the resolution agreed to earlier today, the time allocated for the consideration in detail stage of this bill has concluded. The question is that the amendment be agreed to.

The House divided. [12.02 pm]

(The Deputy Speaker—Mr Wilkie)

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**AYES**

Adams, D.G.H.  
Andren, P.J.  
Bevis, A.R.  
Bowen, C.  
Burke, A.S.  
Corcoran, A.K.  
Danby, M. *  
Ellis, A.L.  
Emerson, C.A.  
Ferguson, M.J.  
Garrett, P.  
George, J.  
Grierson, S.J.  
Hall, J.G. *  
Hayes, C.P.  
Irwin, J.  
Katter, R.C.  
Lawrence, C.M.  
Macklin, J.L.  
McMullan, R.F.  
Murphy, J.P.  
O’Connor, G.M.  
Pilbersek, T.  
Quick, H.V.  
Sawford, R.W.  
Smith, S.F.  
Thomson, K.J.  
Windsor, A.H.C.  
Elliot, J.  
Ellis, K.  
Ferguson, L.D.T.  
 Fitzgibbon, J.A.  
Georgianas, S.  
Gibbons, S.W.  
Griffin, A.P.  
Hatton, M.J.  
Hoare, K.J.  
Jenkins, H.A.  
King, C.F.  
Livermore, K.F.  
McClelland, R.B.  
Melham, D.  
O’Connor, B.P.  
Owens, J.  
Price, L.R.S.  
Ripoll, B.F.  
Serc Dome, R.C.G.  
Snowdon, W.E.  
Vamvakinou, M.  
Anderson, J.D.  
Bailey, F.E.  
Baldwin, R.C.  
Bartlett, K.J.  
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Broughton, M.T.  
Causley, I.R.  
Downer, A.J.G.  
Dutton, P.C.  
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Johnson, M.A.  
Keenan, M.  
Kelly, J.M.  
Ley, S.P.  
Lloyd, J.E.  
Markus, L.  
McArthur, S. *  
Mirabella, S.  
Nelson, B.J.  
Pearce, C.J.  
Pyne, C.  
Richardson, K.  

CHAMBER
The DEPUTY SPEAKER (Mr Wilkie)—The question now is that the remaining stages of the bill be agreed to.

The House divided. [12.09 pm]

(The Deputy Speaker—Mr Wilkie)

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The DEPUTY SPEAKER (Mr Wilkie)—Question negatived.

The DEPUTY SPEAKER (Mr Wilkie)—Bill agreed to.

The DEPUTY SPEAKER (Mr Wilkie)—Third Reading

The DEPUTY SPEAKER (Mr Wilkie)—Bill read a third time.
COMMUNICATIONS LEGISLATION AMENDMENT (ENFORCEMENT POWERS) BILL 2006

Consideration of Senate Message

Consideration resumed from 16 October.

Senate’s amendments—

(1) Schedule 1, item 48, page 25 (line 10), after “136E”, insert “or subclause 49(3) of Schedule 6”.

(2) Schedule 1, item 48, page 25 (line 15), after “136E”, insert “or subclause 49(3) of Schedule 6”.

(3) Schedule 1, item 50, page 32 (line 5), at the end of paragraph 215(1)(b), add “or”.

(4) Schedule 1, item 50, page 32 (after line 5), after paragraph 215(1)(b), insert:
   (c) Part 8 of Schedule 6;

(5) Schedule 1, item 50, page 32 (line 25), at the end of paragraph 215(5)(b), add “or”.

(6) Schedule 1, item 50, page 32 (after line 25), after paragraph 215(5)(b), insert:
   (c) Part 8 of Schedule 6;

(7) Schedule 1, page 32 (after line 31), after item 50, insert:

50A After paragraph 9(1)(a) of Schedule 6
   Insert:
   (aa) a breach of a civil penalty provision occurring; or

50B At the end of subclause 9(2) of Schedule 6
   Add:
   ; and (f) whether a civil penalty order has been made against:
   (i) the first-mentioned person; or
   (ii) a person referred to in paragraph (c) or (d).

50C At the end of clause 49 of Schedule 6 (before the notes)
   Add:
   (3) A person must not provide a datacasting service if the person does not have a datacasting licence to provide that service.

(4) Subclause (3) is a civil penalty provision.

(5) A person who contravenes subclause (3) commits a separate contravention of that subclause in respect of each day (including a day of the making of a relevant civil penalty order or any subsequent day) during which the contravention continues.

50D Clause 50 of Schedule 6
   Repeal the clause, substitute:

50 Remedial directions—unlicensed datacasting services

(1) If the ACMA is satisfied that a person has breached, or is breaching, subclause 49(3), the ACMA may, by written notice given to the person, direct the person to take action directed towards ensuring that the person does not breach that subclause, or is unlikely to breach that subclause, in the future.

Note 1: For exemptions for broadcasters, see clause 51.

Note 2: For exemptions for designated teletext services, see clause 51A.

Offence

(2) A person commits an offence if:
   (a) the person has been given a notice under subclause (1); and
   (b) the person engages in conduct; and
   (c) the person’s conduct contravenes a requirement in the notice.

Penalty: 20,000 penalty units.

(3) A person who contravenes subclause (2) commits a separate offence in respect of each day (including a day of a conviction for the offence or any subsequent day) during which the contravention continues.

Civil penalty

(4) A person must comply with a notice under subclause (1).
(5) Subclause (4) is a civil penalty provision.

(6) A person who contravenes subclause (4) commits a separate contravention of that subclause in respect of each day (including a day of the making of a relevant civil penalty order or any subsequent day) during which the contravention continues.

Definition

(7) In this clause:

engage in conduct means:

(a) do an act; or

(b) omit to perform an act.

50E After clause 52 of Schedule 6

Insert:

52A Civil penalty provision relating to breach of conditions of datacasting licences

(1) A datacasting licensee must not breach a condition of the licence set out in clause 14, 16, 21 or 24.

(2) Subclause (1) is a civil penalty provision.

(3) A person who contravenes subclause (1) commits a separate contravention of that subclause in respect of each day (including a day of the making of a relevant civil penalty order or any subsequent day) during which the contravention continues.

50F At the end of clause 53 of Schedule 6

Add:

(6) A person must comply with a notice under subclause (1).

(7) Subclause (6) is a civil penalty provision.

(8) A person who contravenes subclause (6) commits a separate contravention of that subclause in respect of each day (including a day of the making of a relevant civil penalty order or any subsequent day) during which the contravention continues.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (12.14 pm)—I move:

That the amendments be agreed to.

The following points are relevant in relation to the Communications Legislation Amendment (Enforcement Powers) Bill 2006. Firstly, from 2007, licences for new digital services will be provided over unallocated broadcasting spectrum and will be allocated in accordance with the amended digital broadcasting regulatory framework to be established under the Broadcasting Legislation Amendment (Digital Television) Bill 2006 and associated bills. Against that background, datacasting services will be competing with other broadcasting services and, as such, it is reasonable to expect that they should be regulated in a similar manner to broadcasting services.

In order to ensure a consistent regulatory framework between such licences and broadcasting licences, amendments will be required to the Communications Legislation Amendment (Enforcement Powers) Bill 2006. In particular, the amendments will provide for the following: first, a power for ACMA to see injunctions for the unlicensed provision of datacasting services; second, the establishment of an unlicensed provision of datacasting services and breaches of datacasting conditions so that they are subject to civil penalties; third, the creation of a power for ACMA to issue remedial directions to take action to prevent the provision of an unlicensed datacasting service with breaches of such remedial directions to be offences and subject to civil penalties; fourth, civil penalties to be established for breaches of datacasting licence conditions; fifth, the establishment of civil penalties for breach of datacasting licence conditions; sixth, the development of ACMA guidelines about its enforcement
powers so as to also deal with those powers relating to datacasting; and, seventh, civil penalties to be considered in assessing the suitability of a licensee.

Against that background, and in the context of the full suite of media and communications reforms, I commend these amendments to the House and I commend the bill to the House. I thank the Minister for Communications, Information Technology and the Arts, Senator Coonan, and the officers of her department and her personal staff. I am delighted to commend both the bill and the amendments to the House.

Question agreed to.

TRADE PRACTICES LEGISLATION AMENDMENT BILL (No. 1) 2005
Consideration of Senate Message
Consideration resumed from 11 October.

Senate’s amendments—

(1) Schedule 1, page 3 (line 2) to page 43 (line 3), omit the Schedule.

(2) Schedule 3, item 9, page 51 (after line 25), after subsection 93AB(10), insert:

(10A) The Commission must, as soon as practicable after receiving a valid collective bargaining notice, give a copy of the notice to the target.

(3) Schedule 7, heading, page 71 (lines 2 and 3), omit the heading, substitute:

Schedule 7—Exclusive dealing

(4) Schedule 7, heading to Part 1, page 71 (lines 4 and 5), omit the heading, substitute:

Part 1—Tribunal review

(5) Schedule 7, items 1 to 16, page 71 (line 7) to page 72 (line 15), omit the items.

(6) Schedule 7, items 18 to 29, page 73 (line 11) to page 74 (line 9), omit the items, substitute:

18 Application

The amendment made by item 17 applies in relation to notifications made after the commencement of that item.

Mr COSTELLO (Higgins—Treasurer) (12.18 pm)—I indicate to the House that the government proposes that amendment (1) be disagreed to, but that amendments be made in place thereof, that amendments (2) to (6) be agreed to and that a further nine relevant amendments be made. May I suggest, therefore, that it may suit the convenience of the House to first consider amendment (1), then amendments (2) to (6) and, when those amendments have been disposed of, to consider the further amendments. I move:

That Senate amendment No. 1 be disagreed to but in place thereof government amendments Nos 1 to 49 be made:

(1) Schedule 1, item 6, page 4 (lines 1 and 2), omit the definition of proceedings in section 29P, substitute:

proceedings includes:

(a) applications made to the Tribunal under Subdivision C of Division 3 of Part VII; and

(b) applications made to the Tribunal under section 111 (about review of the Commission’s decisions on merger clearances).

(2) Schedule 1, items 7 and 8, page 4 (lines 3 to 13), omit the items, substitute:

7 Section 39

Before “The”, insert “(1)”.

Note: The heading to section 39 is replaced by the heading “President may give directions”.

8 At the end of section 39

Add:

(2) The President may give directions to the Deputy Presidents in relation to the exercise by the Deputy Presidents of powers with respect to matters of procedure in proceedings before the Tribunal.

Note: Subsection 103(2) provides that any presidential member may exercise powers with respect to matters of procedure in proceedings before the Tribunal.
(3) Schedule 1, item 27, page 12 (line 34), omit “make”, substitute “give”.

(4) Schedule 1, item 27, page 15 (line 17), after “Commission”, insert “, within a specified period,”.

(5) Schedule 1, item 27, page 15 (lines 20 to 23), omit section 95AK, substitute:

95AK Commission may seek further information and consult others

(1) The Commission may give a person a written notice requesting the person to give the Commission, within a specified period, particular information relevant to making its determination on the application.

(2) The Commission may consult with such persons as it considers reasonable and appropriate for the purposes of making its determination on the application.

(6) Schedule 1, item 27, page 16 (lines 4 to 7), omit subsection 95AM(2), substitute:

(2) In making its determination, the Commission must take into account:

(a) any submissions in relation to the application made to it by the applicant, the Commonwealth, a State, a Territory or any other person that are received within the period specified under paragraph 95AG(b); and

(b) any information received under section 95AJ within the period specified in the relevant notice under that section; and

(c) any information received under subsection 95AK(1) within the period specified in the relevant notice under that subsection.

(7) Schedule 1, item 27, page 16 (line 22), omit “refused”, substitute “made a determination refusing”.

(8) Schedule 1, item 27, page 18 (after line 12), after subsection 95AR(2), insert:

(2A) The regulations may prescribe that the application form contain a requirement that the applicant give an undertaking under section 87B that the applicant will not make the acquisition while the application is being considered by the Commission.

(9) Schedule 1, item 27, page 18 (line 28) to page 19 (line 3), omit subsection 95AR(5), substitute:

Commission must make a determination

(5) The Commission must make a determination in writing:

(a) varying the clearance; or

(b) refusing to vary the clearance.

The Commission must notify the applicant in writing of its determination and give written reasons for it.

(5A) In making its determination, the Commission must take into account:

(a) any submissions received within the period specified under subsection (4); and

(b) any information received under section 95AJ within the period specified in the relevant notice under that section (as that section applies because of subsection (11) of this section); and
(c) any information received under subsection 95AK(1) within the period specified in the relevant notice under that subsection (as that subsection applies because of subsection (11) of this section); and

(d) any information obtained from consultations under subsection 95AK(2) (as that subsection applies because of subsection (11) of this section).

(5B) In making its determination, the Commission may disregard:

(a) any submissions received after the period specified under subsection (4); and

(b) any information received under section 95AJ after the period specified in the relevant notice under that section (as that section applies because of subsection (11) of this section); and

(c) any information received under subsection 95AK(1) after the period specified in the relevant notice under that subsection (as that subsection applies because of subsection (11) of this section).

(10) Schedule 1, item 27, page 19 (after line 9), after subsection 95AR(6), insert:

Determination varying clearance may also vary clearance conditions

(6A) A determination varying a clearance may also vary the conditions (if any) of the clearance to take account of the variation of the clearance.

(11) Schedule 1, item 27, page 19 (line 14), omit “refused”, substitute “made a determination refusing”.

(12) Schedule 1, item 27, page 20 (after line 3), at the end of section 95AR, add:

Powers of Commission

(11) The following sections apply in relation to an application for a minor variation of a clearance in the same way as they apply in relation to an application for a clearance:

(a) section 95AJ (Commission may seek additional information from applicant);

(b) section 95AK (Commission may seek further information and consult others).

(13) Schedule 1, item 27, page 20 (after line 17), after subsection 95AS(2), insert:

(2A) The regulations may prescribe that the application form contain a requirement that the applicant give an undertaking under section 87B that the applicant will not make the acquisition while the application is being considered by the Commission.

(14) Schedule 1, item 27, page 21 (lines 18 to 27), omit subsection 95AS(7), substitute:

Commission must make a determination

(7) The Commission must make a determination in writing:

(a) revoking the clearance, or revoking the clearance and substituting a new clearance for the one revoked; or

(b) refusing to revoke the clearance.

The Commission must notify, in writing, the person to whom the clearance was granted of its determination and give written reasons for it.

(7A) In making its determination, the Commission must take into account:

(a) any submissions invited under subsection (4) or (6) that are received within the period specified under that subsection; and

(b) any information received under section 95AJ within the period specified in the relevant notice under that section (as that section applies because of subsection (13) of this section); and

(c) any information received under subsection 95AK(1) within the period specified in the relevant notice under that subsection (as that subsection applies because of subsection (11) of this section); and
tion applies because of subsection (13) of this section); and
(d) any information obtained from consultations under subsection 95AK(2) (as that subsection applies because of subsection (13) of this section).

(7B) In making its determination, the Commission may disregard:
(a) any submissions invited under subsection (4) or (6) that are received after the period specified under that subsection; and
(b) any information received under section 95AJ after the period specified in the relevant notice under that section (as that section applies because of subsection (13) of this section); and
(c) any information received under subsection 95AK(1) after the period specified in the relevant notice under that subsection (as that subsection applies because of subsection (13) of this section).

(15) Schedule 1, item 27, page 22 (line 15), omit "refused", substitute "made a determination refusing".

(16) Schedule 1, item 27, page 22 (after line 25), at the end of section 95AS, add:

Powers of Commission

(13) The following sections apply in relation to an application for a revocation, or a revocation and substitution, of a clearance in the same way as they apply in relation to an application for a clearance:
(a) section 95AJ (Commission may seek additional information from applicant);
(b) section 95AK (Commission may seek further information and consult others).

Substituted clearances

(14) The following sections apply in relation to a clearance substituted under this section in the same way as they apply in relation to a clearance granted under section 95AM:
(a) section 95AP (Clearance subject to conditions);
(b) section 95AQ (When clearance is in force).

(17) Schedule 1, item 27, page 22 (line 31), omit "Note", substitute "Note 1".

(18) Schedule 1, item 27, page 22 (after line 34), at the end of subsection 95AT(1), add:

Note 2: Division 2 of Part IX contains provisions about procedure and evidence that relate to proceedings before the Tribunal.

(19) Schedule 1, item 27, page 23 (line 26), omit "make", substitute "give".

(20) Schedule 1, item 27, page 26 (lines 12 to 23), omit section 95AZB.

(21) Schedule 1, item 27, page 26 (line 26), after "Tribunal", insert ", within a specified period."

(22) Schedule 1, item 27, page 26 (lines 28 to 31), omit section 95AZD, substitute:

95AZD Tribunal may seek further information and consult others etc.

(1) The Tribunal may give a person a written notice requesting the person to give the Tribunal, within a specified period, particular information relevant to making its determination on the application.

(2) The Tribunal may consult with such persons as it considers reasonable and appropriate for the purposes of making its determination on the application.

(3) The Tribunal may disclose information excluded from the merger authorisation register under subsection 95AZA(3), (4) or (7) to such persons and on such terms as it considers reasonable and appropriate for the purposes of making its determination on the application.

(23) Schedule 1, item 27, page 27 (after line 3), after section 95AZE, insert:
95AZEA Tribunal must require Commission to give report

(1) For the purposes of determining the application, the member of the Tribunal presiding on the application must require the Commission to give a report to the Tribunal. The report must be:

(a) in relation to the matters specified by that member; and
(b) given within the period specified by that member.

(2) The Commission may also include in the report any matter it considers relevant to the application.

(24) Schedule 1, item 27, page 27 (lines 4 to 8), omit section 95AZF, substitute:

95AZF Commission to assist Tribunal

(1) For the purposes of determining the application:

(a) the Commission may call a witness to appear before the Tribunal and to give evidence in relation to the application; and
(b) the Commission may report on statements of fact put before the Tribunal in relation to the application; and
(c) the Commission may examine or cross-examine any witnesses appearing before the Tribunal in relation to the application; and

Note: The Commission may be represented by a lawyer: see paragraph 110(d).

(d) the Commission may make submissions to the Tribunal on any issue the Commission considers relevant to the application.

(2) For the purposes of determining the application, the member of the Tribunal presiding on the application may require the Commission to give such information, make such reports and provide such other assistance to the Tribunal, as the member specifies.

(25) Schedule 1, item 27, page 27 (before line 9), before section 95AZG, insert:

95AZFA Commission may make enquiries

The Commission may, for the purposes of section 95AZEA or 95AZF, make such enquiries as it considers reasonable and appropriate.

(26) Schedule 1, item 27, page 27 (lines 16 to 19), omit subsection 95AZG(2), substitute:

(2) In making its determination, the Tribunal must take into account:

(a) any submissions in relation to the application made to it by the applicant, the Commonwealth, a State, a Territory or any other person that are received within the period specified under paragraph 95AY(b); and
(b) any information received under section 95AZC within the period specified in the relevant notice under that section; and
(c) any information received under subsection 95AZD(1) within the period specified in the relevant notice under that subsection; and
(d) any information obtained from consultations under subsection 95AZD(2); and
(e) the report given to it under section 95AZEA; and
(f) any thing done as mentioned in section 95AZF.

(2A) In making its determination, the Tribunal may disregard:

(a) any submissions in relation to the application made to it by the applicant, the Commonwealth, a State, a Territory or any other person that are received after the period specified under paragraph 95AY(b); and
(b) any information received under section 95AZC after the period specified in the relevant notice under that section; and
(c) any information received under subsection 95AZD(1) after the period
specified in the relevant notice under that subsection.

(27) Schedule 1, item 27, page 29 (after line 24), after subsection 95AZL(2), insert:

(2A) The regulations may prescribe that the application form contain a requirement that the applicant give an undertaking under section 87B that the applicant will not make the acquisition while the application is being considered by the Tribunal.

(28) Schedule 1, item 27, page 30 (lines 12 to 19), omit subsection 95AZL(6), substitute:

**Tribunal must make a determination on the application**

(6) The Tribunal must make a determination in writing:

(a) varying the authorisation; or
(b) refusing to vary the authorisation.

The Tribunal must notify the applicant in writing of its determination and give written reasons for it.

(6A) In making its determination, the Tribunal must take into account:

(a) any submissions received within the period specified under subsection (5); and
(b) any information received under section 95AZC within the period specified in the relevant notice under that section (as that section applies because of subsection (13) of this section); and
(c) any information received under subsection 95AZD(1) within the period specified in the relevant notice under that subsection (as that subsection applies because of subsection (13) of this section); and
(d) any information obtained from consultations under subsection 95AZD(2) (as that subsection applies because of subsection (13) of this section); and
(e) the report given to it under section 95AZEA (as that section applies because of subsection (13) of this section); and
(f) any thing done as mentioned in section 95AZF (as that section applies because of subsection (13) of this section).

(6B) In making its determination, the Tribunal may disregard:

(a) any submissions received after the period specified under subsection (5); and
(b) any information received under section 95AZC after the period specified in the relevant notice under that section (as that section applies because of subsection (13) of this section); and
(c) any information received under subsection 95AZD(1) after the period specified in the relevant notice under that subsection (as that subsection applies because of subsection (13) of this section).

(29) Schedule 1, item 27, page 30 (after line 25), after subsection 95AZL(7), insert:

**Determination varying authorisation may also vary authorisation conditions**

(7A) A determination varying an authorisation may also vary the conditions (if any) of the authorisation to take account of the variation of the authorisation.

(30) Schedule 1, item 27, page 31 (line 29), omit paragraph 95AZL(13)(a).

(31) Schedule 1, item 27, page 31 (line 32), omit “consult others”, substitute “seek further information and consult others etc.”.

(32) Schedule 1, item 27, page 31 (after line 32), after paragraph 95AZL(13)(c), insert:

(ca) section 95AZEA (Tribunal must require Commission to give report);

(33) Schedule 1, item 27, page 31 (after line 33), at the end of subsection 95AZL(13), add:

(e) section 95AZFA (Commission may make enquiries).
(34) Schedule 1, item 27, page 32 (after line 15), after subsection 95AZM(2), insert:

(2A) The regulations may prescribe that the application form contain a requirement that the applicant give an undertaking under section 87B that the applicant will not make the acquisition while the application is being considered by the Tribunal.

(35) Schedule 1, item 27, page 33 (lines 24 to 33), omit subsection 95AZM(8), substitute:

The Tribunal must make a determination

(8) The Tribunal must make a determination in writing:

(a) revoking the authorisation, or revoking the authorisation and substituting a new authorisation; or

(b) refusing to revoke the authorisation.

The Tribunal must notify, in writing, the person to whom the authorisation was granted of its determination and give written reasons for it.

(8A) In making its determination, the Tribunal must take into account:

(a) any submissions invited under subsection (5) or (7) that are received within the period specified under that subsection; and

(b) any information received under section 95AZC within the period specified in the relevant notice under that section (as that section applies because of subsection (15) of this section); and

(c) any information received under subsection 95AZD(1) within the period specified in the relevant notice under that subsection (as that subsection applies because of subsection (15) of this section); and

(d) any information obtained from consultations under subsection 95AZD(2) (as that subsection applies because of subsection (15) of this section); and

(e) the report given to it under section 95AZEA (as that section applies because of subsection (15) of this section); and

(f) any thing done as mentioned in section 95AZF (as that section applies because of subsection (15) of this section).

(8B) In making its determination, the Tribunal may disregard:

(a) any submissions invited under subsection (5) or (7) that are received after the period specified under that subsection; and

(b) any information received under section 95AZC after the period specified in the relevant notice under that section (as that section applies because of subsection (15) of this section); and

(c) any information received under subsection 95AZD(1) after the period specified in the relevant notice under that subsection (as that subsection applies because of subsection (15) of this section).

(36) Schedule 1, item 27, page 35 (line 10), omit paragraph 95AZM(15)(a).

(37) Schedule 1, item 27, page 35 (line 13), omit “consult others”, substitute “seek further information and consult others etc.”.

(38) Schedule 1, item 27, page 35 (after line 13), after paragraph 95AZM(15)(c), insert:

(ca) section 95AZEA (Tribunal must require Commission to give report);

(39) Schedule 1, item 27, page 35 (after line 14), at the end of subsection 95AZM(15), add:

; (e) section 95AZFA (Commission may make enquiries).

(40) Schedule 1, item 27, page 35 (after line 14), at the end of section 95AZM, add:

Substituted authorisations

(16) The following sections apply in relation to an authorisation substituted under this section in the same way as they
apply in relation to an authorisation granted under section 95AZG:

(a) section 95AZJ (Authorisation subject to conditions);

(b) section 95AZK (When authorisation is in force).

(41) Schedule 1, item 33, page 36 (lines 12 to 15), omit the item, substitute:

33 Before section 103

Insert:

102A Definition

In this Part:

proceedings includes:

(a) applications made to the Tribunal under Subdivision C of Division 3 of Part VII; and

(b) applications made to the Tribunal under section 111 (about review of Commission’s decisions on merger clearances).

(42) Schedule 1, item 34, page 36 (lines 16 to 20), omit the item, substitute:

34 Subsection 103(2)

Omit “the Tribunal constituted by a presidential member”, substitute “a presidential member”.

34A At the end of section 103

Add:

(3) The powers mentioned in subsection (2) may be exercised by a presidential member:

(a) whether or not the Tribunal has been constituted under section 37 in relation to the proceedings; and

(b) once the Tribunal is so constituted—whether or not that member is part of the Division of the Tribunal so constituted.

(43) Schedule 1, item 36, page 37 (after line 22), after subsection 111(2), insert:

(2A) The regulations may make it a requirement that an applicant under subsection (1) or (2) give an undertaking under section 87B that the applicant will not make the acquisition while the application is being considered by the Tribunal.

(44) Schedule 1, item 36, page 37 (after line 24), at the end of subsection 111(3), add:

Note: Division 2 contains provisions about procedure and evidence that relate to proceedings before the Tribunal.

(45) Schedule 1, item 36, page 38 (lines 5 to 9), omit subsection 113(1), substitute:

(1) After being notified of the application for review, the Commission must, within 2 business days, give to the Tribunal all the information that the Commission took into account in connection with the making of the determination to which the review relates.

(1A) The Commission must identify which of that information (if any) the Commission excluded from the merger clearance register under subsection 95Al(3), (4) or (7).

(46) Schedule 1, item 36, page 38 (after line 12), after the definition of business day in subsection 113(2), insert:

merger clearance register means the register kept under section 95AH.

(47) Schedule 1, item 36, page 38 (lines 18 to 21), omit subsection 114(2), substitute:

(2) The Tribunal may disclose information identified under subsection 113(1A) to such persons and on such terms as it considers reasonable and appropriate for the purposes of clarifying the information.

(48) Schedule 1, item 36, page 39 (after line 7), at the end of section 116, add:

; and (d) any information or report given to the Tribunal under section 115.

(49) Schedule 1, item 36, page 39 (after line 22), after subsection 118(3), insert:

(3A) If the Tribunal has not made its decision on the review within the period applicable under subsection (1) or (2), the Tribunal is taken to have made a

Mr Fitzgibbon—Mr Deputy Speaker, I rise on a point of order. I draw your attention to standing order 160, which relates to the need for amendments to a Senate message to be within the scope of the amendments as put in place by the Senate. I put it to you, Mr Deputy Speaker, that many of the amendments now being moved by the Treasurer sit outside the scope of the amendments as relayed from the Senate.

The Senate made some very specific amendments to this bill. They went only to some changes in the authorisation regime and the Trade Practices Act. There were no amendments made under the section 50 regime of the Trade Practices Act. I also put it to you, Mr Deputy Speaker, that many of the amendments now being moved by the Treasurer sit outside the scope of the amendments as relayed from the Senate.

The Senate made some very specific amendments to this bill. They went only to some changes in the authorisation regime and the Trade Practices Act. There were no amendments made under the section 50 regime of the Trade Practices Act. I also put it to you, Mr Deputy Speaker, that many of the amendments now being moved by the Treasurer sit outside the scope of the amendments as relayed from the Senate.

The DEPUTY SPEAKER (Mr Wilkie)—I thank the honourable member. Having considered the point of order, I believe that the amendments are within the scope of the Senate amendments, and I call the Treasurer.

Mr COSTELLO—The Dawson review recommended that the Trade Practices Act be amended to improve its operations, specifically in relation to the competition and authorisation provisions in the administration of the act. The bill improves existing ACCC and ART processes by providing for greater accountability, transparency and timeliness in decision making and reducing the regulatory burden on business.

The bill was debated in the Senate on 10 and 11 October 2005. The Senate amended the bill to remove schedule 1, to make a procedural amendment to schedule 3 and to omit the provisions in schedule 7. The government does not agree with the removal by the Senate of schedule 1. To address concerns that have been raised in relation to the bill, the government is now moving amendments to further enhance and clarify the processes to be undertaken by the ACCC and the tribunal in relation to mergers, clearances and authorisations.

Some of these amendments would have been moved in the Senate, in any event. Given the fact that the Senate omitted the schedule, they were never actually moved and placed in the schedule. But there are some new amendments that we have put to the House today to go into the schedule. These have been drawn after extensive consultation with small business organisations. They have been drawn in order to address matters that were raised in the Senate debate. As a result of these amendments, organisations such as COSBOA, the Fair Trading Coalition, NARGA and the National Farmers Federation have all said that they support the bill and they have urged the Senate to pass this bill with these amendments.

These amendments provide that the Australian Competition Tribunal must require the ACCC to provide it with a report on every application for merger authorisation. Further amendments specifically provide that the ACCC may call witnesses to appear before the tribunal, examine and cross-examine witnesses, report on statements of fact put before the tribunal and make submissions to the tribunal as determined by the ACCC.
The other matters, which would have been moved in the Senate had the Senate got around to it, apply to the general procedure of the tribunal to apply to merger authorisation applications, timely information to enable timely decision making, clarifying the process for the review of merger clearances, clarifying the default decision on merger clearances if a decision is not made within time and ensuring consistency of process and powers for all merger clearance processes.

This bill will significantly enhance the operation of the act, improve the rights of small business and improve transparency. It has the support of small business organisations. Not only should the House pass this bill with these enhancements, particularly in relation to schedule 1.

Mr FITZGIBBON (Hunter) (12.23 pm)—I will begin my contribution to the House’s consideration of the Senate amendments to the Trade Practices Legislation Amendment Bill (No. 1) 2005 by clarifying my earlier point of order. It was not necessarily to suggest that the opposition was not supporting those amendments that the Treasurer claims are improvements to his original regime. Some of them may be but some of them may not be. The point is that we do not know. Only moments ago we were handed pages and pages—12 pages in all—of amendments to the Trade Practices Act, and we do not even know what they are. While I respect your ruling, Mr Deputy Speaker Wilkie, I suggest to you that the clerks were in no position to give you advice. Of course they will proceed with caution and of course they have no choice but to provide you with the advice that suits the government’s agenda, but the clerks, with respect, would have no idea whether these amendments were within the scope of the amendments imposed by the Senate because the clerks, like me, simply have not had an opportunity to read them. This is symbolic of this government’s contempt for this chamber, the people’s place. They think they can just ride in here any time they like and do whatever they like, and it is unacceptable to us.

Those who have business interests riding on the outcome of this bill should be very concerned about that, in the same way that business should be concerned about the Treasurer’s approach to taxation bills in this place, where time and time again we see the government coming back in with its own amendments because it did not get the bill right in the first place. The government is of course changing things midstream without any consultation with the opposition, but it does not care about the opposition because, at this particular point in our history, it does not need us. It is, however, setting some very dangerous precedents. The Treasurer might think it is 30 years away, but it might just be two years away that the government members find themselves standing on the other side of the table. It is simply a disgrace that the government is treating this parliament with such contempt.

I am going to put the onus back on the Treasurer to give an ironclad guarantee to this House that these amendments are within the scope of the Senate’s message—in other words, within the scope of the amendments put forward by the Senate. I have not quite reached the dizzy heights of legal study that the Treasurer has, but I would be interested to know whether these amendments will have any impact on future court challenges to this legislation if and when it is passed by the Senate. If this House has not followed proper procedure in the passage of the bill, can we be sure that this does not leave the final legislation vulnerable to legal challenge? I know the Treasurer is not allowed to give a legal opinion, but if he cares to he might like to reflect on that as well. That is the guarantee I am asking for: that these
amendments are within the scope of the Senate’s message.

In moving to the substantive issues I will start with a bit of history. The Dawson inquiry made some very solid and eminently supportable recommendations to this place. The opposition has done all in its power to support, wherever possible, those very strong recommendations. I challenge one thing the Treasurer said, and that is that he is implementing all the Dawson recommendations. I do not believe that is true. I think he has cherry-picked the Dawson recommendations—that is, he has chosen just those that suit his own political agenda. That notwithstanding, the opposition agrees that most of what is contained within the original bill is a good thing for the Australian economy, a good thing for Australian business and a good thing for the Australian consumer.

We do, however, have one very real concern, and that is the way in which the government has chosen to carve out of the process a very real role for the ACCC when dealing with authorisation issues. What the Treasurer is telling us today, amongst other things, is that some of these amendments are designed to deal the ACCC back into the game. It is pretty hard for the opposition to be certain about that. (Extension of time granted) It is pretty hard for the opposition to be sure about that because all that we know about these amendments is based on what we have read in the newspapers, but we do maintain the absolute determination that the ACCC should be the main gatekeeper on authorisation decisions. It is my understanding that the amendments we are considering this afternoon do not restore the ACCC as the main gatekeeper.

Let us take a moment to think about what we are talking about here. If companies are seeking to consolidate—and it could be that in the next little while News Ltd take over Fairfax—they go to the ACCC seeking informal clearance. If this bill is passed, it will be a formal clearance. The consideration of that application is based on a competition test—that is, whether the merger would be likely to lead to a substantial lessening of competition in a given market. If they are unsuccessful there, whether it be under the formal or informal arrangements—and if I have time I will talk a little about the difference between those two mechanisms—under current law they go to the ACCC seeking authorisation or, to put it another way, seeking approval to proceed with the merger or the takeover, notwithstanding that it will lead, on the determination of the ACCC, to a substantial lessening of competition, as it is in the public interest that the merger, consolidation or takeover proceed.

I would have thought that all of us would be unanimous in our view that the ACCC, as it has always been, is the best body, the most expert body, the most credentialled body and the body with all the experts—rooms full of them—to determine whether or not that consolidation is in the public interest, notwithstanding the fact that the ACCC has already decided that it will lead to a lessening of competition. What the Treasurer wants to do is sideline the ACCC and allow applicants for authorisations to go straight to the Australian Competition Tribunal. That is an august body that I have a great deal of respect for, but I make the point that the Treasurer, having enjoyed more than 10 years in his position, has had the opportunity to either appoint or reappoint every member of that body. It is a bit like the way in which the maker of appointments to the US Supreme Court has been able to make that body one which is largely in keeping with his own thoughts on matters. I am sure the public would have much more confidence in a system that allowed or forced the applicant to
go to the ACCC to determine that very important issue as well.

Whether a matter is in the public interest is very much a subjective test, and one we should not allow to go straight to the tribunal. The Treasurer will return to the dispatch box and say: ‘The member for Hunter is wrong. These amendments deal the ACCC back into the game by allowing the ACCC to be a full party to the proceedings before the Australian Competition Tribunal.’ There is some truth in that, but the procedures of tribunals such as the ACT are pretty clear-cut, and the Treasurer knows that the ACCC, notwithstanding being a full party to the proceedings, may and probably will be constrained in its ability to put its case and rebut argument by the mood of the tribunal on any given day and whether it believes the matters that the ACCC is attempting to raise are necessarily relevant to the argument before the bench. Therefore, if these laws are passed, there will be a restraint on an ongoing basis on the ACCC in its role in considering the public interest test.

I have to say that it is better than the Treasurer’s original proposal, which allowed the ACCC to be seconded, in a sense, by the ACT if it decided it had something to offer. He is now saying, ‘They will have to put a submission in,’ as if they would not anyway. For goodness sake, who believes that the ACCC would not put a submission in on the question of public interest? The Treasurer is saying that the ACCC will now be a full party to the proceedings. We are not convinced, and the Treasurer needs to clarify these points. I also ask him to clarify whether the states have been appropriately consulted on these issues and whether the states have—

(Time expired)

FRAN BAILEY (McEwen—Minister for Small Business and Tourism) (12.34 pm)—
The first point I want to make to the member for Hunter is that these amendments were circulated at 5.30 last night. So there should be no excuse whatsoever for the member for Hunter to complain that he was not made fully aware of what these amendments were, because they were circulated.

This is a great day for small business; it really is. We have 1.2 million small businesses, which make up 95 per cent of all businesses in this country. They employ 3.3 million Australians, and they have been waiting for this day. They think that this is a great outcome. While the member for Hunter has been focusing on that section of the amendments dealing with mergers and acquisitions, as the Treasurer has already said, the role of the ACCC is a very central one in this process. Certainly, all of the small business associations—as the Treasurer has already indicated—are fully behind this amendment and they support it.

I reiterate who these groups are that represent the 1.2 million small businesses in Australia. We have the National Association of Retail Grocers of Australia, COSBOA and the Fair Trading Coalition, including such groups as the MTAA and the National Farmers Federation. These are groups which really believe in investigating issues and assessing what is being put before them because they have to go back and report to their members on exactly how they find a situation. They have closely examined these amendments and they are of the view that they support the government’s position. That is why I say it is a very important day for small businesses.

In particular, in respect of the collective bargaining amendment for small business, as every small business person in this country is well aware, the formal process of authorisation was a very lengthy and very expensive process for small business. Now that is being changed to the notification process. This is
going to give clarity and transparency. All of the amendments give great certainty to small business, and that is why small business is so very strongly in favour of what the government is doing.

Let us look at a little of the detail of the changes to the amendment affecting collective bargaining. As I have said, this makes it cheaper and quicker for small business. Under the Trade Practices Legislation Amendment Bill (No. 1) 2005 the notification process will normally be 14 days. The ACCC does not have to approve this; it considers it and then, if it objects, it has the right and responsibility to do so. I said it is much cheaper for small business. Let us have a look at that. Under the previous notification process, it would cost a small business, on average, $7½ thousand. That is a lot of money for a small business to find. Now that fee will come down to around $1,000. Importantly, individual threshold levels will be covered by regulation, and these regulations will be introduced no later than six months after the passage of this bill. Consultation has characterised this whole process by the government and, importantly, ongoing consultation will occur.

Mr Deputy Speaker, let me give you some examples of what some organisations believe the benefits to be. Bill Healey, the national affairs director of the AHA, representing thousands of small business people, said that the reforms to collective bargaining will provide a quicker and cheaper way for small businesses to deal with big business, adding great confidence and security in negotiating transactions.

The thing that sets the government apart from the opposition is that we have consulted with small business and we have listened to them. We have their support on this and every other matter because it is this government that is providing the strong operating environment for them. It is providing a competitive, fair environment. (Time expired)

The DEPUTY SPEAKER (Mr Wilkie)—I call the member for Moncrieff, in recognition of the fact that I gave the opposition the call twice previously.

Mr CIOBO (Moncrieff) (12.39 pm)—I am pleased to also be in support of government moves with respect to these changes to the Trade Practices Act, which incorporate and build on the recommendations from the Dawson review. The point I would like to stress most effectively—and this point is especially pronounced for me as a representative from the Gold Coast, which is Australia’s small business capital—is that these changes enhance the Trade Practices Act for the benefit, predominantly, of small businesses. There can be no doubt that small businesses around Australia are welcoming very loudly these changes and are very grateful that we have been able to bring forward the Trade Practices Legislation Amendment Bill (No. 1) 2005 and these changes.

Do not just take my word on it, Mr Deputy Speaker. A number of small business groups, such as the National Farmers Federation, the Council of Small Business Organisations of Australia, the National Association of Retail Grocers of Australia and the Fair Trading Coalition, have put out press releases and highlighted their gratitude that the government is listening to small business, is acting on the recommendations of small business and is consulting with small business to introduce these changes.

In particular I highlight the comments from the National Farmers Federation, who said:

We certainly hope now that the small business community has given the tick to the Bill, that Senators will reconsider their previous opposition and allow it to pass …
NFF has taken an active interest in the reform to the Trade Practices Act because farmers have so much to gain, particularly through the collective bargaining provisions, which will make it easier, quicker and cheaper for farmers to collectively negotiate with large businesses.

NFF has carefully considered claims that the merger and acquisition component of the reforms may be ‘anti-small business’. NFF sees no danger that the proposed changes will weaken the existing test to determine whether a merger will adversely impact on competition and is therefore comfortable on this matter.

We also note that the recent modifications to the Bill will further strengthen the role of the ACCC within the mergers and acquisitions authorisation process, giving it full powers to assist the Australian Competition Tribunal.

I wanted to specifically read into the Hansard those comments from the National Farmers Federation because they are totemic comments that underscore the reason why the government can be immensely proud of the hard work that the Treasurer and the Minister for Small Business and Tourism have put into bringing this bill forward, a bill which appropriately balances the demands of small business and the demands of parallel businesses, principally farmers.

This bill provides great benefits to small business in particular, and not only small business will benefit from an efficient and effective economy. Our competition policy going forward ensures that the years of responsible and careful economic management of the Howard government and the Treasurer, Peter Costello, will be able to continue. It ensures that a competitive marketplace for small businesses will continue.

I am immensely proud of the collective bargaining amendments which arose out of the Dawson review and are incorporated into this bill. These collective bargaining arrangements will make a very meaningful and significant difference to small businesses when it comes to using the collective market power that they will have in any negotiations and bargaining that they undertake.

The final point I would like to touch upon is the mergers and acquisitions process. I have heard it said in other places that there should be some concern because the amendments that the Treasurer has put forward provide a finite time line on dealings when it comes to mergers and acquisitions. From my perspective, I believe such a finite time frame is a very significant step forward. There can be no doubt that one of the worst situations that can be allowed to occur is for regulatory uncertainty to paralyse, in some respects, actions that businesses would like to take. Finite time lines introduced through these amendments and through this bill will mean that, going forward, businesses can have the certainty that they require to undertake commercially expedient and commercially sensible decisions when it comes to mergers and acquisitions. I have considered the comments that have come forward, particularly from rural representatives such as the NFF, and I commend this bill to the House. (Time expired)

Mr CREAN (Hotham) (12.44 pm)—I accept that there are elements in this Trade Practices Legislation Amendment Bill (No. 1) 2005 that strengthen the position of small business. We have consistently supported those measures, particularly the collective bargaining regime. I should point out that we on this side of the House are consistent supporters of a collective bargaining regime, not selective supporters of a collective bargaining regime. That will be the basis of debate in another forum. This opportunity for collective bargaining for small business is terribly important, particularly for industries in regional Australia.
The problem we have with the schedule that has been proposed to be amended by the Treasurer is that we believe the amendments that the Treasurer has proposed will undermine the role of the ACCC in enforcing, on behalf of small business, certain protections. That is our point of opposition. We believe that the amendments proposed effectively sideline the role of the ACCC in the merger and acquisition process. Of course, we are pleased to note that in these amendments, on the face of it, there have been some real efforts made to put the ACCC back into play. We want to put it back in the game, not just on the sidelines of play and not just as an organisation that can make submissions or call witnesses. We want circumstances in which the ACCC retains the authority to make the decisions when people seek mergers and acquisitions inimical to small business. You can go back and look at the creeping acquisitions in the supermarket chains et cetera. We want to make sure that the opportunity is there for the ACCC to deal with this because it is the appropriate body. There should not be an opportunity to forum shop. We believe that not only should this amendment be opposed but also there has to be a means by which the ACCC is put back into the game.

A further point that we have difficulty with goes to the link that the authorisation process has with the public interest test. Under the current arrangements, if authorisations are made by the ACCC it is required to apply the public interest test. That has tended, as the act stands, to be a subjective test. As I understand it, these amendments seek to move the test to the Competition Tribunal, to make it a more objective test. I have not had a chance to look at the detail of the amendments proposed because, like the member for Hunter, we received them—pages of detailed amendments—literally minutes before we entered the chamber. This is not the way to run a parliament, but it is the way the government choose to run the parliament. We will go back and analyse this process. The concern we have is that, in moving away from a subjective public interest test, we could be narrowing objective measures which the new tribunal can take account of. This becomes particularly important in the context of the media laws that have just passed through the parliament, where we are arguing for a wider public interest test when it comes to retaining media diversity. It is going beyond the economic test to tests that preserve the principles of democracy and the principles of our culture.

We are opposed to the measures. We protest very strongly at the way in which they have been brought into the chamber—with such haste and with little time for consideration. I warn the small business community: whilst we are on your side in terms of ensuring that you do get better deals out of this arrangement, don’t underestimate the extent to which the weakening of the ACCC’s powers could undermine your very protections against mergers and acquisitions. (Time expired)

Mr FITZGIBBON (Hunter) (12.50 pm)—I foreshadow my remarks by saying that I am going to try very hard to take up my five minutes in this contribution because I can see the Treasurer squirming over there. It is very inconvenient for him to have to give his time by coming in and being accountable to this place. I know he does not have to do it very often and I know he does not like it, but these are critical issues to the small business community, to the economy and to consumers. We will pursue them as we see necessary. As I said earlier, we want to put the ACCC back into the game. The opposition put forward some very reasonable and eminently supportable amendments to the Trade Practices Legislation Amendment Bill (No. 1) 2005 that would have put the
ACCC back in the game without, to a large extent, following what the Treasurer was attempting to do. That amendment was very simple: we wanted the ACCC to stay in the game for 30 days and, if they had not made a decision in that time, the applicant would take a deemed denial and go to the Australian Competition Tribunal. Of course, that was not the Treasurer’s idea, so he did not like that amendment very much.

I said I would return to section 50. Again trying to be reasonable, the opposition supported, here and in the other place, the move to a formal arrangement for clearance. As I said, under the current arrangements you get informal clearance, which gives only limited scope to appeal. It does not set any precedent for the business community. The business community wanted a formal process, which is what this bill seeks to put in place. We supported it on the last occasion and we intend, unless some new information comes to hand, to support it again; but the Treasurer must, when it comes to the other place, think about the time limit placed upon the ACCC for the new formal clearance measures—40 business days. In future, if Murdoch is making a raid on Fairfax—something which will be quite open to that organisation, given the passage of the government’s new media laws—News Ltd will go off to Mr Graeme Samuel and his colleagues at the ACCC and ask them to give immunity under the new formal clearance processes to that consolidation or takeover. Mr Samuel and his colleagues will have 40 business days in which to consider that application on a competition basis. I think the Toll Holdings application took up to two years, if my memory serves me correctly. How is the ACCC going to assess on a competition basis the appropriateness of such a consolidation? This is absolutely unreasonable and is clearly designed, again, to cut the ACCC out of the process and allow applicants to go straight on to the Australian Competition Tribunal.

I note that the Treasurer began by saying that these changes have come forward because the government has entered into a timely and deep consultation with the small business community. As the member for Hotham suggested, we support all the good changes in here for the small business community, including of course collective bargaining. But there has been no such agreement with the small business community. The truth is that the small business community has had a gun held to its head by the Treasurer. The Treasurer says to the small business community, ‘I acknowledge that the ACCC has very little hope of successfully securing a prosecution for, say, predatory pricing under the Trade Practices Act.’ But, having acknowledged that, and having put forward his own form of solution, he now says to the small business community, ‘You can only have collective bargaining if the big end of town gets exactly what it wants on mergers.’ Treasurer, isn’t that the truth?

Question put:

That Senate amendment No. 1 be disagreed to but in place thereof government amendments Nos 1 to 49 be made.

The House divided. [12.59 pm]
AYES
Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baker, M. Baldwin, R.C.
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. Costello, P.H.
Downer, A.G. Draper, P.
Dutton, P.C. Elson, K.S.
Entsch, W.G. Farmer, P.F.
Fawcett, D. Ferguson, M.D.
Forrest, J.A. Giar.paper.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartsuyker, L. Henry, S.
Hunt, G.A. Jensen, D.
Johnson, M.A. Jull, D.F.
Keenan, M. Kelly, D.M.
Kelly, J.M. Laming, A.
Ley, S.P. Lindsay, P.J.
Lloyd, J.E. MacFarlane, I.E.
Markus, L. May, M.A.
McArthur, S. * McGauran, P.J.
Mirabella, S. Nairn, G.R.
Nelson, B.J. Neville, P.C. *
Pearce, C.J. Prosser, G.D.
Pyne, C. Randall, D.J.
Richardson, K. Robb, A.
Ruddock, P.M. Schultz, A.
Scott, B.C. Seeker, P.D.
Sliper, P.N. Smith, A.D.H.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Thompson, C.P.
Ticehurst, K.V. Tolleen, D.W.
Tuckey, C.W. Turnbull, M.
Vale, D.S. Vasta, R.
Wakelin, B.H. Washer, M.J.
Wood, J.

NOES
Adams, D.G.H. Albanese, A.N.
Andren, P.J. Bevis, A.R.
Bird, S. Bowen, C.
Burke, A.E. Byrne, A.M.
Corcoran, A.K. Crean, S.F.
Danby, M. * Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Garrett, P. Georganas, S.
George, J. Gibbons, S.W.
Grierson, S.J. Griffin, A.P.
Hall, J.G. * Hatton, M.J.
Hayes, C.P. Hoare, K.J.
Irwin, J. Jenkins, H.A.
Katter, R.C. King, C.F.
Lawrence, C.M. Livermore, K.F.
McClelland, R.B. McMullan, R.F.
Melham, D. Murphy, J.P.
O’Connor, B.P. O’Connor, G.M.
Owens, J. Plibersek, T.
Price, L.R.S. Quick, H.V.
Ripoll, B.F. Roxon, N.L.
Sawford, R.W. Sercombe, R.C.G.
Snowdon, W.E. Tanner, L.
Thomson, K.J. Vamvakinou, M.
Wilkie, K. Windsor, A.H.C.

* denotes teller

Mr FITZGIBBON (Hunter) (1.04 pm)—by leave—I move opposition amendments (1) to (3) together as circulated in my name:

(1) Schedule 1, page 6 (line 8), after item 18, insert: 18A After section 81

Insert: 81AA Divestiture for abuses of market power

(1) The Court may, on the application of the Commission or any other person, if it finds that a corporation has contravened section 46, by order, give directions for the purpose of securing:

(a) the reorganisation or division of the corporation into separate and distinct entities including directions for the disposal or divestiture of all or any of the shares in or assets of the corporation to facilitate the reorganisation or division of the corporation.
What an arrogant Treasurer; what a government! Surely, in the history of this nation no government has treated this parliament with such contempt. The government launched on us 58 amendments to a bill five minutes before they were to be moved in the parliament. I then proceeded to ask the Treasurer for some guarantees—indeed, I asked the Treasurer what the amendments meant, which he did not even attempt to explain when he moved all 58 of them. Not only did he fail to do that; when I asked him to assure the House that the amendments were in the scope of the Senate message, he failed to do so. I asked him to give that guarantee, but he made no attempt to respond to the opposition’s concerns whatsoever. It does not get any more arrogant than that.

The amendments I am moving do three things, in effect. Firstly, they deal the ACCC back into the game. As I said earlier, the opposition believes the ACCC should be the main approval gateway on the merger authorisation test. Secondly, they do a very responsible thing. We know the business community was concerned that, while there was a time limit on the ACCC on authorisation—what we know as stop-the-clock provisions; that is, events triggered by the ACCC, for example, in requiring more information—it meant that, on some occasions, that process was able to be blown out by months, if not years. We have asked that the ACCC be left in the game and that we have a 30-day rule—that is, if the ACCC has not made a decision within 30 days, under the no stop-the-clock provisions the applicant will be able to take a deemed refusal and go to the Australian Competition Tribunal, which is what the Trade Practices Legislation Amendment Bill (No. 1) 2005 attempts to do.

Thirdly, these amendments to section 46 of the Trade Practices Act will give the power to the ACCC to force divestiture in the event of blatant misuse of market power—in other words, if a big retailer like Coles or Woolworths were involved in predatory pricing, and the issue went to their market power and the ACCC believed that the market power issue needed to be dealt with, particularly in light of the fact that that market power had been substantially abused, the ACCC would have the power to force divestiture. These are very important amendments.

After I have dealt with these amendments, I will be moving further amendments to section 46 of the Trade Practices Act, which go to further giving protection to the small business community. I am dealing with divestiture separately in this package simply because of an administrative challenge we had in trying to get these amendments into the House in the time frame given to us by the government. Ideally, the divestiture issue would have been in the second lot of amendments I will be moving, but that is just a housekeeping measure.

I remind the House that all the Trade Practices Act amendments I have moved are sensible and reasonable ones and they are supported by the small business community. They are not always supported by the big business community in this country, but they are certainly supported by the small businesses in this country. As I said earlier, the
Treasurer has acknowledged the problems. He says he wants to fix them but he is holding the small business community to ransom by saying he will not make these changes until the Dawson bill is through.

It is perfectly reasonable, going back to the ACCC as the gatekeeper, for us to be seeking to put the ACCC back into the game. Mergers law in this country has never been more important since the passage of the changes to the media law regime in this country. The very heart of our democracy is under threat because of what the government has done on media law, but it is timely for us to remember that any proposed mergers will still need to run the gauntlet of the ACCC, either under section 50 or under the authorisation provisions of the Trade Practices Act. With weaker media laws, we must have a stronger Trade Practices Act and what the government is proposing is a weaker Trade Practices Act. That is why these amendments should be supported.

Mr CREAN (Hotham) (1.09 pm)—I second the amendments moved by the member for Hunter. The effect of these amendments is to do two things. First of all they deal the ACCC back in as the decision maker in the authorisation process. By the government’s proposal to reject this message from the Senate, we are being asked to effectively bypass the ACCC when it comes to the authorisation process and to give that power to the Australian Competition Tribunal.

Fran Bailey—You know that is not right.

Mr CREAN—That is effectively what it does. You have recognised the weakness in your argument by the very fact that you have tried to placate the concerns by giving the ACCC the power to intervene in the proceedings and to call witnesses in the proceedings, but you have taken away the power to make the authorisation. It is not just us who say that is bad.

I am pleased that the Minister for Small Business and Tourism has interjected, because she has carriage of this for small business and I would have hoped that she would have properly understood it. But to go back to what the previous Chairman of the ACCC, Professor Fels, had to say, he strongly opposed the merger authorisation process being taken away from the authority of the ACCC and being put in the hands of the Competition Tribunal. Why is that opposition soundly based? It is because the tribunal is not an investigative one; it is a judicial one. That is what happens when it goes to the tribunal as distinct from the ACCC, the Competition and Consumer Commission.

The Competition and Consumer Commission has the power to investigate, call witnesses, make judgments and take into account the public interest. It is not a judicially based body. That is the flaw in what you have done. All you have done in recognising the problem is to give the power to the ACCC to be an advocate, if you like, in the judicial process but not the mechanism by which it can deal properly with the interests of small business, the public interest test and whether the merger itself results in a substantial lessening of competition. That is the flaw in what the government is doing and that is why not only do we oppose what it is doing but we are moving these amendments to get the ACCC back as the body, the decision maker, in the authorisation process.

The second point I want to go to in terms of these amendments—and it is interesting the way we have to deal with these things, but our divestiture amendment, according to advice we got, is appropriately moved here; we would have liked to have dealt with it in the raft of all the other amendments that we believe are necessary post Dawson—is that it is true that the government, in introducing this legislation, has had regard to Dawson; the trouble is that it has not had enough re-
gard to Dawson. There were a lot of deficiencies found by the Dawson review and we have moved, on other occasions in this parliament, amendments to strengthen competition policy in this country. It is essential as a driver of economic growth that we do have strong competition policy. The Dawson review recommended a number of changes.

We are arguing in the amendment a specific capacity for there to be an order for divestiture under section 46 proceedings, abuse of market power. It is true, at the time of the finding of Dawson, that he did not recommend that there needed to be changes to section 46. But post Dawson there were some very important Trade Practices Act cases that were considered that now raise the need to strengthen powers under section 46. There was the Boral case, for example. That is why Labor, in analysing this process and in making the commitment to strong competition, believe there needs to be a strengthening of section 46 powers. That is what this amendment also seeks to do. I urge that the amendments moved by the member for Hunter be supported in this House in the interests of strengthening competition and looking after the interests of small business, not selling out to them and not bypassing the commission that could really look after their interests. *(Time expired)*

**Mr KATTER (Kennedy) (1.14 pm)—** We will be gone from this place in 10 or 20 years time. There will not be one of us left. But people write history books—and I spent a lot of time writing a history book when I was sick—and it is very interesting to see that there are people that go down as heroes and there are people that go down as blackguards. As for the people who are leading the government, there is no doubt in my mind after this fortnight where their place in the history books is going to lie. The way history looks at it is to ask: ‘Who was on the side of the people of Australia here? Who delivered real competition in the marketplace here? Or who changed all the rules so that the big boys could control everything?’ We have seen a concentration of market power unprecedented in Australian history. I am in the middle of writing a history book, so I know a fair bit about it.

I am one of the few people—in fact, I think I am the only person—in this parliament who actually participated in the marketplace in floating companies during the mining boom. I was very young at the time, and the mining crash came and cut a lot of us off at the pass, but I am very familiar with this. You move swiftly with a king hit before anybody knows what has happened, and if anyone slows you down then your ability to take over the company is very seriously impaired. It all depends on the swiftness of the king hit. And, of course, the most powerful person will always win in the marketplace. I have said on many occasions in this place that the deficiency on the other side of the House is that when they were little boys or little girls they never played Monopoly. If you have played Monopoly, you know that the whole idea is to get as much market power in your hand as possible and, if you do, you can wipe the other people off the board completely and win the game.

The opposition is quite right. I seldom agree with them, but in this area I must praise them. We are talking about two entirely different functions here: an investigative watchdog role and a judicial role. We are removing the investigative and watchdog role completely. If you want to protect your home with a good watchdog that barks loudly at night, then the first thing the burglar must do is poison the watchdog. Today we are poisoning the watchdog, and the burglars are all waiting to get into our house.

The government are great advocates of competition policy, but the great architects
do not lie on that side of the House: the great architect of competition policy was Paul Keating. So they are the acolytes, not of Mr Menzies, who said that we must preserve competition and that a government must be proactive to keep in place competition; they are the acolytes of Mr Keating, who said that if we remove regulation and allow the free interplay of market forces we will all be looked after. Mr Keating is another one that obviously did not play Monopoly when he was a little boy.

As for the media laws, everyone has read the newspapers today and knows what is going to happen there. One of the leading contenders in Australia said, ‘If you liberalise the media laws as the government wants to, then 72 per cent of everything you watch and read will be owned by two people.’ I am not at liberty to divulge that person’s name, but I think eyebrows would be raised here if I did. Would anyone believe that there is a free flow of market forces in the media in Australia? Would anyone believe it?

I think I have travelled outside of Qantas, on other airlines, four times. You travel on Qantas or you do not travel—at least where I come from that is the case. In food, Coles and Woolworths have gone from 50.5 per cent of the market in 1991 to 82 per cent now. That is something to be proud of having presided over, and Mr Keating can claim a lot of credit for this as well—I do not want the government to claim all the credit here. They moved from 50.5 per cent of the market to 82 per cent of the market. We are advised by people from the Motor Trades Association that Woolworths and Coles already have 62 per cent of the fuel market in Australia—very grim days for ethanol indeed—and on present trends they will be moving up to 75 per cent. They think they will plateau out at 75 per cent. I strongly endorse the opposition with their divestiture amendment to the Trade Practices Legislation Amendment Bill (No. 1) 2005.

There are only four people with their faces up on Mount Rushmore in the United States, and two of them are founding fathers of the republic. One of them is Teddy Roosevelt—

(Time expired)

Mr FITZGIBBON (Hunter) (1.19 pm)—I did indicate to the Treasurer that I would not continue to debate this particular set of amendments, but I do have a very grave feeling—

Mr Costello—Excuse me, Mr Deputy Speaker. Can I have the call, please?

The DEPUTY SPEAKER (Mr Barresi)—The Treasurer on a point of order?

The member for Hunter has the call.

Mr FITZGIBBON—I have this terrible feeling that the Treasurer is going to do what I rightly attempted to do with his own amendments, and that is to challenge them on scope. I hope he does not do that. I hope the Treasurer does not deny this place a proper debate about section 46 of the Trade Practices Act simply because he is embarrassed about the fact that he has held a gun to the head of the collective small business community so that he can get exactly what he wants on Dawson. So I need to make a very short contribution now in case he has the audacity to take that act and again deny a proper debate about these issues in this place.

Let’s be clear about this. There is one difference between the government and the opposition here: the opposition wants to embrace everything that is in Dawson without qualification other than the authorisation procedures within the ACCC. Guess what: that is a positive small business measure. We are saying, ‘Let’s have collective bargaining and all the things in this bill which are good for small business and let’s strengthen it for small business by making sure the ACCC is
That is a positive, win-win situation for the ACCC. What the Treasurer is proposing is to embrace all those things that are good for small business—and at the front of them, of course, sits collective bargaining—but there is a trade-off. What the Treasurer says to the small business community is, ‘I’ll give you some section 46 changes only if you support what I’m trying to do on mergers.’ In other words, small business gets what it wants, but only if the big end of town gets exactly—not close to: exactly—what it wants. That is the difference between the government and the opposition. We want to give a win-win situation to the small business sector; the Treasurer wants to give them half a win. They take a positive, but they have to cop the negative.

Let’s make no mistake about it: if merger laws become too liberal in this country, there are two losers—small business and consumers. Well, there are three losers really—small business, consumers and the Australian economy, including every person in this country who relies upon a healthy and strong Australian economy. So let us be clear about the differences.

Now, let me just quickly go through why divestiture in section 46 is necessary and why these other changes are necessary. Cases like Boral, Rural Press and Metway have severely undermined the effectiveness of section 46. It is quite clear that the legislature has not had its intentions secured as a result of those court cases.

So we need to strengthen the act. We need to renew that section of the act. We need to put a threshold in so that the courts can be clear about what constitutes market power when considering whether a company has abused that market power. We need a clear and concise idea for the courts and the ACCC of what constitutes taking advantage of market power.

These are the things the courts have decided they cannot deliver for the ACCC. The way the law now stands it would be hard to show that Telstra, no less, has the degree of market power necessary for the ACCC to successfully secure a prosecution in the courts in this country. And these things need to be changed. The Treasurer acknowledges they need to be changed but he says to the small business community, ‘Only if you help me out first on mergers.’ They do not need to come in that order.

If the Treasurer was serious he would have dealt with these things concurrently. He would have had a bill containing all the good things in Dawson and fixed section 46 at the same time, but he could not do that because he wants to hold small business to ransom.

Now he has these amendments to the Trade Practices Legislation Amendment Bill (No. 1) 2005 hoping to buy off Senator Joyce and Senator Fielding. Well, I wish him luck, because from what I have read in the papers neither of them seem convinced that it is going to make much difference. Treasurer, you should have done the right thing by small business instead of holding a gun at their collective head.

Mr COSTELLO (Higgins—Treasurer)  
(1.24 pm)—Can I indicate at the outset of this debate on Senate amendments to the Trade Practices Legislation Amendment Bill (No. 1) 2005 that, when we had discussions at the office of the honourable member about how long these amendments would take, he indicated they would take half an hour, which was agreed as three speakers at five minutes on each side of the chamber. He has just finished his fifth speech in this debate, and not only has he moved this lot of amendments but he has, as he conceded, prepared a second and third lot of amendments, which he is seeking to move after this. So it is very hard to come to agreements with the
office of the honourable member for Hunter if, after half an hour, he is on his fifth speech.

The second point I want to make is that he said that the amendments on schedule 1 had been something of a surprise to the opposition. Can I indicate that the overwhelming majority of them were moved in the Senate a year ago, in October 2005. So he has had 12 months to come to grips with those amendments.

As I indicated, the only new amendment that was moved in this House was the amendment which gave the ACCC the right, on an application before the tribunal, to call witnesses, cross-examine and examine witnesses, and report on statements of fact. That was circulated in the amendments at 5.30 last night, as the clerk pointed out to me. So, again, what he said was wrong. And, in relation to that one amendment: he has had it all night, and I cannot see on what basis anyone would possibly oppose that amendment.

The next point I want to make is that the member for Hunter came in here and, you will recall, took some of my speaking time to make a point of order that our amendments were outside the scope of the act. Our amendments to reinsert a schedule which the Senate took out are plainly within the scope of the act. And now he is moving an amendment on divestiture under section 46. In other words, he started off saying it was outside the scope of the act to reinsert a schedule which was there and taken out by the Senate, and now, in order to try and delay the proceedings, he has come along with a divestiture amendment—plainly outside the scope of the act, as he conceded.

The member for Hunter said, ‘Well, now, the Treasurer might say that I am doing precisely what I complained of.’ Well, it would be a terrible thing, wouldn’t it, for the Treasurer to point out that this was precisely what you were erroneously claiming in relation to the government amendments but that you have gone on to try to do that in an effort to try and delay these proceedings!

It will come as no surprise that the government will not be agreeing to these amendments. I also point out that this matter has been through the House. The amendment you now wish to move was not an amendment that you moved when this was last in the House. This was last in the House a year ago. This amendment was not moved then. It has not been moved at any time in the interim. It has been thought up today to try and delay proceedings. Now we are told the member for Hunter has another two sets of amendments.

Let me also say that I hear this repeated refrain from the opposition that they support the Dawson bill and they want the Dawson bill to be enacted—the whole of it. It was the recommendations of the Dawson committee that led to this proposed change in relation to authorisations. That is where it came from. It did not come from the government; it came from Justice Daryl Dawson. It was Daryl Dawson who recommended you should have the right to go to the tribunal direct for an authorisation. That is what you on the opposition are opposing. Whatever you are doing, you are not claiming to implement to Dawson bill; you are here in this parliament trying to stop the Dawson bill and the recommendations that were made.

In relation to the member for Kennedy, I hear what he had to say. This is not a bill that relates to media ownership. That was a separate bill that was passed earlier this morning. This bill predated the media ownership and broadcasting amendments. It stands independently and separately from them. The changes that are put in place in relation to this will not change those matters. For all of those reasons the government will not be voting for these amendments.
Mr KATTER (Kennedy) (1.29 pm)—The Trade Practices Legislation Amendment Bill (No. 1) 2005, as it is being presented now—and it is being opposed, insofar as the amendments go, by the opposition—provides for collective bargaining. This is supposed to have brought small business on side. I am most certainly an expert in the field of collective bargaining for small businesses and farmers, but the pharmacists, the newsagents and the other very small groups that are left in owner-operated businesses in Australia appreciate the government allowing for some collective bargaining—but it is really not a concession.

In fact, the ACCC have authorised the collective bargaining to go forward. Any time that they have been approached, they have approved the request for collective bargaining. I specifically use newsagents and dairy farmers as examples of that. But, whether you are a collective or an individual, if you are bargaining with the enormous power of the media barons then the newsagents have very little. The only reason they exist is because it suits the interests of the media barons to keep them there. Regarding the collective bargaining of the dairy industry, I praise the people who have attempted to use it, and I thank the government and the ACCC people who authorised it, but it has really been worth absolutely nothing to us, or very little indeed. What we are being given here is fairly useless.

I have a word of advice for the government—and I was in government in Queensland: if you listen to the peak bodies, you will get yourself in a hell of a lot of trouble. You would want to know about the issues yourself and deal with them yourself. Where I come from there is a saying: they call it the ‘peak body disease’. You saw that with the person who now heads Telstra: he became the head of the NFF and ratted on the farmers, then he became the head of the Reserve Bank and he ratted on the NFF, and then the government appointed him to Telstra and now he has ratted on the government. Right at the start, we could have decided that he was a rat. I could have told you that right at the very start. If you listen to these people, you will get a very jaundiced view because they come here and want to be agreeable. So, yes, there are collective bargaining provisions and, yes, they are of help. To quote the great Doug Anthony, about the size of a pea in a 44-gallon drum would be the value that we are getting out of this. The loss of the oversight of the ACCC and their watchdog brief is very serious indeed.

I have to cut it short. Obviously there is Abraham Lincoln and two founders of America up on Mount Rushmore, but, with regard to the fourth one, Teddy Roosevelt, they asked, ‘How did he get up there?’ I will tell you how he got up there: he was the bloke who enforced the antitrust legislation in the United States that broke up Rockefeller’s companies into, I think, 36 companies. He was the driving force behind it. This government will be recognised because they are the people who facilitated the Rockefellers to take control of our petrol industry, our transport industry and our food industry. I must say that the groundwork was magnificently laid for them by Mr Keating and his cohorts previously.

We are very pleased with the proposition on divestiture being put forward by the opposition today. It is going down the same pathway—and a more tight pathway, I think—as the American antitrust laws, and I think that is the direction in which we should be travelling. I very strongly endorse the proposals being put forward by the opposition in these amendments. I have also moved amendments which are in line with the existing legislation but which preserve the rights of the ACCC and their watchdog role on the economy. You need to look no further than
the front pages of all of our newspapers today to see the absolute necessity for some watchdog to be out there defending the people of Australia.

Question put:

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

The House divided. [1.38 pm]

(The Deputy Speaker—Mr Baressi)

<table>
<thead>
<tr>
<th>Ayes</th>
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AYES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bird, S. Bowen, C.
Burke, A.E. Byrne, A.M.
Corcoran, A.K. Crean, S.F.
Danby, M.* Ellis, J.
Ellis, A.L. Fitzgibbon, J.A.
Emerson, C.A. Georganas, S.
Ferguson, M.J. Grierson, S.J.
Garrett, P. Hall, J.G.*
George, J. Hayes, C.P.
Gillard, J.E. Irwin, J.
Griffin, A.P. Katter, R.C.
Hatton, M.J. Lawrence, C.M.
Hoare, K.J. Macklin, J.L.
Jenkins, H.A. McMullan, R.F.
King, C.F. Murphy, J.P.
Livermore, K.F. O’Connor, G.M.
McClelland, R.B. O’Connor, B.P.
Melham, D. Owens, J.
O’Connor, B.P. Price, L.R.S.
Owens, J. Ripoll, B.F.
Rudd, K.M. Rudd, B.F.
Sercombe, R.C.G. Sercombe, R.C.G.
Snowdon, W.E. Snowdon, W.E.
Tanner, L. Tanner, L.
Vamvakou, M. Vamvakou, M.
Windsor, A.H.C. Windsor, A.H.C.

NOES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baker, M. Baldwin, R.C.
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. Costello, P.H.
Downer, A.J.G. Draper, P.
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.
Hunt, G.A. Jensen, D.
Johnson, M.A. Jull, D.F.
Keenan, M. Kelly, D.M.
Kelly, J.M. Laming, A.
Ley, S.P. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
Markus, L. May, M.A.
McArthur, S. * McGauran, P.J.
Mirabella, S. Nairn, G.R.
Nelson, B.J. Neville, P.C. *
Pearce, C.J. Prosser, G.D.
Pyne, C. Randall, D.J.
Richardson, K. Robb, A.
Ruddock, P.M. Schultz, A.
Scott, B.C. Secker, P.D.
Sliper, P.N. Smith, A.D.H.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Thompson, C.P.
Ticehurst, K.V. Toller, D.W.
Tuckey, C.W. Turnbull, M.
Vaile, M.A.J. Vale, D.S.
Wakelin, B.H. Wood, J.

* denotes teller

Question negatived.

Mr FITZGIBBON (Hunter) (1.44 pm)—by leave—I move further opposition amendments (1) to (6) together, as circulated in my name:

(1) Schedule 1 page 4 after item 8 insert the following item

8A Subsection 46(1)

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

(2) Schedule 1, page 4 after item 8 insert the following item
8B 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 relevant to a determination of substantial market power.

(3) Schedule 1, page 4 after item 8 insert the following item

8C 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) Schedule 1, page 4 after item 8 insert the following item

8D 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) Schedule 1, page 4 after item 8 insert the following item

8E 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) Schedule 1, page 4 after item 8 insert the following item

8F 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

These are the amendments that should have been contained in the Trade Practices Legislation Amendment Bill (No. 1) 2005 currently before the House and indeed in the other place. They consist of the recommendations of the Senate Economics Committee inquiry into the effectiveness of the Trade Practices Act to adequately protect small business—or, to put it another way, to enhance opportunities for small business. What that Senate report found, as we all already knew, is that the Trade Practices Act is not effectively providing small business with appropriation protection, is not giving small business in this country the best opportunity to strive and become profitable, and is not enabling those small business owners to put food on the table for their families.
These amendments are quite straightforward. I want to just go to the key points again. They would clarify for the benefit of the courts what the parliament means when it talks about market power, what the court means when it talks about taking advantage of that market power and many other issues that go to the heart of section 46 of the Trade Practices Act and its effectiveness in protecting small business.

Again, why isn’t the government proposing changes to section 46? As I pointed out earlier, it is because the government has decided that it will use these very important small business issues as leverage to get through the Senate what the opposition still believe are inappropriate changes to Australia’s mergers laws, in particular carving the ACCC out of the process. In addition, we are concerned that, under the proposed formal arrangements, 40 business days is insufficient time for the ACCC to consider matters under the clearance provisions, although I should point out that we are not voting against that particular proposal. We are trying to be very reasonable, or as reasonable as we can be, on Dawson bill matters. But it is not unreasonable for the opposition to say to the government: don’t hold a gun to the head of small business. If you really believe that the opposition is correct, and that the Senate committee is correct and section 46 of the Trade Practices Act has effectively been gutted by the courts, fix it. Fix it concurrently with the Dawson bill. Don’t say to the small business community, ‘You will only get improvements to section 46 if you back what you don’t want to back,’ and that is changes to merger provisions.

I want to make a point very quickly about recoupment. Obviously, the ACCC trying to prove that a bigger player has abused its power by holding prices down just for the purposes of driving a smaller competitor out of business goes to the heart of section 46. I am very concerned that it is the government’s intention to almost insist that the court needs to find that recoupment was likely and indeed possible on the part of the bigger player abusing its market power. My great fear is that, if recoupment is written into the act, the courts will have an obligation to find recoupment was possible. The courts have always taken recoupment into account when trying to assess whether a bigger player has abused its power. We do not need it written into the act. (Time expired)

The DEPUTY SPEAKER (Mr Jenkins)—I understand that there has been a discussion in respect of standing order 160. After considering the amendments that have just been proposed by the honourable mem-
Mr COSTELLO (Higgins—Treasurer) (1.50 pm)—I move:

That Senate amendments (2) to (6) be agreed to.

Mr FITZGIBBON (Hunter) (1.50 pm)—Mr Deputy Speaker, I indicate that the opposition will be supporting these amendments, but we will take a closer look at them and, when we have had a chance to look at them properly, we reserve our right to make our decision in the other place.

Question agreed to.

Mr COSTELLO (Higgins—Treasurer) (1.50 pm)—I move:

That amendments (50) to (58) be made:

(50) Schedule 3, item 1, page 47 (lines 5 and 6), omit the item, substitute:

**1 Subsection 8A(6)**

After “or (3A)”, insert “or 93AC(1) or (2)".

(51) Schedule 3, item 11, page 56 (lines 23 and 24), omit the item, substitute:

**11 Subsection 93A(1)**

After “or (3A)”, insert “or 93AC(1) or (2)".

(52) Schedule 3, item 12, page 56 (lines 26 and 27), omit the item, substitute:

**12 Subsections 93A(3), (4) and (10A)**

After “or (3A)”, insert “or 93AC(1) or (2)".

(53) Schedule 3, item 19, page 57 (lines 13 to 16), omit the item and the note, substitute:

**19 Section 101A**

After “or (3A)”, insert “or 93AC(1) or (2)".

Note: The heading to section 101A is altered by inserting “or 93AC(1) or (2)" after “or (3A)".

(54) Schedule 3, item 21, page 58 (lines 33 and 34), omit the item, substitute:

**21 Subsection 109(1A)**

After “or (3A)”, insert “or 93AC(1) or (2)".

(55) Schedule 3, item 24, page 59 (lines 5 and 6), omit the item, substitute:

**24 Paragraph 151AY(2)(e)**

After “or (3A)”, insert “or 93AC(1) or (2)".

(56) Schedule 3, item 25, page 59 (lines 7 and 8), omit the item, substitute:

**25 Subsection 155(1)**

After “or (3A)”, insert “or 93AC(1) or (2)".

(57) Schedule 8, item 5, page 95 (lines 11 to 13), omit the item, substitute:

**5 Subsection 155(1)**

Before “, a member of the Commission may”, insert “or 95AS(7) or the making of an application under subsection 95AZM(6)".

Mr Fitzgibbon—Mr Deputy Speaker, on a point of order: for the purposes of consistency and for the record of the House, I ask you to consider whether under standing order 160 these amendments are within the scope of the message.

Mr Melham interjecting—

The DEPUTY SPEAKER (Mr Jenkins)—The member for Banks does not have the call and he knows that interjections are out of order. The question is that the further amendments be agreed to.

Mr Fitzgibbon—Mr Deputy Speaker, I would ask you to rule on whether or not—

The DEPUTY SPEAKER—That is a fair indication of where I am going!
Mr Fitzgibbon—All right, you have ruled that the amendments are within the scope of the bill?

The DEPUTY SPEAKER—The question is that the further amendments be agreed to.

Mr Fitzgibbon—Mr Deputy Speaker, on the point of order: I will still argue that these amendments are outside the scope of the bill. I do not want to show any disrespect for the clerks. I note of course that our own amendments have been ruled out of order. There is one rule for one side and another rule for the other side. That is nothing unusual, Mr Deputy Speaker. The Treasurer was trying to make a big point about which amendments he was moving at any given particular time. How is the opposition supposed to know which amendments are potentially outside the scope of the bill and which are not when they throw 58 amendments at us two minutes before the bill is debated? I note what is effectively your ruling on this matter but I think that it is still important for the opposition to make these points. As I suggested earlier, it could have consequences for the law once enacted by the parliament.

BUSINESS

Rearrangement

Mr TURNBULL (Wentworth—Parliamentary Secretary to the Prime Minister) (1.53 pm)—by leave—I move:

That order of the day No. 6, government business, be postponed until a later hour this day.

Question agreed to.

ENVIRONMENT AND HERITAGE LEGISLATION AMENDMENT BILL (No. 1) 2006

Second Reading

Debate resumed from 12 October, on motion by Mr Hunt:

That this bill be now read a second time.

Mr ALBANESE (Grayndler) (1.54 pm)—I move:

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

“the House declines to give the bill a second reading, and expresses strong concern that:

(1) the bill is being rushed through the Parliament without proper consideration or consultation;

(2) the Howard Government has failed to halt the decline in Australia’s natural environment and best agricultural land;

(3) the bill contains no measures to cut Australia’s spiralling greenhouse pollution or protect Australia from dangerous climate change;

(4) the bill will increase the Howard Government’s politicisation of environment and heritage protection; and

(5) many of the proposed changes in the bill will reduce Ministerial accountability and opportunities for genuine public consultation; and

(6) ensure climate change is properly factored into environmental decision making under the Environment Protection and Biodiversity Conservation Act 1999 (the Act);

(7) establish a climate change trigger in the Act to ensure large scale greenhouse polluting projects are assessed by the Federal Government”; and

(8) allow greater time for public consultation and debate on the Bill.

This process is an outrage. Last Thursday in this House the Parliamentary Secretary to the Minister for the Environment and Heritage tabled a bill that is 409 pages long. With it he tabled an explanatory memorandum that is over 100 pages long. Now, less than one week later, before submissions have even been received by the committee to look at this legislation, the Environment and Heritage Legislation Amendment Bill (No. 1) 2006, we have a debate on it and it will be
rammed through the House of Representa-

tives this week.

Ms Macklin—Typical arrogance!

Mr ALBANESE—This is an arrogant, 
out-of-control government. It does not want 
accountability for its performance in the area 
of environment and heritage. The Australian 
public should always judge the Howard gov-

dernment by what it does, not by what it says. 
The parliamentary secretary has described 
climate change as a ‘very serious threat to 
Australia’, but also in 409 pages of amend-
ments—literally thousands of amendments to 
this act—there is not one single mention of 
climate change—not one. This bill has been 
three years in the making and there is not a 
single mention of the greatest threat facing 
not just Australia but the globe. There is not 
one single measure contained in this bill to 
cut Australia’s soaring greenhouse gas pollu-
tion, which, if you exclude the land use 
changes by the New South Wales and Queens-
sland governments, grew by 25.1 per cent 
between 1990 and 2004. As I said, judge 
them by what they do, not what they say.

I would have thought that climate change 
would be on the government’s radar by now, 
but it seems that the climate sceptics are still 
running climate policy for the Howard gov-
ernment. The government has responded to 
other issues with legislative measures but the 
absence of any climate change measures in 
these amendments would suggest that they 
simply do not see it as a priority. Labor cer-
tainly welcomes any attempts to reduce red 
tape when it comes to legislation where that 
issue is clearly identified and Labor agrees 
with one comment by the parliamentary sec-

tary when he said in his second reading 
speech:

... the government sees no need for administrative 
process for process’ sake.

But the parliamentary secretary made an im-
portant point when he noted that the 2006 
Banks report on regulatory burden did not 
recommend a single change to the EPBC 
Act. It is not surprising, however, given that 
the Prime Minister just two weeks ago said 
that he did not want to respond to ‘theoreti-
cal issues’—

The SPEAKER—Order! It being 2.00 

pm, the debate is interrupted in accordance 
with standing order 97. The debate may be 

resumed at a later hour this day and the 
member will have leave to continue speaking 
when the debate is resumed.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Min-
ister) (2.00 pm)—I inform the House that the 
Minister for Community Services will be 
absent from question time today. He is inter-
state on drought related matters. The Minis-
ter for Families, Community Services and 
Indigenous Affairs will answer questions on 
his behalf.

QUESTIONS WITHOUT NOTICE

Apprenticeships

Ms MACKLIN (2.00 pm)—My question 
is to the Prime Minister. Is the Prime Minis-
ter aware that in Sydney today his govern-
ment’s spin machine is casting for electri-
cians to appear in the latest round of tax-
payer funded advertising, this time on ap-
prenticeships? Is the Prime Minister aware 
that the talent for this professional and well-
paid job will earn $500 an hour for a mini-
mum of four hours? Will the advertisement 
also tell the truth about the wages apprentice 
electricians earn—as little as $6.37 an hour?

Mr HOWARD—I am not specifically 
aware of those matters; however, the gov-
ernment, like former governments, provides 
public information through public informa-
tion campaigns.
Mr ANDERSON (2.01 pm)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Could the Deputy Prime Minister inform the House how the government has helped farmers to take practical steps to better manage their land, despite the effects of drought in some areas, with particular reference to Gwydir?

Mr VAILE—I thank the member for Gwydir for the question. Of course, the member for Gwydir would be well aware of some of the commentary that has been raised in recent days with the recognition of the devastation of drought across Australia and the circumstances it has left many of Australia’s farmers in, and the assistance that the government has announced for farmers in areas of exceptional circumstance. But also there has been commentary with regard to the ability of farmers to help manage the natural resources of our nation—the water and the land resources in our nation. It becomes quite important when we start looking at drought circumstances and the impact that that has on the land.

Last week—and the member for Gwydir would be interested in this information—the Australian Bureau of Statistics released a survey which highlights the amount of time, money and effort that farmers spend on managing our environment, particularly those parts of our environment that they are directly responsible for. The ABS found that, in 2004-05, Australian farmers on average spent about $3.3 billion on natural resource management—that was an average of $28,000 per farm per annum of their own money—and each farmer spent about 121 days per year on natural resource management in the areas of their direct responsibility. The member for Gwydir would also be pleased to hear that farmers in the Border Rivers-Gwydir region were among the top three spenders in the nation, contributing $157 million towards natural resource management in that part of the Australia—in the north-west of New South Wales.

There are more than 4,000 landcare groups in Australia reaching 75 per cent of farmers and land managers, and so there is significant interaction between the people that have direct control of the land and the people interested in better landcare management and better management of our land resources. As a government, we are actively assisting our farmers. In the current budget, we are providing $37 million for landcare in addition to programs such as the $3 billion Natural Heritage Trust fund and the $1.4 billion National Action Plan for Salinity and Water Quality. So there are significant streams of funding going into these critical areas of natural resource management.

The important point to note is that the broader farming community are doing their part in this challenge in this job as far as helping to manage the natural resources in our country. It is important that we recognise that these figures and these examples dispel the myth that Australian farmers are not responsible stewards of the environment; on the contrary, they are arguably critical to the overall national effort of better managing our environment and our natural resources across Australia. Therefore farmers in their time of need should be supported by governments in ensuring that we maintain that economic and social fabric right across regional Australia so they can continue to make those contributions in helping the nation manage our natural resources.

DISTINGUISHED VISITORS

The SPEAKER (2.05 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Denmark led by the Speaker
of the Folketing. His Excellency Mr Christian Mejdahl. On behalf of the House, I tend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

National Skill Shortage List

Ms MACKLIN (2.05 pm)—My question is to the Minister for Vocational and Technical Education. Is the minister aware that welders have been on the National Skill Shortage List for nine of the last 10 years? Isn’t it his government’s skills failure that has opened the door to importing burgeoning numbers of foreign workers to be exploited with much lower rates of pay and driving down the wages of Australian workers?

Mr HARDGRAVE—The member for Jagajaga attempted to ask a question about welders on the National Skill Shortage List yesterday. Interestingly, in asking that question directed to me, she asked the wrong minister; the National Skill Shortage List is in fact administered by the Department of Employment and Workplace Relations, so the member for Jagajaga cannot get right any of the basic elements of the way the national trading system operates.

I can say, again for the record, that we have 403,00 people in training in Australia in apprenticeships right now and 1.7 million people in training across a variety of different pursuits.

Opposition members interjecting—

The SPEAKER—Order! The minister is answering the question.

Mr HARDGRAVE—These are record numbers. This government has set a record expenditure level that has never been exceeded by any previous government. The simple point is that Australians in their hundreds of thousands are embracing opportunities to participate in the trades. We celebrate that on this side because we think they are nation-building trades. Those on that side have their comfort zone which, to sum up, is: if you haven’t got a university degree, you are a dud. You are all job snobs over there.

Economy: Private Sector

Mr TICEHURST (2.07 pm)—My question is addressed to the Treasurer. Would the Treasurer outline recent data on Australian private sector wealth? How has the government contributed to these improvements?

Mr COSTELLO—I thank the honourable member for Dobell for his question. Figures released today by the Treasury and published through the Australian Bureau of Statistics show that Australia’s nominal private sector wealth is at a record high in nominal terms and in terms of the percentage of GDP. In the June quarter of 2006, Australia’s private sector wealth stood at $7.1 trillion, around 745 per cent of GDP. This has increased by $5.1 trillion since March of 1996 and risen from 400 per cent of GDP in March of 1996 to 745 per cent of GDP today. In other words, not only has private sector wealth increased but also private sector wealth growth has outstripped the growth of the economy and instead of being four times the level of GDP, it is now over seven times.

Private sector wealth grew 18.7 per cent over the year to the June quarter. This was led by business capital, which grew 38.8 per cent, and private business investment, which grew 16.2 per cent. Australia’s households benefit from this because 41 per cent of Australians own shares, so Australians have a part in that growth of wealth. Dwelling capital has also contributed to the growth in wealth over the last year. Not only has this been an extraordinarily high rate of growth of private wealth but also it has been distributed to all deciles of Australian income households.
You will quite often hear some people say that the rich get richer and the poor get poorer. Over the last eight years in Australia, the rich have got richer and the poor have got richer. In fact, the ABS reports that there has been no significant increase in inequality from the mid-nineties to 2003-04. ABS data shows that between 1995-96 and 2003-04, the equivalised real incomes of low-income households increased 22 per cent. What we see is that there has been a huge run-up in wealth in Australia and there has been a very significant increase in incomes for the lowest income earners in Australia. What has done that? Mr Speaker, you would have to observe that the decline in unemployment to 4.8 per cent has given the low-income earners in our society a better chance for a job—that has been No. 1. No. 2, tax and family benefits changes have delivered very direct benefits back to low-income earners including real increases in pensions, which the government has put in place because we fix pensions to MTAWE rather than to CPI. In addition, this government’s tax changes have reduced taxes for lower income earners and increased the low-income tax offset. We have lived through a period of extraordinary growth in business, employment and private sector wealth, a growth which, when it is assessed, will probably compare favourably to any other period of Australian economic history and which has been distributed right across the income scale in Australia.

**QUESTIONS WITHOUT NOTICE**

**Oil for Food Program**

Mr BEAZLEY (2.12 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. Can the minister confirm that former AWB CEO Murray Rogers is one of his key advisers? Can he confirm that Mr Rogers is chair of the minister’s Quarantine and Exports Advisory Council and a key member of the government’s Agriculture and Food Policy Reference Group? If the member for O’Connor is right and AWB chair Brendan Stewart is the National Party’s mate No. 1, what does that make Mr Rogers?

Mr McGAURAN—I can confirm that Mr Murray Rogers was a participant in the policy reference group, better known as the Corish report. That work has been completed and was completed several months ago. Mr Rogers is chairman of the quarantine advisory committee. I believe he should remain in that position until the Cole commission reports and the government will take account of the commissioner’s report.

**East Timor**

Mr TOLLNER (2.14 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister advise the House of the government’s response to the report of the UN Independent Special Commission of Inquiry for East Timor?

Mr DOWNER—I thank the member for Solomon for his question. I know he has a great deal of interest—given where his electorate is—in East Timor and in the people of East Timor. The report of the United Nations Special Commission of Inquiry was handed to the East Timor government, I understand, yesterday morning and was released more generally during yesterday. It is the Australian government’s view that this is a credible report. It sets out the facts surrounding the destructive events of April and May this

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**DISTINGUISHED VISITORS**

The SPEAKER (2.12 pm)—I inform the House that we have present in the gallery this afternoon the Deputy President of the Republic of South Africa, Her Excellency Mrs Phumzile Ntlanza-Ntshinga, together with her ministerial colleagues. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!
year, clarifies the issue of responsibilities and recommends certain action to be taken.

We welcome President Xanana Gusmao’s address to the nation last night. He was accompanied in that address by the Prime Minister, Jose Ramos Horta, and the President of the Parliament of East Timor, Mr Guterres, and he called on all East Timorese to act responsibly and to behave with constraint. I can tell the House that up until lunchtime today the situation has continued to be quiet in East Timor and we obviously hope that will continue.

I know from the discussions we had last week with Prime Minister Ramos Horta and also from the statements that were made in East Timor yesterday that the East Timorese leadership are taking a responsible approach to the commission’s findings. I have no doubt that they are in some respects difficult findings. I encourage the East Timorese to follow their normal legal processes in dealing with the conclusions of the report, which I am sure they will do.

Australia is a major donor to the East Timor law and justice sector, which will assist the East Timorese in their response to the commission’s findings. Our assistance in policing includes support for the UNDP, providing international judges and court staff. Those of you who watched the Lateline program last night—and I thought it was a very good program last night, Prime Minister—will be aware that there was a report of Prime Minister Ramos Horta saying in a speech in Sydney that he did not feel his country had sufficient judicial resources. I make the point that not only is Australia doing what it can to help in that area but also we are providing support for the Prosecutor-General’s office. We will continue to do what we can to help this new nation through this difficult period. I know that the leadership of East Timor will respond to the UN special commission of inquiry’s report responsibly and I hope that the public will treat it with an appropriate degree of calm.

Workplace Relations

Mr STEPHEN SMITH (2.17 pm)—My question is to the Prime Minister. Prime Minister, isn’t it the case that under the government’s industrial relations legislation the Fair Pay Commission is not required to consider fairness when setting the minimum wage?

Mr HOWARD—I think the Fair Pay Commission is made up of very fair-minded Australians. Like all other bodies such as this, it will be judged on what it does.

Workplace Relations

Mr HENRY (2.17 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister update the House on how Australian workplaces are using the choice and flexibility delivered by the government’s workplace reforms? Is the minister aware of any threats to economic benefits delivered by these important reforms?

Mr ANDREWS—I thank the member for Hasluck for his question. I note that every Australian workplace is different and, therefore, Work Choices is delivering the flexibility for individual businesses and employees to choose the type of agreement which best suits their workplace. This is borne out by the data from the Office of the Employment Advocate about the take-up of agreements over the past six months. Of the new agreements since Work Choices came into operation on 27 March this year, 70 per cent of workers are covered by collective agreements and 30 per cent of workers are covered by individual agreements.

Unfortunately, the Labor Party has been unwilling to acknowledge the real benefits for Australians covered by Work Choices. For months we have had the Leader of the
Opposition and the Labor Party running around this country maintaining that collective agreements would not exist under WorkChoices, despite the real evidence otherwise. What we see after six months is 70 per cent of workers covered by collective agreements and 30 per cent covered by individual agreements.

Even last night the member for Perth was maintaining this denial. He said, ‘Collective agreements signed since the introduction of the government’s industrial relations legislation are despite the laws, not because of them.’ That reminds me: we used to have one rooster who used to crow that real money was not real. We now have the other rooster claiming that real agreements are not real. We had the spectacle over the weekend, when the Labor Party in South Australia refused to allow non-union members of the media to cover—

Mr Ripoll interjecting—

The SPEAKER—Order! The member for Oxley!

Mr ANDREWS—their conference in Adelaide, of the Leader of the Opposition saying that he could not do anything about it. He was too weak to stand up to the union bosses in that instance. Today he came out and said, ‘Oh, we’ll get that changed.’ On the weekend he was too weak to stand up and say, ‘I’m going to have a media conference at the site of the conference.’ He had to go out to the car park. Today he says, ‘We’ll change this policy.’ I note that instead of having the guts to say, ‘I will change the policy,’ he says, ‘I’ll get the national executive of the ALP to do it.’ That is not leadership. It was interesting that the Leader of the Opposition had to run out to a car park to hold this media conference on the weekend. Just before question time I went to the website of the Leader of the Opposition.

Mr Albanese—Mr Speaker, I raise a point of order under standing order 104.

The SPEAKER—I have been listening carefully to the minister. I believe he is answering the question.

Mr ANDREWS—There are all sorts of media releases and speeches by the Leader of the Opposition on his website. But do you know what is missing from his website? What is missing is the doorstop that he performed in a car park in Adelaide. It is missing from the website of the Leader of the Opposition. What we have here is the Leader of the Opposition saying to the Australian people, ‘I want to be heard on these issues,’ but then hiding away the transcript of a doorstop on the issue involved. As I said, there are two things that are clear at this stage of the week. The first is—

The SPEAKER—Order! Before calling the member for Grayndler, I would remind members on my left that when a member is speaking he will be heard.

Mr Albanese—Mr Speaker, on a point of order under standing order 75—

The SPEAKER—the member for Grayndler would be well aware that I have ruled on that same point of order in the past and made it very clear that standing order 75 does not apply to answers in question time.

Mr ANDREWS—There are two things clear about this: first of all, once again, we have a demonstration of the essential weakness of the Leader of the Opposition, who is not fit to govern this country, and the second and final thing is that we now have a definitive Labor answer to that old riddle: why did the chicken cross the road? To do his doorstop in the car park.

Workplace Relations

Mr STEPHEN SMITH (2.24 pm)—My question is also to the Minister for Employment and Workplace Relations. Isn’t it the
case that, under the government’s industrial relations legislation, if a majority of employees want a collective agreement and the employer does not, there is no circuit breaker other than the unreviewable unilateral decision of the employer? What choice do employees have when the boss simply says no?

Ms Macklin—No choice.

The SPEAKER—Order! The minister has been asked a question and he will now be heard.

Mr ANDREWS—The data I referred to earlier shows that there is a clear choice for employers and employees. Seventy per cent of agreements which have been entered into—

Mr Stephen Smith interjecting—

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

Mr ANDREWS—under Work Choices since 27 March are collective agreements and 30 per cent are individual agreements.

Mr Stephen Smith interjecting—

The SPEAKER—The member for Perth is warned.

Mr ANDREWS—What does the labour movement and the ALP propose to do? What they propose is that—and remember they are talking about effective compulsory unionism now—unions can come along to a workplace under their so-called good faith bargaining, demand that the books, the accounts and the financial affairs of any business in Australia be totally opened up and, if there is a dispute about that, the union can go to the Industrial Relations Commission in this country and say that this is an intractable dispute and therefore take out of the agreement making between the employer and employees their responsibility to do that and have the one-size-fits-all pattern bargain approach that we had in the past. The reality is that this will take Australia back to the 1970s and 1980s. This would be a very serious mark against the Australian economy. It would be economic vandalism.

Obesity

Mr RICHARDSON (2.26 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister advise the House how government funding for medical research is contributing to better health outcomes and, in particular, examining factors contributing to the growing problem of obesity in our society?

Mr ABBOTT—I thank the member for Kingston for his question. I can inform him and other members that health and medical research is one of Australia’s strongest areas of comparative economic advantage. It is not necessarily widely recognised, but in international terms Australia’s health and medical research is just as strong as our sport. Australia has produced no fewer than six Nobel prize winners in health and medical research. The heart pacemaker, the ultrasound scanner, the bionic ear, aspro, penicillin and, most recently, a vaccine for cervical cancer were all discovered in Australia or by Australians.

This week the government announced a further $529 million in research grants funded through the National Health and Medical Research Council. This money is important because today’s research is tomorrow’s new drugs or new medical treatments. This funding includes some $6.5 million for research at Flinders University, which would interest the member for Kingston. It also includes some $15 million for anti-obesity research, including almost $1 million for anti-obesity research conducted at South Australian universities. I am very pleased to say that health and medical research funding has increased fivefold since 1996 thanks to the policies of the Howard government. This very substantial boost in health and medical research funding is one of the many reasons
why our health system remains amongst the best in the world.

Obesity

Ms GILLARD (2.28 pm)—My question is to the Minister for Health and Ageing. Can the minister confirm that he has consistently denied government has a role in addressing obesity, saying on the ABC Four Corners program ‘the answer is in the hands of those individuals’? Given the minister’s dismissive attitude and his failure to put any money into addressing childhood obesity in the last budget, isn’t announcing $3.4 million in research funds today—the figure in his press release—an absurdly token effort to address a national health crisis that cost $21 billion last year?

Mr ABBOTT—I certainly believe that obesity is a very important public health issue, one of the most important public health issues our country faces. Government has a role and, in fulfilling that role, the Prime Minister committed $116 million to this back in 2004. The Prime Minister and the premiers committed half a billion dollars to this issue at the COAG in February. But, just as government has a role, individuals also have a role. In the end, no government can or should try to regulate what individuals eat or the amount of exercise they take. I have to say that the question from the member opposite demonstrated just how committed to the nanny state the current Australian Labor Party is.

Iraq

Mr ANTHONY SMITH (2.30 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on developments in Iraq and on the contribution the allied powers are making to the future of that country?

Mr DOWNER—Firstly, I thank the honourable member for Casey for his question and congratulate him on his excellent speech in the Main Committee today, where he stood up for the ordinary people of Iraq.

Ms Plibersek interjecting—

The SPEAKER—Order! The minister has been asked a serious question. The member for Sydney!

Mr DOWNER—President Bush spoke to Iraqi Prime Minister Maliki this week and reassured him of America’s full support. He said that the United States would back his efforts to continue building democracy in Iraq and do tougher, necessary work going after the militias and the terrorists. It is the wish of the Iraqi government for the coalition forces to stay the course in Iraq. Particularly noteworthy was a statement made by Prime Minister Tony Blair, a Labour leader, overnight, who made clear his commitment. He said:

What we are doing in Iraq and Afghanistan is important. It is important for the security of our country, for the security of the world ...

Mr Blair stressed the point that is often made that if the terrorists win in Iraq they will be emboldened everywhere. Prime Minister Blair stressed the need to continue working to support freedom and democracy in Iraq and Afghanistan despite the reaction in those countries of the extremists. He said:

... if they are going to use that as an excuse to cause further extremism or violence, that is a reflection on them, it is not a reflection on the work we are doing in Iraq or Afghanistan.

Both President Bush and Prime Minister Blair—and, indeed, Prime Minister Maliki—understand that the sort of weakness we heard about from the Labor Party this week will get us nowhere. Mr Blair said:

You don’t defeat them by sending a message saying we are prepared to walk away.

Mr Tanner interjecting—

The SPEAKER—Order! Member for Melbourne!
Mr DOWNER—Let me repeat that, because I do not think everyone heard it. Prime Minister Blair, the Labour leader, said:

You don’t defeat them by sending a message saying we are prepared to walk away.

That is why it is important—as I say, we want to withdraw from Iraq when we can, but it has to be done with the objective secured. There speaks a leader of a labour party. There speaks somebody who has strength and who shows leadership, who is not just trying to chase a popular position.

Ms Plibersek interjecting—

The SPEAKER—Order! The member for Sydney continues to interject. She is warned!

Mr DOWNER—I am reminded, when I listen to what the Labor Party says, of George Orwell’s famous words—after all, he was a socialist, but not a weak one. He said:

The quickest way to end a war is to lose it.

The Labor Party says it would like us to lose the war, to surrender, and, as Mr Blair says, that will only give great comfort, great support and great encouragement to terrorists.

Iraq

Mr BEAZLEY (2.34 pm)—My question is to the Minister for Foreign Affairs and follows the answer he has just given. Why won’t the foreign minister stand up and admit that he has failed in Iraq—failed to test the prewar intelligence, failed our best friends in Washington by urging the folly of war, failed in planning for the post-combat phase, failed to make Australia safer from terrorist attack and failed to protect at least 50,000 Iraqi civilian lives? Why won’t the foreign minister admit his failures and that he got Australia into this hole, and why won’t he stop digging?

Mr DOWNER—One of the definitions of failure is lack of courage. On that definition, there is no doubt that the Leader of the Opposition is a catastrophic failure.

Opposition members interjecting—

The SPEAKER—Order! The Leader of the Opposition has asked his question.

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne is warned!

Mr DOWNER—This is a Leader of the Opposition who has changed his position on the Iraq issue many times. He claims that we went to war in Iraq on a lie; he claimed that today. The Jull committee produced a report which made it clear that the government did not distort the intelligence. Indeed, it concluded that the presentation by the Australian government was more moderate and more measured than that of either of its alliance partners.

Opposition members interjecting—

The SPEAKER—The Leader of the Opposition has asked his question.

Mr Beazley interjecting—

Mr DOWNER—We should take note of the interjections of the Leader of the Opposition, because I am going to get to the end of my answer to his question and people will be interested in the end of my answer. The Leader of the Opposition went on to say—

Opposition members interjecting—

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

Mr DOWNER—The Jull committee’s conclusion went on to say:

The government’s emphatic claim about the existence of Iraqi WMD reflected the views of the Office of National Assessments ...

I mention this and the moderate and sensible conclusions of the Jull committee because it is relevant to this question. This committee produced a bipartisan report signed by coalition members and Labor members and it made it clear that the government did not lie about the WMD intelligence. The Jull com-
mittee makes that perfectly clear. One of the signatories of that report was none other than the Leader of the Opposition himself. Today he has a new line.

Have we failed? There are 36,000 new teachers who have been trained in Iraq since the fall of Saddam Hussein’s regime. That is not a definition of failure. Seventy per cent of eligible children have been vaccinated against measles and 42 per cent against polio. Fifty-four commercial television stations have been set up from virtually zero in 2003. There are now more than seven million mobile phone—

Mr Tanner—How many people have been killed?

The SPEAKER—Order! The minister will resume his seat. The member for Melbourne has been warned. He continues to interject. He will remove himself under standing order 94(a).

The member for Melbourne then left the chamber.

Mr DOWNER—It is not a failure for new television services to be set up. It is not a failure for new teachers to be trained. It is not a failure for children to be inoculated. It is not a failure to have seven million new mobile phone subscribers. It is not a failure to get the first World Bank loan in 30 years. It is not a failure to get oil production up to prewar levels. It is not a failure to have trained 302,000 members of the Iraqi Security Forces. I will tell you, Mr Speaker, the last thing that is not a failure: it is not a failure to have put Saddam Hussein on trial.

Ms Plibersek interjecting—

The SPEAKER—I remind the member for Sydney that she has been warned.

Trade: South Africa

Mr RANDALL (2.39 pm)—My question is addressed to the Minister for Trade. Would the minister update the House on the status of Australia’s trade and economic relationship with South Africa?

Mr TRUSS—I thank the honourable member for Canning for the question and recognise the particularly close links between his state of Western Australia and his keen interest in the economic ties and the development between Western Australia and South Africa. Australia is developing a robust trade and investment relationship with South Africa and it is set to grow and become even stronger.

We are honoured to have in the gallery today Mr Mandisi Mpahlwa, who is South Africa’s Minister for Trade and Industry. We cordially welcome him and his delegation to Australia. He and I are currently chairing the fourth meeting of the Australia-South Africa Joint Ministerial Committee to look at ways in which we can further advance our trading and investment relationship. Our delegations are accompanied by large numbers of business leaders from both countries and we are talking through new opportunities.

Perhaps Australians, in particular, may not be so aware of the growth in our trading relationship with South Africa over recent years. South Africa is our 19th largest trading partner and Australia is South Africa’s seventh largest trading partner with a two-way merchandise trade approaching $4 billion. Australia’s merchandise exports to South Africa last year grew by 34 per cent; South Africa’s to Australia grew by 22 per cent. Whilst there may have been, in previous times, some concern that our economies were similar and our seasonal conditions did not have the complementarities that we have with those in the Northern Hemisphere, it is quite clear that both countries have benefited from this trading relationship. A good example is the billion dollars worth of trade in cars between our countries. We import BMWs, Mercedes and VWs from South Africa and
export to South Africa Camrys and Ford Territorys. That is an excellent example of the way in which our economies can work together. There is no better example of the strength of our unity than the great Australian BHP with the great South African company Billiton, which make up the world’s biggest mining consortium.

We watched with interest as South Africa was honoured to become the first African country ever to host the World Cup. In 2010 all eyes will be on South Africa and I hope that Australia will be one of the teams that will be participating in that big event in South Africa. But, even if it is not, there will be Australians there—our engineers and our event organisers are already starting to play a role in winning contracts and being a part of South Africa’s preparation for that big event.

I welcome today this opportunity to meet with my South African counterpart. The business delegations are working very constructively together to look at new ways where we can work together. I have confidence that this trading relationship between our countries will grow and expand rapidly over the years ahead.

**Iraq**

Mr BEAZLEY (2.43 pm)—My question is to the Minister for Foreign Affairs and follows the previous answer he gave, particularly the references in that answer to the Jull committee findings to which I was a signatory. Does the foreign minister recollect that findings 5.16 and 5.17 of the Jull committee found:

... the case made by the government was that Iraq possessed WMD in large quantities and posed a grave and unacceptable threat to the region and the world, particularly as there was a danger that Iraq’s WMD might be passed to terrorist organisations.

This is not the picture that emerges from an examination of all the assessments provided to the Committee by Australia’s two analytical agencies. Does he also recollect from the Jull committee the following finding to which I was a signatory:

Other significant intelligence not covered in the government presentations included an assessment in October 2002 that Iraq was only likely to use its WMD if the regimes survival was at stake and the view of the Joint Intelligence Committee of the UK, available at the beginning of February 2003, that war would increase the risk of terrorism and the passing of Iraq’s WMD to terrorists. Is it not a fact, Minister, that you exaggerated the intelligence available to you to send us to war in a failed effort and that, as a result of what you have done, we now face a growing terrorist threat? Why should Australians, who have witnessed your fundamental failure of strategy, believe that you are correct in your strategic assessment now as you want that war to keep going?

Mr DOWNER—Mr Speaker, I make a couple of points.

Opposition members—Resign!

The SPEAKER—Order! The minister will resume his seat. The Leader of the Opposition has asked a serious question. The minister deserves to be heard. I call the Minister for Foreign Affairs.

Mr Swan—Resign!

The SPEAKER—Order! The member for Lilley is warned! The Leader of the Opposition has asked a serious question. I would have thought members on my left would want to hear the answer. I call the minister.

Mr DOWNER—My answer is threefold. First of all, the Leader of the Opposition—as I made very clear yesterday and also during the censure debate on Monday—went out there in 2002 and 2003 and told the Australian public before the war that Saddam Hussein had weapons of mass destruction.
Mr Wilkie—Based on what you said!

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

Mr DOWNER—He did so on many occasions, and for the Leader of the Opposition now to come into this House and pretend that somehow he did not say those things—

The SPEAKER—Order! The minister will resume his seat. If members will not allow the minister to be heard, I will take action immediately.

Mr DOWNER—for the Leader of the Opposition to accuse others of misleading when he himself—

Mr Swan—Resign!

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

The member for Lilley then left the chamber.

Mr DOWNER—for him to come into this House and attack other members of the House—of course, particularly members of the government—

Opposition members interjecting—

The SPEAKER—Order! The member for Grayndler! The member for Chisholm!

Mr DOWNER—for being misleading in relation to weapons of mass destruction when he himself was telling this parliament—

The SPEAKER—The member for Fowler!

Mr DOWNER—and he was telling the Australian public before the war and after the overthrow of Saddam Hussein—

Ms King interjecting—

The SPEAKER—The member for Ballarat is warned!

Mr DOWNER—that Saddam Hussein had weapons of mass destruction—

Ms Gillard interjecting—

The SPEAKER—The member for Lilley is warned too!

Mr DOWNER—and the member for Griffith was doing the same thing—is hypocrisy—

Ms Gillard interjecting—

The SPEAKER—Order! The minister will resume his seat. The member for Lilley was warned. She continued to interject. She will remove herself under standing order 94(a).

The member for Lilley then left the chamber.

Mr DOWNER—The second thing is that this particular allegation that the Leader of the Opposition is making today, which of course completely contradicts the position he took three years ago, demonstrates one very important thing about this Leader of the Opposition: that not a day passes without his position changing.

Ms Plibersek interjecting—

The SPEAKER—Order! The minister will resume his seat. I have repeatedly warned the member for Sydney. She will remove herself under standing order 94(a).

The member for Sydney then left the chamber.

Mr DOWNER—The minister has not been called again.

Mr Randall interjecting—

The SPEAKER—The member for Canning is warned!

Mr Price interjecting—

The SPEAKER—And so is the Chief Opposition Whip.

Mr DOWNER—The third point I would make, which the Leader of the Opposition
chose rather conveniently to overlook, is that the presentation by the Australian government, he believes, was more moderate and more measured than that of either of its alliance partners. That is what the Leader of the Opposition said, and that the government's—

Mr Rudd—Mr Speaker, on a point of order: the Leader of the Opposition’s question dealt with two conclusions from the Jull committee report. The foreign minister has not referred to the Jull committee report in his answer at all.

The Speaker—Order! The member for Griffith will resume his seat. I have not called the minister yet. I remind the member for Griffith that the Leader of the Opposition asked a very long question and the minister is very much in order—and he will be heard!

Mr Downer—The member for Griffith obviously is talking, as usual, more than he is listening, because I was just quoting from the Jull report. The quote—I repeat, signed off by the Leader of the Opposition—is this:

… the presentation by the Australian government was more moderate and more measured than that of either of its alliance partners.

That was the view of the Leader of the Opposition then. Today he says we lied, but he did not say that then. Today he has changed his mind. Back in those days he used to say Saddam Hussein had weapons of mass destruction.

The Speaker—Order! The member will resume his seat, and so will the member for Chifley. The member for Chifley will resume his seat! He just wanders around the aisles all the time.

Opposition members interjecting—

The Speaker—Standing order 62. The member for Chifley will resume his seat.

Mrs Irwin interjecting—

The Speaker—The member for Fowler is warned! The member has the call and the minister will be heard.

Mr Downer—The final point is that the Leader of the Opposition—

Mr Albanese—What about answering the question?

The Speaker—Order! The member for Grayndler is warned!

Mr Downer—The final point I would make is that the Leader of the Opposition doubted the judgement that the Islamic extremists, jihadists and insurgents would be encouraged—

Mr Wilkie—What about Saddam?

The Speaker—Order! The member will resume his seat. The member for Swan has been warned. The member for Swan will remove himself under standing order 94(a).

The member for Swan then left the chamber.

Mr Downer—The simple point is that the Leader of the Opposition at the end of his question made the point that he thinks by surrendering in Iraq it is the wrong judgement to believe that the jihadists and the insurgents will have been helped. I do profoundly believe that is absolutely the wrong judgement, and I must say—

Mr Bowen interjecting—

The Speaker—The member for Prospect is warned!

Mr Downer—I do not think there are many governments in the Western world who would share the opposition leader’s judgement that the best course of action in Iraq is to surrender.

Mr Albanese—I rise on a point of order. For the members of the opposition who are still in the House, could you please, for the benefit of those people who are warned, let them know who has been warned?
The SPEAKER—The member for Grayndler will resume his seat. If members interject and they ignore a warning, the member for Grayndler is well aware that the chair will deal with them.

Mr Albanese—People don’t know—

The SPEAKER—Well, if they make so much noise then they ought to listen.

Alternative Fuels

Mr BAKER (2.53 pm)—My question is addressed to the Minister for Industry, Tourism and Resources. Would the minister update the House on the progress of Australian government alternative fuel initiatives? How have Australia’s alternative fuel industries responded to these initiatives?

Mr IAN MACFARLANE—I thank the member for Braddon for his question and for his strong support for alternative fuels. The news from the alternative fuel industry in Australia just keeps getting better and better. The LPG vehicle scheme, officially launched only 2½ weeks ago, continues to generate incredible community interest. At the close of business yesterday some 4,200 grants worth some $8.4 million had been approved to Australian motorists. And as the applications continue to roll in, more will, no doubt, be on the way.

The popularity of this program has, of course, seen increased demand for LPG conversions and it is a shame the member for Melbourne is not here to listen to this. The increase in demand, and in that respect the response from industry, has been very encouraging. Over the last three months industry capacity for LPG conversions has more than doubled. According to LPG Australia, there were 4,000 conversions in July, 8,000 in August and 11,000 in September. And this proves the basic economic point for the member for Melbourne and others opposite: when the demand for services grow, the supply will soon follow.

In addition to LPG installation there has been an increase in LPG installation courses offered by the TAFEs, and we look forward to industry capacity continuing to grow. While I am on the topic of industry growing capacity, we should not forget the tremendous gains that have been made in another important alternative fuel sector, the biofuels industry. The Howard government has put in place a suite of measures behind the biofuels sector.

Opposition members interjecting—

Mr IAN MACFARLANE—Well, you’re the ones who killed it. The Labor Party went out of their way to kill the biofuels industry in Australia. Under this suite of measures we have seen a boost in consumer confidence, a boost in consumer uptake and an increase in industry capacity. The results of that investment speak for themselves. In the last 12 months production of transport ethanol in Australia has increased by more than 75 per cent. Over the last 12 months we have gone from 70 service stations selling ethanol blends to, now, 400. The government is well on track to reach its target of 350 megalitres of biofuel, and in fact we expect to exceed it.

This is all good news for the alternative fuel industry in Australia. It is growing—and that is good news for the industry, good news for the environment and good news for Australian motorists.

Iraq

Mr RUDD (2.56 pm)—My question is to the Minister for Foreign Affairs. I refer the foreign minister to the statement of the UN rapporteur on torture on 21 September 2006:

What most people tell you is that the situation as far as torture is concerned now in Iraq is totally out of hand ... The situation is so bad many people say it is worse than it has been in the times of Saddam Hussein.

Does the Minister for Foreign Affairs accept the UN rapporteur’s statement?
Mr DOWNER—No, and I think the vast majority of the people of Iraq are very glad they got rid of Saddam Hussein, whatever the Labor Party may think—and you seem terribly disappointed about him having gone.

Family Relationship Centres

Miss JACKIE KELLY (2.57 pm)—My question is addressed to the Attorney-General. Would the Attorney-General inform the House how the new family relationship centres, such as the one in my electorate of Lindsay, have been providing useful services to families across Australia? Further, what progress is being made in expanding these centres?

Mr RUDDOCK—I thank the member for Lindsay for her question, because the member for Lindsay was present when I officiated at the opening of the new centre in Penrith in the electorate of Lindsay. I know that she is very vitally interested in the progress in reforming the family law system and the outcomes that we are achieving as a result of that reform process. The government has delivered on its promise to have major improvements in the system and this is a success story, and the data now shows how family relationship centres are helping in relation to this initiative.

From the start of July to the end of September—that is, in three months—over 9,100 people had contacted centres by phone; over 2,700 people had dropped into centres seeking assistance; and centres had conducted over 3,800 interviews or intake sessions. We have seen a situation where the number of dispute resolution sessions conducted at centres steadily increased from 224 in July to 637 in the month of September. The new family relationship advice line—it is an 1800 number: 050 321—received 27,000 calls from July to September.

The website, www.familyrelationships.gov.au, has recorded more than 89,000 hits in the same period. That is approximately 1,000 hits every day. In other words, these services are extremely popular and they are in demand. Before July, many people would not have known where to turn for help, but they have obviously found out very quickly that these centres are acting as the gateway to the new family law system.

I think it speaks for the professionalism and the competence of the people we recruited to undertake this task that the centres were able to open on time and that the whole process has been handled so well—quite contrary to the suggestions that we were hearing from the member for Gellibrand. We are on track with the tendering process for the next 25 centres to open in July 2007. We have delivered on our promise to overhaul the family law system and to give Australian families a better chance.

Iraq

Mr McCLELLAND (3.00 pm)—My question is to the Minister for Foreign Affairs. Does the foreign minister recall saying on 5 July 2004 that the Iraqis were making ‘sound progress’? Does he recall saying on 19 September 2005 that the situation in Iraq was ‘headed in the right direction’? Does the foreign minister acknowledge that, with 100 civilians dying every day in Iraq, Australia is now effectively bogged down in a full-blown civil war? As the minister and the Prime Minister got Australia into this hole, when will they stop digging?

Mr DOWNER—I thank the honourable member for his question. The answer is a series of yeses and noes, but I make this point in answer to the last part of the question: we will, along with our allies, pass the responsibility for security in Iraq over to the Iraqi security forces when they have the capacity to maintain a reasonable degree of security in that country. The alternative strategy is the Labor Party strategy. The Labor
Party strategy is for all of the coalition forces to withdraw from Iraq and to create not only a human rights catastrophe but also an enormous boost to the extremists and insurgents.

Mrs Irwin interjecting—

The SPEAKER—Order! The minister will resume his seat. The member for Fowler has been warned and she continues to interject. She will remove herself under standing order 94(a).

The member for Fowler then left the chamber.

Mr DOWNER—The very heart of this debate today is the proposition that the honourable member for Barton—and, above all, the Leader of the Opposition—is putting, and that is that the coalition forces should withdraw from Iraq and leave Iraq to the terrorists and the insurgents. I believe, and I think most Western governments believe—including some who do not have troops in Iraq—that if a withdrawal of that kind were to take place it would be a catastrophe in the struggle against terrorism. The Leader of the Opposition says that he would not only pull out Australian troops; he would also go to Washington and urge the United States to surrender in Iraq as well. As the national intelligence estimate demonstrated, this would be a major triumph for the extremists, the terrorists and the insurgents. This government will not surrender.

Workplace Relations

Mrs GASH (3.03 pm)—My question is addressed to the Minister for Small Business and Tourism. Would the minister update the House on how the government’s workplace relations reforms are helping small businesses around Australia? Are there any threats to this support?

FRAN BAILEY—I thank the member for Gilmore for her question and for her very strong advocacy on behalf of the small businesses in her electorate. Work Choices has freed small business from the burden of having to pay ‘go away money’. Work Choices has streamlined the agreement-making process between employers and employees, and it has reduced red tape. Since Work Choices was introduced, 175,000 jobs have been created. They have been created by people like Mr Phil Connolly, a small businessman from up on the Gold Coast.

Mr Bowen—Mr Speaker, I rise on a point of order. Under standing order 66, in the past whips have been given some discretion to walk around the chamber. Given your ruling before, I would ask you to bring the Chief Government Whip to order.

The SPEAKER—In response to the member for Prospect, I would suggest he probably means standing order 62. I note that the Chief Government Whip is in his seat. The minister has the call.

FRAN BAILEY—I was on the point of explaining how those 175,000 jobs have been created by small business people like Mr Phil Connolly from the Gold Coast. I was asked by the member for Gilmore if there are any threats to these benefits for small business that Work Choices has achieved. I have to say that, yes, there are. Let me quote from a small businessman, Mr Connolly, who said, ‘Labor does not care and is not listening to small business. Mr Beazley just does not appear to understand how small business works.’ He said, ‘I am concerned to hear that Mr Beazley would abolish AWAs and rip up Work Choices should Labor win government.’

Small business people like Mr Connolly do feel threatened. The Australian Labor Party just have not come clean about the fact that they are working hand in hand with the ACTU to develop any policy for small business. It would be the only time that the Leader of the Opposition would be content to
sit quietly and listen to the ACTU and allow them to speak for him rather than having something to say himself. Business is very concerned about this.

Mr Beazley interjecting—

FRAN BAILEY—The Leader of the Opposition obviously is not.

The SPEAKER—The minister will not respond to interjections.

FRAN BAILEY—Business is very concerned. Let me say—they might not want to hear it—that Melinda Cilento, from the Business Council of Australia, who holds the position, of course, of the Chief Economist, has said:

... the ACTU was providing far more detail on workplace policy than the Labor Party, which heightened “concerns about the direction of ALP policy”.

In summary, we simply know that this further reinforces what the Leader of the Opposition has said on so many occasions, and I will remind him constantly that the Australian Labor Party has never pretended to be the party of small business.

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Skilled Migration

Mr HOWARD (Bennelong—Prime Minister) (3.07 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The Prime Minister may proceed.

Mr HOWARD—Yesterday I was asked by the member for Oxley about allegations concerning the salaries being paid to the 40 Filipino welders at Dartbridge Welding claiming that they were at least 20 per cent below the market rates for welders in Brisbane. I indicated to the House that the matter was being investigated. I can now update the House on the progress of those investigations. I am advised that the Office of Workplace Services conducted a site visit yesterday in relation to these companies. However, information is not yet available regarding any findings they may have reached.

I am also advised that the Department of Immigration and Multicultural Affairs attempted to interview the workers yesterday with the AMWU—that is the relevant union—present but the union refused to assist. However, at this stage, the only information available is the allegations made in the media, which are being investigated by OWS. I am also advised that the department attempted to meet the workers yesterday through the AMWU. I am told that the AMWU declined the department’s request to obtain the workers’ allegations firsthand and to explain their visa situation.

In accordance with its desires to work with the AMWU to quickly address such allegations, the department’s Deputy State Director in Queensland spoke to the AMWU National Secretary, Mr Doug Cameron, yesterday. I am advised that the AMWU thanked the department for the offer to meet with the workers but declined, indicating that the AMWU were advising the workers. This approach to the AMWU followed an earlier general approach from DIMA to establish a cooperative approach to ensuring cases are properly investigated.

On 18 September—that is exactly a month ago—DIMA wrote to the AMWU suggesting a protocol for reporting potential breaches of section 457 visa conditions to ensure they are properly investigated in a timely fashion. DIMA has had no response so far to that letter. Given the union’s unwillingness to assist investigations, the department is looking at other options to contact the individuals to investigate the claims.
Could I take this opportunity in the national parliament to appeal to the workers—and to appeal to the media, if they are in touch with the workers—to get in touch with the department so that we can investigate the claims. I issue that appeal very genuinely. The department would like to talk to the workers. The department is very happy to have the union present. But, to date, the evidence suggests that the union does not want the men interviewed by the department. That is the evidence to date. I could be proved wrong—although, when it comes to industrial relations matters, the wrong facts have all been on the other side in recent weeks. So far it looks as though the union and the Labor Party, in its guilt by association—

Mr Howard—On this issue it is. There is not much doubt. We know where the unions stand, and from that we know where the Labor Party will be told to stand when the time comes. They are not really interested in helping these workers; they are only interested in running a miserable media campaign. Again, I appeal to these workers—and I appeal to the media to encourage them—to get in touch with the department. They will investigate the claims and get to the bottom of this. If the AMWU are serious about the welfare of the workers, as distinct from scoring political points, they will encourage them to take up the department’s offer.

PERSONAL EXPLANATIONS

Mr Beazley (Brand—Leader of the Opposition) (3.12 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—Serially, by the Minister for Foreign Affairs.

The Speaker—Please proceed.

Mr Beazley—Firstly, he characterises my views falsely. My views reflect the now near universal concern amongst American and British generals that we are going down the wrong road. Secondly, he repeats in this place the view that I share the government’s position and view on the possession before the war by Iraq of weapons of mass destruction. It is quite true that we received those briefings and accepted them at face value. Unlike the government, we were not privy to the volume of doubt and uncertainty from the intelligence community around those propositions. We also were not privy to the view the intelligence community presented to the government that going to war might well increase the threat of terror. Nevertheless, though we were not privy to those particular views, we took a different view about what the right course was—

The Speaker—Order! The Leader of the Opposition will show where he has been misrepresented.

Mr Beazley—to adopt. I have opposed this war for the last four years. We have been consistent on this side of the House.

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

QUESTIONS TO THE SPEAKER

Standing Orders

Mr Fitzgibbon (3.14 pm)—In prefacing the question can I draw your attention to standing order 160, which reads:

The House may only amend a House bill which has been returned from the Senate if its further amendment is relevant to or consequent on the Senate amendments or requests for amendments.

Mr Speaker, not long before question time today, the House received a message from the Senate returning the Trade Practices Legislation Amendment Bill (No. 1) 2005. The
Senate was seeking the House’s concurrence to amendments it had made. The Treasurer, on behalf of the government, moved that some of those amendments be accepted and some of them be rejected and subsequently moved amendments to that bill. I raised the issue of standing order 160 at the time, challenging whether those amendments were within the scope of the bill. Mr Deputy Speaker Wilkie ruled that they were. I suggest that he had little choice, given the late notice that we were given of the amendments.

Mr Speaker, can I ask you to review that ruling, particularly on government amendments (23), (24) and (25) to the Trade Practices Legislation Amendment Bill (No. 1) 2005, to determine whether, given the limited amount of time both the clerks and Mr Deputy Speaker Wilkie were given to consider the amendments—obviously you need to know the very nature of the amendments to know whether they comply with standing order 160—and, if you find that they were not within the scope of the bill as amended by the Senate, report to the House on the consequences of the amendments being outside that scope?

The SPEAKER—I thank the member for Hunter, but I remind him that the chair can only seek advice from the minister in charge about the amendments proposed by the government or related to consequential Senate amendments. I understand that the First Parliamentary Counsel provided advice. It is not a matter that the chair can now revisit. It is something that could be pursued in the Senate.

Questions in Writing

Ms ROXON (3.16 pm)—Mr Speaker, I am seeking your assistance under standing order 105(b). I have questions both to the Department of the Prime Minister and Cabinet and to the Minister for the Environment and Heritage about their legal expenditure which have been outstanding for nearly more than a year. I am not sure why it is that the government is determined to hide that information, but I ask for your assistance to get answers to those questions.

The SPEAKER—I thank the member for Gellibrand and I will follow up her request.

Standing Orders

Mr ALBANESE (3.16 pm)—Mr Speaker, under standing order 103, I have a question for you. Can you please advise the House of how many members of this side of the House were excluded under standing order 94(a) and how many members of this side of the House were warned today and how many members of that side of the House—government members—were both excluded under standing order 94(a) and warned?

The SPEAKER—I thank the member for Grayndler. I would make the very clear point to the member for Grayndler that, when disruption occurs in this chamber, members are called to order. If members continue to interject they are warned. If members ignore that warning then the chair, like all previous occupiers of this chair, will take action.

Mr Albanese interjecting—

The SPEAKER—the honourable member for Grayndler, I have responded to your question.

Mr Albanese—So you are not going to answer the question? Is that right?

The SPEAKER—the member for Grayndler has received a response. I have fully responded and he will resume his seat.

Mr Albanese interjecting—

The SPEAKER—the member for Grayndler can check the Hansard later if he really needs all those statistics.

Questions in Writing

Ms HOARE (3.18 pm)—Mr Speaker, I too seek your assistance, under standing or-
der 105(b), in writing to the following ministers to request answers to outstanding questions on notice: question No. 2498, to the Minister for Health and Ageing, from 13 October 2005; question No. 2500, to the Minister representing the Minister for Finance and Administration, from 13 October 2005; question No. 2502, to the Minister for Education, Science and Training, also from 13 October 2005; and question No. 2059 from 13 October 2005, question No. 2781 from 5 December 2005, question No. 3638 from 14 June 2006 and question No. 3789 from 8 August 2006 all to the Minister for Human Services.

The SPEAKER—I thank the member for Charlton and I will follow up her request.

Standing Orders

Mr McMULLAN (3.19 pm)—Mr Speaker, I have a question further to that asked by the member for Hunter. The member for Hunter raised a very important point, and I have two questions. Firstly, I do not understand how a problem with regard to House of Representatives standing orders can subsequently be pursued in the Senate, and I would ask you to clarify that for me. I did not understand that. Secondly, could you consider referring to the Procedure Committee or getting advice on how we might avoid the problem that arose today?

I think Deputy Speaker Wilkie probably had no alternative but to rule in the way he did in the circumstances that were before him, because there is no mechanism for allowing a member who is concerned with a breach of this standing order to have time to seek advice—for example, from parliamentary counsel. You indicate now that it might have been available, but I understand that it was not available at the time. Certainly there is no way that the member for Hunter could get access to that information.

I think the House has a glitch in its procedures here, and it is not a matter that can subsequently be pursued in the courts. The courts have said that they will not adjudicate on internal matters about the parliament and its procedures. So the only people who can deal with it are the members of the House of Representatives. I ask you to follow up on the important matter raised by the member for Hunter and perhaps ask the Procedure Committee to look at how we can overcome the problem that arose on this occasion. Even though I do not criticise how it was handled, I think it has created the circumstance that has the potential to have bills carried here that are actually not in accordance with the standing orders.

The SPEAKER—I thank the member for Fraser. As he would be aware, in a situation like that, the occupier of the chair is always placed in the fairly difficult position of not being able to work out the full implications of amendments. However, the minister did give an assurance, as I understand, that was accepted at the time. The matter has gone through a vote and has been accepted. But it is certainly in order for the member for Fraser to refer that matter to the Procedure Committee.

Standing Orders

Mr FITZGIBBON (3.21 pm)—Mr Speaker, can I put it to you that the whole situation could be vastly improved if the government delivered its amendments to both the clerks and the opposition at an earlier time?

The SPEAKER—I think I have responded to the issue as it was raised. The point that the member for Hunter raises is something that I am sure the whips can consult on further.

Standing Orders

Mr SNOWDON (3.21 pm)—Mr Speaker, further to the issues raised by my colleague the member for Hunter, I have actually moved in this chamber an amendment to
Senate amendments, and to do that I had to seek detailed advice from the clerks. I am wondering whether you can inform us as to whether or not advice was sought from the clerks about the appropriateness or otherwise of the amendments that were moved.

The SPEAKER—I make the point to the honourable member for Lingiari that the House has made a decision on this. I believe that if the member wishes to pursue the matter with the clerks he will, but the chair reminds the member that the House has made a decision and it will move on.

Mr SNOWDON—with great respect, I understand that we have made a decision, but I would have thought a normal process would have been that the government lodged the proposed amendments with the Clerk to establish whether or not they were in line with standing orders. Did they or did they not?

The SPEAKER—I thank the member for Lingiari, and I understand his point, but I do not think this is a matter for the chair to pursue; it is a matter that he may wish to pursue through other channels.

Standing Orders

Mr ALBANESE (3.22 pm)—Can you confirm that it is the case that six members of this side of the House were excluded under standing order 94(a) and none from the other side and that 11 members of this side of the House were warned compared with one member only from the government side?

The SPEAKER—I thank the member for Grayndler. I would have to check to confirm what he wants to know, but can I just make the point again to the member for Grayndler that when disruption occurs in this chamber I call members to order. I usually give them a warning and, if they ignore the warning, I then take action. Those members who have found themselves excluded under standing order 94(a) were all warned and they chose to ignore that warning.

COMMONWEALTH OMBUDSMAN

Report

The SPEAKER (3.23 pm)—I present the report for the period 13 January 2005 to 27 March 2006 on the Commonwealth Ombudsman’s review of the use of compliance powers by the Building Industry Taskforce.

Ordered that the report be made a parliamentary paper.

AUDITOR-GENERAL’S REPORTS

Report No. 8 of 2006-07

The SPEAKER (3.24 pm)—I present the Auditor-General’s Audit report No. 8 of 2006-07 entitled Airservices Australia’s upper airspace management contracts with the Solomon Islands government: Airservices Australia.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.24 pm)—Documents are tabled as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:

- Australian Safeguards and Non-Proliferation Office—Report for 2005-06.
- Migration Act 1958—Section 486O—Assessment of detention arrangements—Government response to the Commonwealth Ombudsman’s statements—Personal identifiers 072/06 and 073/06.

Report by the Commonwealth Ombudsman—Personal identifiers 072/06 and 073/06.
Matters of Public Importance

Rural Policy

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

Effective rural policy now and into the future.

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

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

Mr Windsor (New England) (3.25 pm)—I thank those members for endorsing my matter of public importance. The topic is fairly wide ranging, and I am sure other speakers will speak in a different sense on policy issues, but the main thrust of my comments will be directed towards the drought. I think it is interesting that, in the last week in particular, there has been a sudden recognition in the major press and within the parliament that there is still a drought raging out there. To those who have been living through it over the last four or five years, depending on where they live, or in far western areas for nearly 10 years, it is an obvious part of their daily lives. Nonetheless, it is good to see that the parliament and the media, particularly the urban media, have suddenly recognised the importance of drought.

There are a few issues that I would like to raise about some of the myths that are being put about at the moment in the major press in relation to the farming community and their access to drought assistance. I think some of the people writing the editorials and some of the journalists themselves should look very seriously at the messages that they are sending to people in rural communities. There is a tremendous amount of stress out there. There are suicides occurring because of the financial and other stresses involved in coping with the drought. Some people are taking advantage of the water debate, other debates and have their own agendas. They are being painted as people who have their snouts in the trough of some magnificent amount of money that is being fed to farmers. The issue of keeping non-viable farmers on the land is one of a whole range of issues that has been painted up, and I would like to dispel some of those myths.

Firstly, the government has been saying for some years that it has committed $1.2 billion to drought relief. It was saying in 2003 and 2004 that it had committed $1.2 billion in drought assistance, and that has painted the picture out there that there is a mountain of money that has gone to—in the words of some journalists—in efficient farmers. I would like to break down the amount of money that has been expended—and I would encourage all members of parliament to access some of these figures. Drought assistance is divided into a number of areas. The most important area, in my view, and others may debate this, is the interest rate component of the financial business assistance—the actual assistance that is going to the farm business through exceptional circumstances relief to help that farm business tread water so that when it comes out the other end it is in a position to be productive again and make a productive contribution to its own and the national community. That is what exceptional circumstances relief was put in place to do. That interest rate assistance—the treading water part of drought assistance—is what drought assistance
should be about: maintaining the line until the weather breaks so that farmers can be given an opportunity to progress. Bear in mind that we have been told that $1.2 billion has been spent on drought assistance. When you look at the exceptional circumstances interest rate relief—the last audited figures on this for the four years from 2001 to 2005, available through the budgetary arrangements—the figure that comes up is $242.53 million. That is the business assistance; that is the money that people at the Australian Financial Review and others are saying is this mountain of money that is going to keep non-viable farmers on the land.

Over the four years of the drought, an average of $60 million a year is this great rort that the farmers have supposedly been absorbing from the broader community. They are a community that makes a contribution of $103 billion and they are getting $60 million per year in the worst drought in history to support their businesses. I think all country members are aware of the support they provide to businesses in the local communities et cetera. To say that that is a massive rort is quite beyond the pale.

Let us look at something comparable: another industry that was having trouble back in 2000. There was an election coming up, and the building industry was paranoid about what the 10 per cent goods and services tax would do to the price of a house and the impacts it would have on developers. They were worried about what it would do to employment and the skills base in that industry and where they would go with the catastrophe. That was government policy, but, in a sense, it was going to be a drought for that industry.

What did the government do in response? It put in place the First Home Owner Scheme. It dressed it up as if it were there to assist young people into their homes. In a lot of cases it has assisted them into debt, and the prices of the homes have gone up, but we will leave that aside. From 2001 through that same period—the audited period—to 2005, $5.2 billion has been spent on that industry, an average of $1.3 billion per annum as against the $60 million in business support for the farming community in that same period of time.

People in the Australian Financial Review and other papers and the Peter Cullens of this world are saying that there has been a prop-up of the farm sector, when in the worst drought in history it has had a miserable $60 million shelled out, on average, in business assistance. I am told that the estimates for 2005-06 will be greater in exceptional circumstances payments. I will take that as read, but the average will not go above $100 million. There was $100 million spent on industrial relations advertising, so for people to say that an enormous amount of expenditure has gone to owners of non-viable farms is, in my view, beyond the pale.

What are other people saying about this? We have the report of the new candidate for Parkes, Mr Corish. The Minister for Agriculture, Fisheries and Forestry spoke about it this morning. Mr Corish provided a report to the minister, and the minister endorsed it a fortnight ago. Today, he is talking about the farmers. This week is ‘farmers week’; it is ‘drought week’, because the Sydney media is looking at the issue. In his report, only a few weeks ago, Mr Corish stated:

Many see it—
that is, the interest rate subsidy—
as rewarding poor management, propping up farmers who fail to respond to changed ... conditions or take imprudent risks. It can delay change and reform by keeping otherwise unviable farms in business for longer than would otherwise be the case.
Mr Corish presented his report to the minister for agriculture, recommending that the interest rate assistance be phased out. That was the former president of the National Farmers Federation who recommended that.

The minister is not saying that today, and the Prime Minister is not saying that. Everybody in this chamber this week, since the media has paid some attention to this particular problem again, has run back into their nest about the $60 million a year in business support for one of the biggest industries in Australia, which is experiencing the worst drought in recorded history. Even the Treasurer said the other day that this is dreadful and could cause a recession. That would be a national impact.

The government has expended money other than the $60 million a year in terms of household support. All that is, as many of the country members would recognise, is the dole for people who are not earning an income. Any Australian is entitled to get some assistance if they are not earning an income. They cannot leave their farm to go and earn another income because they are maintaining the farm business. The government—and I mentioned this to the Deputy Prime Minister—keep saying to the press that the government has made these magnificent efforts of $1.2 billion. People appreciate it, and I am not whingeing about that.

What I am saying is that the government is putting this suggestion in the minds of the Peter Cullens, the Peter Corishes and others in this world and there are an enormous number of people who think farmers are being propped up. The fact is that if your farm is unviable, you cannot get exceptional circumstance interest rate assistance. So it is nonsense to say that there are farmers with unviable farms whom the government is propping up through exceptional circumstances payments. It is no more than absolute nonsense, I say to the government, the opposition and some of these people who are trying to run a water debate through the misery of the drought that people are experiencing at the moment: back off and look at the numbers. The numbers are an embarrassment. It is an embarrassment to say that $60 million, a pittance, is being committed to keeping our farm businesses alive during this particular period of time.

As I said, I think the estimates are going to be higher than the last year. That might bring the averages to $80 million or $100 million, but it is still an absolute pittance when you line it up beside $2 billion in 2003-04 for the car industry, over $11 billion of assistance to industry generally and, as I said, this ongoing subsidy to the building industry of $1.2 billion a year. That is nearly $6 billion since 2001. I think it puts it into perspective. If the Australian Financial Review and others want to start talking about those sorts of issues in relation to the farm sector being propped up, I think they should have a close look at some of the other issues that are involved.

Another issue that I raise in terms of drought is a freedom of information application that I have had before the minister for agriculture for many months now, in relation to 700 farmers within my electorate. For three years they were not granted exceptional circumstances payments and, all of a sudden, in the fourth year, they were granted exceptional circumstances payments. I have asked for the documents relating to the change in reasoning behind them not being granted for three years and then suddenly being granted. I want to see the documentation in relation to that. The National Farmers Federation, the New South Wales Farmers Association and others are looking at reforming drought policy into the future, and I think we have to look very closely at what happened in that particular area. A similar change of mind has
happened only in two areas, that I know of, in Australia.

The minister is refusing to allow those documents to be released. He is actually suggesting that I should pay $4,000 to see those documents, and they are saying that, even then, all the documents may not be able to be released. I think that is an absolute disgrace and I call on the minister, the parliamentary secretary and others from the government who are here today to get the minister to release those documents. They should be available. They need to be available to improve the process into the future, otherwise we will have the same problems developing again.

What about the future? There is a lot of talk about how drought policy needs improvement. I would be the first to say it does. I am not saying you can do that overnight, but I think we have got to look seriously at it. A suggestion that I have made a number of times, and others have as well, is that we put in place a system that recognises natural disaster, a national natural disaster scheme. I have used the term before. One dollar a week from every Australian raises $1 billion a year. It is not a lot of money and it is cheap insurance. There has only been one disaster since 1973 that has cost more than that, and that was the Newcastle earthquake—and that cost only a bit over $1 billion in one year. Normally, expenditure on disasters in Australia, whether they be cyclones, earthquakes or drought, as in this case, runs at about $100 million to $200 million—or 10c to 20c a week.

Why can we not remove drought from this farce that we have with the states being involved, the federal government being involved and the politicisation of the process that has been involved over many years? The government now is saying, ‘We’ve done an enormous amount for the farmers over the last few years.’ It has done nothing for small business so far, and that is another thing that it should be looking seriously at. We could put in place a natural disaster fund that embraced not only drought but also hail, mudslides, earthquakes and cyclones and that covered situations such as occurred in Wollongong and Coffs Harbour. It would be a progressive amount of money, raised by way of a levy or however we wanted to do it—a small amount of money that would quickly grow and would be accessible under certain criteria in the advent of a disaster. I think we have got to look seriously at removing drought from being a spectacle on its own and see it for what it is: an exceptional event, a disaster at a particular point in time.

I would like to finish by quoting the President of the New South Wales Farmers Association, because I think what he says is quite true and it is on a positive note:

The situation is desperate, but it will rain again and we will be back making a living after a couple of good seasons.

Agriculture has done it in the past. It will do it in the future. I suggest to those who are driving people to suicide by picking up agendas all over the place about what, in their view, is a massive amount of money propping up unprofitable farmers: shut up and listen to what is actually going on in the farming sector. (Time expired)

Ms LEY (Farrer—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (3.40 pm)—Thank you to the member for New England for proposing this very important matter of public importance for discussion here in the House today. Today’s MPI deals with effective rural policy now and into the future. I do not propose to be political. The member for New England has talked about what sickens farmers in these difficult times, and I think one of the things that really does sicken farmers is
when opposing parties, relatively comfortable here in Canberra—we have close connections with our rural electorates but personally we are quite comfortably off—start attacking each other across this chamber or in our state legislatures. So I do not propose to do that today. I think it is important that we as a team, if I can say that, of rural and regional members highlight what this drought is doing to the people that we represent, the people that we care about.

So let me just paint a quick picture of the scene we are dealing with at the moment. This will very much be focused on my main area as the member for Farrer in southern New South Wales, an area that starts at the top of Mount Kosciuszko, runs along the Murray River and finishes at the South Australian border. The Snowy Mountains scheme—some 17 dams in the high country there, connected intricately with the Murray-Darling system—and water storages across the region are coping or trying to come to terms with a state of affairs that I do not believe the people who designed and built them ever envisaged. The country in my area looks like it does in the middle of January, and that is a pretty depressing sight. There are no or low water allocations to general security users on the Murray—that is, people who do not have a guaranteed allocation of water are facing zero allocation.

What really annoys me when I travel—as we all do, to events in cities or bigger regional centres—is when somebody says to me, as they invariably do: ‘Well, there you are. You’re growing cotton and rice where you have no business to be growing it in this record drought.’ The point I make here—and I never get tired of making it—is that we are growing precious little cotton and almost no rice in the Murray-Darling system, because the water allocation for those irrigators is zero. General security water allocation is zero.

For the first time ever, high security users have had their water allocation cut back too. If you thought you had 100 per cent of whatever amount of megalitres your allocation was, you were told within the last week by the New South Wales Department of Natural Resources that it has been cut back to 80 per cent. If you had planned carefully and you had some carryover water from last year, if you have used it all, great, but, if not, you have had that cut back to 80 per cent. So you have lost 20 per cent of your water allocation. That has never happened before that I am aware of.

You can imagine the effect that has on somebody’s business. I would like to mention a fellow in my electorate who grows tomatoes. He paid about $400,000 for 2,000 megalitres of water—guaranteed, you would think. He signed contracts with SPC on the basis of that. He is now facing this reduced allocation of 20 per cent less, but he has still got contracts where he is obliged to deliver a product, and he now cannot. That is just one small example. We have had calls in my electorate office, as I am sure the member for New England has, from transport companies, from small businesses in towns, from people who cart livestock, from all over, saying this is terrible.

We are facing—and it is rapidly becoming a bit of a cliche, unfortunately, because you cannot think of new ways to express the same thing—uncharted waters, new territory, somewhere we have never been before. There have been other droughts in Australia’s recorded history—the Federation drought was one, and who knows what happened before white settlement?—but this is pretty bad. Crops are failing and there are forced sales of livestock in record numbers.

As a government we have an obligation, and we are meeting that obligation, to look at the existing policies that we have, modify
them where necessary and provide a whole-
of-government response. It is not just within
the Agriculture portfolio but across Family
and Community Services and Centrelink.
May I say that even the tax office is looking
kindly on people who have trouble with their
tax debt. I am sure that not many farmers
have a large tax debt at the moment, but, if
your quarterly statements are due and you
are having trouble paying them, then the fact
that you are experiencing a drought is some-
thing that the tax office looks at favourably,
and I commend them for that.

We have announced changes to excep-
tional circumstances this week. Eighteen
areas are being rolled over. One of the
stresses of being in an EC area is: ’I’m in the
area, but am I eligible because of the type of
activity that I’m involved in?’ Also, everyone
who is in that EC area is now entitled to ap-
ply. Sometimes those declarations were done
on an industry basis, and that is no longer the
case. Not only that, but they have been rolled
over for 18 months. That is extremely impor-
tant, because another stress in exceptional
circumstances is: ’Okay, the declaration’s
going to end. What happens next? Do we
have to go through another assessment?
Does the National Rural Advisory Council
have to visit? What’s going to happen to me
in my personal circumstances?’ That is taken
off the table; there is an 18-month extension.
That was announced this week.

I hasten to add that the government is con-
tinuing to look at ways in which we can help
farmers. It is the topic of conversation this
week in the Liberal and National party rooms
and around the house generally. We are get-
ing ready, I believe, to respond in a very
meaningful way. In the same way that I think
this has to be a whole-of-government ap-
proach, it has to be a whole-of-community
response as well, because the thing about this
drought—and there is the fact that urban
Australia is experiencing its own problems in
terms of its water resources—is that it is not
just an issue for rural and regional Australia;
it is not just the problem that they are having
in the bush because, of course, the farmers
need rain. All of a sudden it is something that
is everyone’s problem. In every problem
there is an opportunity, and I believe that
there are opportunities in this for us to do
better and get it right into the future.

We would prefer to be dealing with aver-
age seasonal conditions, but we are not.
Some people are blaming the current circum-
stances on global warming, climate change
induced by human activity and bringing in
the Kyoto protocol—our green friends, of
course, would never miss an opportunity to
do that. This is not helpful to farmers. It is
not helpful to farmers to imagine that they
are part of some worldwide phenomenon that
is accelerating them to a point where their
farmlands will be devastated and they simply
will not be able to grow anything because the
latitudes have shifted 20 or 30 degrees south.
It is not helpful. I would encourage those
who want to have the climate change debate
to have it but not to draw farmers into it as if
somehow they are part of it, somehow they
are responsible for it and somehow they are
completely helpless in the face of it. It may
be an inconvenient truth for some but farm-
ing and agriculture are here to stay. They are
here to stay for the future and for the long
haul. They are the best land use for much of
Australia.

The member for New England accurately
reflected on some comments, particularly in
the Financial Review, about what we are
really doing out here. It is all wishy-washy
rubbish. We have had the Wentworth Group.
In fact, in the last parliament, the member for
New England and I both sat on a committee
which did an inquiry into water resources. I
have to say that we did take some shots at
the Wentworth Group on that occasion. I
understand that they have as their priority an
environmentally healthy Australia—that is all right; that is a good thing—but for members of that group to make statements at the moment about the nonviability of farmers—

Mr Windsor—It’s a disgrace.

Ms LEY—is a disgrace—thank you. If a group like this has come together, can it not put its mind and turn its attention to something constructive? For example, I talk about representing the Murray River and make the point that about half of the water that flows to South Australia, whose allocation is about 1,860 gigalitres a year, evaporates in the lower lakes. We have lower lakes in South Australia that are held in place by barrages, but they are lower lakes full of fresh water. It is okay to need the water level there and it is okay to have the lifestyle activities there—I am not arguing with that—but why does it have to be fresh water that has come all the way from the high country in New South Wales and Victoria to sit in the lower lakes?

Mr Windsor interjecting

Ms LEY—It is not being political, member for New England, but I think that it would be useful for the Wentworth Group to turn its attention to possibly some re-engineering solutions about what could be done on an occasion like this. I remember those solutions being presented to and considered very sensibly by a previous environment minister in this government, so I think we are on the case there. There is certainly some talk about re-engineering Menindee Lakes—another area of significant evaporation.

So what I would say to the Wentworth Group is: thank you for having the health of our rivers at the forefront of your consideration, but remember that we all need to work together and no partnership between farmers and environment groups will work if each side of that partnership does not understand the imperatives of the other. It is no good saying, ‘Okay, it’s a bad drought, but the environment’s important—the environment needs this—and everybody else has to get in the queue behind it,’ because that is not going to work. We need real solutions for real problems for real farmers in the real world. It very much is a real world out there.

I attended a meeting of rural financial counsellors in Melbourne a couple of weeks ago and spoke to the rural financial councillor from Bourke territory, who the member for New England and the member for Page know well. He told me that on the road between Bourke and Wanaaring, which is a road I have travelled in a previous life, there were about 17 properties and about 12 of them have closed down. That is it: closed and gone.

In the back of Balranald, in my own electorate—I have been there recently—it looks like it does in the middle of January. When the Prime Minister visited western New South Wales on a previous drought tour he came out to the west of my electorate. It had been in drought or dry times for about 10 years. It was interesting that members of the Canberra press gallery accompanying us said, ‘What are you doing farming for out here if it is this bad?’ I tried to make the point that it is not always that bad, that the best land use is agriculture and that, believe it or not, the country, if managed and farmed properly, recovers really quickly. Eight months after that tour I was able to show people photographs of that land in western New South Wales, which had looked like the Simpson Desert, with grass half as tall as I am—fabulous feed. Unfortunately, it did not really last.

The MPI talks about effective rural policy now and into the future. Obviously, we are concentrating on farming and rural policy, but that is not the whole picture. Rural Australia is not just about its farms and its agri-
culture but also about its communities, its people, its social networks and its children and their futures. I do not want to bang the drum, but I want to run through what I think are some important policies that I have observed working in rural and regional Australia. I will preface it by saying again that this is not about policies for the city and policies for the bush; it is about bringing the two together. It is about each side understanding what each other is about and taking on each other’s problems as their own.

AusLink is the national transport infrastructure plan; there are some interesting developments with it. There is a feasibility study for a north-south rail link, which is going to take on an enormous amount of the freight task. Something we are working out now is where exactly that rail line will go. There are further opportunities to link the rail from Mildura north to join the rail that goes from Sydney to Broken Hill. That will be pretty exciting. Councils in my electorate are very pleased with Roads to Recovery money, which is money directly from the federal government to help them with local roads. I do not think we will ever be allowed to take that one off the table.

While I am talking about councils in my electorate I will mention, in the context of the current difficult situation, that visiting the national parliament today to discuss the water crisis is the Wakool Shire Council, which is based around Barham and Moulamein in southern New South Wales. The mayor, Councillor Ken Trewin, is here with Daryl McDonald and Neil Eagle, two irrigators from the area. They sought urgent talks with Malcolm Turnbull regarding the water situation. I was very pleased that the parliamentary secretary was able to see them. They were able to tell a pretty distressing tale about their community and what is going on there at the moment. Councils and local governments are the closest forms of government to the people. They represent the sad situations that you hear in families, communities and small businesses in the towns. I want to thank them for that. We all rely on our local councils for the work that they do at the local level.

Coming back to some other general government policies, there is the Sustainable Regions Program’s $21 million for the Darling Matilda Way sustainable region in western New South Wales and Queensland. There is Work Choices. It is under attack from the opposition but, remember, in regional areas there is a high proportion of small businesses that need a more flexible labour market. Certainly, losing workers in small towns is more of a hit—(Time expired)

Mr GAVAN O’CONNOR (Corio) (3.55 pm)—I thank the member for New England for bringing this matter of public importance before the parliament. I note that in the chamber there are many members that represent rural constituencies and have an interest in this particular debate. The parliamentary secretary ought not to be upset if I do get somewhat political in my remarks; I thought this was a political chamber. This is a debate about effective rural policy, and I think the parliament certainly can engage in a discussion on the government’s performance over a decade.

Be that as it may, Australian agriculture in this new millennium faces challenges that in the coming decades will test its resilience and its viability. The new global trading environment, climate change and associated issues of water management and salinity, the availability of new technologies, the animal welfare debate, the depletion of our soils and the sustainability imperative are all issues that now challenge farmers, rural communities and national governments, and that will shape Australia’s agriculture into the future. With the ageing of the rural workforce, the
overall decline in some rural communities, and the declining contribution of the agriculture sector to the national economy, governments at all levels, particularly at the national level, have a critical role to play in the future directions and development of policy in this sector. The federal government, through its budget and through its involvement in national policy formulation and implementation, plays a central role in the development of the national economy and industry sectors such as agriculture.

There is a particular onus on the federal government and the minister responsible for agriculture to secure the integrity of the policy formulation process and ensure that those policies are administered effectively—which is the subject of this MPI—and that promises made to the sector are promptly and honestly kept. Over the past 10 years, successive coalition ministers of agriculture have not lived up to this reasonable expectation.

Australian farmers and the communities in which they live are, as we speak, under the pump from emerging dry conditions that rival the Federation drought of 1902. I acknowledge in the chamber the member for Kennedy, who has joined us for this debate. Many of those farmers have not recovered financially from the widespread drought that occurred in 2002-03, and they have been plunged into despair as a result of the dry conditions that are now gripping the nation from east to west and throughout Central Australia. Over 95 per cent of New South Wales is now drought declared—and I acknowledge in the chamber for this debate members of the coalition that represent that great state of the Commonwealth of Australia. Grain production is expected to halve. Farmers are offloading stock and saleyard prices have plummeted. Rural businesses associated with the sector have seen their business income plummet, and predictions from the Bureau of Meteorology are for an El Nino effect that is likely to prolong the dry conditions by in excess of 12 to 18 months. This is not the only drought we have experienced in recent times. The drought of 2002-03 put enormous stress on farm families and rural communities.

Labor responded before the last election with a comprehensive policy that we challenge the coalition to match. We maintained that great Labor initiative, the Farm Management Deposits scheme, as it is known under the government, because we saw this was of great value to farmers in working their way through conditions that would be considered extreme in a climactic sense. Our reforms included: the scheduling of regular meetings between the Commonwealth and the states to monitor climactic conditions and emerging issues; exceptional circumstances case meetings between the Commonwealth, the states and rural communities to monitor the impact of emerging drought conditions, to be done on a regular basis; improved advice to communities to assist in the preparation of applications for drought assistance; and more administrative measures to make sure that we streamline processes so that farm communities could be supported effectively in times of drought.

The federal government won that election, promising elements of what had already been agreed between the Labor states and the Commonwealth in May 2002. With the climate change debate and the possibility that another drought event could sweep across this nation, rolling in on top of the adverse conditions in 2002-03 which decimated many farm families and their communities, one would have thought that a government that had its eye on the ball would have implemented those particular reforms. It did not. It did not, because it wanted to play politics with this whole area of drought policy.
We then come to 2005 and the audit report on drought policy, *Drought assistance*, which is one of the most scathing indictments of any Australian government in the past three decades. In 2005, after one of the worst droughts in Australia’s history, this is what the audit report had to say:

The Department of Agriculture, Fisheries and Forestry (DAFF) did not have a specific preparedness or contingency plan for drought … Planning by DAFF did identify some risks to delivery of EC—that is, exceptional circumstances— … However, there were no specific treatment strategies identified, corresponding to these risks. Nor did risk plans identify the possibility that substantial additional measures might be needed if the drought worsened. … there was no whole-of-government implementation plan … there was no integrated communication strategy.

As well, there was no whole-of-government framework to support … the implementation of the full range of drought assistance measures.

I say to the honourable members opposite: you can come in here on behalf of your constituents and talk about the enormous difficulties that they are encountering at this point in time, but it is the government of the day that has the responsibility to formulate and implement effective policy now and into the future. Going on that particular audit report, despite all of your huffing and puffing in the media and all the sympathy that you have expressed, I have to say many farmers are seriously questioning your bona fides in this area. I cannot for the life of me understand how your parliamentary secretary here today, the member for Farrer, can say that we ought not to debate the issue of climate change in the context of a debate on effective rural policy now and into the future. I really have to say: you are so wide of the mark, you are a danger to the rural sector in this country.

The government are a danger to the rural sector and to farmers in this country because you have not recognised, and will not recognise, that, while farming communities and land based activities in Australia are a major contributor to greenhouse gas emissions, they also provide the sector with enormous economic opportunities. Farmers can take advantage of this particular area and how it will evolve. That can spill over, in tangible economic terms, to rural communities. Yet the parliamentary secretary gets up here today and asks us not to be political about a debate that is staring the Australian community, farmers in particular, in the face—one which will impact more than anything else on their future viability.

Let us not pull any punches here; let us just mention as we go effective policy and the mandatory retail grocery code of conduct. That was a Labor policy. We put it all out for you. All you had to do was implement it. You said you would implement it within 100 days of winning that election. The 100 days went by, then 700 days went by. You betrayed the horticultural producers in this country. The matter was taken out of the hands of the agriculture minister by the industry minister, then ripped out of his hands by the Prime Minister when it got too hot to handle. When are you going to implement policies that will impact on the incomes of farmers now, when they most need it? They need an effective policy in this area. They do not want any more backsliding from National Party ministers who betray them at every turn of the screw. *(Time expired)*

Mr CAUSLEY (Page) *(4.05 pm)*—It is a pleasure to contribute to this discussion and follow in the footsteps of the honourable members for New England, Farrer and Corio. I must say that the member for Corio, in true form, was full of rhetoric and full of huff and puff, but I did not hear too much
about the facts of the matter. It is fairly clear why he lost his preselection.

Drought is a serious subject and it is a serious subject for Australia for a particular reason: Australia is the driest inhabited continent on earth. Drought plagued this country long before Europeans came here, and it has certainly plagued this country since Europeans came here; drought has been the face of the country. Governments and the people of Australia have toiled and battled with drought for all of that time. Over the years, to be fair to governments of both persuasions, I think they have dealt with drought in a reasonable way. But that does not mean to say that we cannot do it better. Having been New South Wales Minister for Water Resources for five years, New South Wales Minister for Agriculture and Fisheries, and minister for western lands in New South Wales, I think I have dealt with some of these issues on a fairly regular basis.

Let me say before we get into the alarmist talk around the place about what drought is about: there have been many severe droughts. This is a severe drought, but whether it is our most severe drought, I suppose, is a moot point. In the honourable member for Kennedy’s seat, or very close to it, the James Cook University takes core samples of the Great Barrier Reef and there is evidence there of droughts of up to 20 years in Australia. So drought is the continuing face of Australia.

When we see articles from the Financial Review or comments from Professor Peter Cullen saying that all of a sudden Australian farmers are unviable, that they should not be out in these areas farming there and that the government is propping up an industry which is unviable, I have to say to them that they are way off the mark. The last time I checked, Australian agriculture was still contributing 25 per cent or more of the export income of this country. That is a considerable contribution. There is no doubt in my mind that the drought relief that we give is very minimal. We are criticised when we go into trade negotiations that we still have subsidies in Australia. The only thing the Americans could point at me about when I was Minister for Agriculture and Fisheries in New South Wales was drought relief. I used to say to them that drought relief provides very minimal support for our farmers. If we do not support them through a drought and if we do not support the core herds and flocks of this country, there is very little use in getting rain. You have to recover from those droughts and if the rural economy is going to recover and the Australian economy is going to keep on growing, you need that production after the drought.

The member for Farrer is quite correct: that country out there is tremendously resilient. I have been out there three or four weeks after rain and it would amaze you the way the grass and the trefoil have grown, as she said, up to your waist within a month. It is very valuable feed. Not only is the growing trefoil valuable but the seed that falls on the ground sustains the sheep during drought. I applaud the member for New England—and I do not often do that. I would prefer to see him on this side of the House, but there is no doubt that he has raised a very serious issue.

I will make some comments about Professor Peter Cullen. It is not the first time that the Professor Peter Cullen has made a comment. Quite frankly, to have him as the Commissioner for Water in this government is very worrying. Professor Peter Cullen parades as a scientist and he gets up there as a scientist having credibility within the Australian community. That is fine if he keeps his comments based on science. But I have to say that the two comments I remember clearly were, firstly, about the Murray-
Darling River, which I think came out of the so-called Wentworth meeting in Sydney, when they said that the Murray-Darling was dying. In fact, the quality of the Murray River downstream is now better than it was 10 or 15 years ago because of the intervention schemes and the policies of all governments, state and federal, to stop the contamination and salinity of the Murray system. So, wrong, Professor Peter Cullen.

Mr Albanese—The Murray is going well, is it?

Mr CAUSLEY—Then, secondly, to come out and say that farmers cannot and should not be supported is not a fact. We even heard the throwaway line from the member for Corio about the decline in soils. There is no evidence of that whatsoever. That is just a throwaway line. We get exaggeration from the Green groups and from the people like the member for Grayndler with their throwaway lines that these bad things are occurring. They are not occurring and there is no evidence to support that whatsoever. The doomsday criers that we hear around the place about how we will 'all be rooned' are not correct.

In New South Wales when I was the Minister for Agriculture and Fisheries we addressed drought ourselves. One of the real issues—and it comes back to a point made by the member for New England—is the assessment of the area and whether it is in drought or not. Sometimes some areas of those large rural land protection areas may not be in drought and it causes some real problems on boundaries. I can assure you. The assessment process here is also still a big problem. I have to give credit to the member for Wide Bay, for I think as minister he did try to address some of these issues. But the problem is that all the data is held by the state and we have to rely on the state to supply that data and give advice as to whether the areas are eligible for EC or not. It is still a particular problem.

At the present time the New South Wales government is not making an effort. I saw there was a motion moved in parliament yesterday where the Premier just got up and said, ‘We are not going to give any support for drought.’ New South Wales is the biggest agricultural state in Australia and I would have thought there could have been some support at least coming from the government.

Professor Cullen also said that agricultural practices were destroying the environment in Australia. I disagree strongly with that statement. The member for New England touched on this: farmers are actually the stewards of that land out there. They are the ones managing the land at the present time. They are the ones spending the money particularly in environmental areas in that land out there at the present time. Take them away and you have got nothing.

If you want to see a bad public policy then there is evidence of that at the present time. The environmentalists and the city politicians have locked up all our forests in Australia. They do not believe that forests can be managed responsibly. What have we got now? No government can afford to manage these large areas of public land and we are getting fires destroying the lot. What does that do? It destroys flora and fauna completely. This is the worst public policy you could ever think of and the same thing will happen in some of these marginal areas of farming land.

Don’t think that the number of farmers is not declining—it is. There is no doubt about that. This business about propping up farmers that are unviable is a nonsense. There has been amalgamation after amalgamation of properties to keep them viable. I abolished the farm management areas in the New
South Wales when I was minister. A bureaucrat could sit down and decide what area a property could be and how many stock they could run. That system has been abolished and people can make their own decisions as to what area of land they need and what stock they should be running on that particular land.

Farmers do not overstock their properties; in fact, as soon as there is a sign of drought they start to offload their stock. They know that is a sensible decision and they offload their stock and reduce their carrying capacity. They need the ability—and that is why the farm deposit scheme was such a good scheme—when they get rain to restock those areas. But that does not destroy the environment; in fact, it protects the environment. And not only that, if the member for Grayndler wants to listen I will tell him about the flora and fauna out there. It is the farmers who have provided the water in dams that absolutely guarantees that the kangaroos, birds and flora out in those areas are now in greater numbers than they ever were. In the big droughts of the past, they died back to the rivers, and now we have water across the land that protects the environment. (Time expired)

Mr KATTER (Kennedy) (4.15 pm)—An excellent contribution from the member for Page and my colleague from New England previously. I am quite intrigued by this Mr Cullen from the Wentworth Group. For the statements of an imbecile, the comments made by him would take a lot of beating. In actual fact, the salinity levels on the middle Murray and the lower Murray for that matter are the lowest they have ever been in recorded history and this fellow is getting up and saying the Murray is dying. I have been to Murray Bridge and it is water from bank to bank. I had heard of the likes of this fellow, who calls himself the Wentworth Group—the Wentworths would turn in their graves if they heard the rubbish coming out under their name—trying to ingratiate himself with the famous people of Australia. One of his other many comments and gratuitous wisdom is this: unfortunately, in Australia we have very thin soils so we cannot have agriculture because it will curl up and blow away.

We are the second biggest area in Australia; in fact, Queensland is bigger than Victoria and New South Wales put together. We have two land forms: one is mountains—we have a lot of mountains in Queensland; and we have the great inland plain, which I have represented all my life in various parliaments. These thin soils that he is referring to which cover half of Queensland are 1,500 feet deep. Australia folded and the great inland lake covered it for 30 or 40 million years—maybe someone can take this fact to this lightweight and tell him about it—and there is 1,500 feet of mudstone. Mudstone is black soil. He makes references to thin soils—I do not know what country he comes from but I know which one I would be sending him to.

Let me move on—we are talking about government policy. On my station property, which was 250,000 acres, I estimated that we may suffer a loss in price of 20 per cent. I allocated that in the budget and for interest rates—we borrowed at 6½ per cent—a doubling to 13 per cent. I have never seen 13 per cent interest rates in my life but I was being very conservative. We had two bad years of drought, so I put in a lot of fences and we got a lot of cattle on agistment. I was sitting there comfortably counting my shekels and seeing how rich I was. In 1985, I had no mortgage. It took me an hour to convince the bank manager. He had never met a farmer without a mortgage before, but I was the virgin in the brothel so to speak—I have always been an innocent little fellow at the best of times, I suppose.
Cattle prices did not go down 20 per cent; they went down 30 per cent. Interest rates did not go from 6½ per cent to 13 per cent; they went to 18 per cent for everybody except for us gulf country cattlemen. We were an at-risk group, so we got an extra 2½ per cent lobbed on top of us. Because I was battling against 21 per cent interest rates, I spent a fair bit of money on fencing and waters and I then got hit with another 2½ per cent because I was at risk. With bank charges, I went up to 29 per cent.

The member for Page in his very intelligent contribution and the member for New England have said: do not impose upon us in times of trial the extra 10 per cent interest rate burden that is dumped on top of us by the banks. That is why every intelligent person and great intellect who walked through this place—and I do not hesitate to mention King O’Malley, Ted Theodore, John McEwen, Ben Chifley and Doug Anthony; all these great men—had a development bank to carry the farmers through this period of trial. Quite frankly, over the longer term when John McEwen left this place, he said: ‘Every one of our rural industries was under a stabilisation scheme. Farmers in Australia may not be rich and may not be wealthy but they have a decent living and the security of a decent living. It was with great pride that I left this place and left the farmers of Australia in that state.’

All the stabilisation schemes have been removed, which means that the farmers of Australia have to ride the cycle. Because of the subsidy levels of other countries, the cycle has got lower and lower. The cycle is still there but it is a much lower cycle than it was in the days of John McEwen because of the massive subsidies that are coming in.

We can ask: why has government policy failed us so miserably? Government policy has failed us: 50 per cent of our sheep have gone; 26 per cent of our cattle have gone; 10 per cent of our sugar has gone; 10 per cent of our dairying has gone; 20 per cent of our butter and cheese production has gone. This is as a result of government policy. No droughts, no natural disasters, no calamitous collapse in world market prices have taken place in the last 20 years.

This situation has been created by this place. Let me be very specific and very quick in saying that, when wool was regulated in this place and the statutory marketing scheme came in, the price of wool ascended 300 per cent over the next six or seven years. When Mr Keating removed it, within three years the price had dropped clean in half. Half of our wool herd is gone and it will never come back again. It was the nation’s greatest asset. In 1990, it was 10 per cent of our entire income.

In dairying we know the story. There is not a person in this place who does not know the story. After deregulation, within five years we had lost 30 per cent of our income and the price of milk in the stores had gone up 42 per cent. Why is this? Why have the government’s actions been so misguided? I will give you one of the reasons: the NFF, who are a bunch of traitors to the farmers of Australia. Mr Corish is a man that actually wants to get elected to parliament. I will tell you what is going to happen to him if he puts himself on the parapet. I am quite sure that the member for New England and the member for Calare—and I will most certainly be going down to help will see how far he gets. I will tell you where he will be going, all right—it will be into the water hole that has no water in it. That is what we will do to him. Mr Corish recommended:

... the removal of interest rate subsidy support during the worst drought in living memory ...

He is also quoted as saying:
Many see it [the interest rate subsidy] as rewarding poor management, propping up farmers who fail to respond to changed conditions or take imprudent risks.

Mr Truss and Mr Anderson have said continuously—I was assailed with it when I was in their party—that we only need one in seven of the farmers that are out there. People waved it in my face in great rage and anger because the message was out there: ‘Six out of seven of you have got to go.’

They are going, all right. Mr Kennett recently said in the Victorian papers that every four days a farmer in Victoria commits suicide. In the sugar industry, we have one a month. In the wool industry after deregulation we scored one every two months in western Queensland. They are going, all right. The government and the NFF can take the responsibility for it. Mr McGauchie, as I said in an earlier speech, became head of the NFF and he sold out the farmers. He ratted on the NFF. He is out there advocating the exact opposite. He ratted on the NFF. Then the government, not seeing that this person had a consistent record as a rat, put him on Telstra. Surprise, surprise, he ratted yet again. (Time expired)

Mr SCHULTZ (Hume) (4.25 pm)—At the outset, I compliment the member for New England for bringing this very serious issue into the chamber under the banner of a matter of public importance. It is always refreshing to hear the member for Kennedy speak. He is very vocal and very committed to what he believes in. Many of the things raised by various speakers in this debate today have been very constructively put and much of it is because of the great care and concern that they have for their rural constituencies.

Picking up on the final comments of the member for Kennedy about comments made by Peter Corish, we all know that Peter Corish was the former president of the NFF. If he had concentrated on his rural constituency when he was the president of the NFF instead of looking at his future as a rural politician and being focused on that all of the time, farmers might have been a little bit better off and had better representation in this place on both sides of the House. Professor Peter Cullen is a constituent of mine and, to be quite frank, I am absolutely disgusted that he, as an alleged eminent scientist on water, would make the comments that he made about people out there struggling to survive. There are always people that do not handle their businesses well but, in the majority, people have been very responsibly trying to plan to keep their farms viable.

I heard the member for Corio talk about droughts. This drought has been going on for five years. It is now in its sixth year. Responsible farm managers are making plans to ensure that in the next season they will have sufficient feed—fodder and grain—available to feed their animals should a dry occur and to keep their properties viable. They are being confronted year in and year out with this ongoing drought. People are seeing their dams dry up; they have no water on their properties. Springs and streams that have never dried up are now drying and people are spending significant amounts of money to put in bores to try and get some water supplements onto their properties to keep their livestock alive. It really does make you wonder where these people who are making these absolutely disgraceful comments—that people in the farming industry are rorting the relief packages that the government gives them through either EC assistance or interest rate subsidies—are coming from. A rort? I think not. I condemn them for the comments that they have made in that regard.
In taking the action that I needed to take as a member of parliament I spoke to a number of people on farms that have been badly affected and have been in drought for some time. I also talked to rural lands protection boards. I would like to cite a few figures for the information of those irresponsible elements in the media and people like Peter Corish and Professor Peter Cullen. I have spoken to the Yass Rural Lands Protection Board. They have a division that covers the areas around Yass, Gunning, Burrinjuck, Binalong, Crookwell, Sutton, Hall and Brindabella. For the current year the rainfalls in all of those areas are as follows: Yass, 51 per cent; Gunning, 20 per cent; Burrinjuck, 41 per cent; Binalong, 36 per cent; Crookwell, 34 per cent; Sutton, 64 per cent; Hall, 70 per cent; and Brindabella, 53 per cent. That is a percentage of the average yearly rainfall that has been occurring over a five-year period.

I have spoken to a number of farmers about just how hard the prolonged drought has been hitting them. Across the board in all of those districts under that division of the Rural Lands Protection Board, small livestock—for example, sheep and lambs—are down to about 25 per cent of what they were two or three years ago. You can understand why they are in this position. They planned to put in crops, oats, to continue feeding. They spent money on buying in additional fodder, only to see all of their money wasted because the drought continued. That is one of the reasons why—and I think the member for Kennedy mentioned it—the suicide rate on rural properties is increasing. This is something we have to keep an eye on. I know that the Prime Minister, to his credit, is picking up on the information he is getting from people such as me and my parliamentary colleagues; he is being informed. The drought has been so bad for the last five years that many farmers have been unable to put away money in superannuation for their retirement. They do not have the luxury of doing that. It also affects any succession plans they had to hand over their properties to their children—their sons, daughters or whatever. Those plans have been shelved because, as I said, for the last five years they have not been able to put money away.

Despite people being critical of what the government has done, there has been a $1.2 billion drought relief package available since this government recognised the need to keep these programs going. The recently announced $350 million assistance package to enhance the EC program is good news. There is more to come. I cannot talk about that at the moment, but I can assure the member for New England and my parliamentary colleagues that there is more to come. In terms of tightening up some of these areas, I have been a very vocal critic of the EC application process and what it has done.

I have been a very vocal critic of the NRAC and the stupidity of having somebody from Western Australia coming over to the eastern states, blowing in for about two or three hours, and then going out and writing a report to the minister to say that those areas—in this case I am talking about Braidwood, which many of my parliamentary colleagues know quite well—did not meet exceptional circumstances criteria, despite the fact that they were in drought. I went out there and talked to the people on the ground. I inspected the properties myself and wrote a submission to the Prime Minister. The Prime Minister had that decision reversed in a matter of days. But you should not have to do that. When you put people in to undertake these very important processes on behalf of the country, and more importantly on behalf of the government of the day, they should be competent enough to understand what they are doing and make the right decisions.
I close by quoting a comment by one of the people I spoke to:

Many of the decisions we have made would not have been possible without the government assistance we have been given. While we would rather that this would not have been necessary we are extremely grateful and can for the first time in five years see that if exceptional circumstances were to continue for a further 12 months we would be able to move into a recovery year. Finances are depleted but with a decent autumn, which would be the first for five years, and EC we could divert money from fodder to regenerating pasture, the application of fertiliser, spraying of weeds which have become rampant and repasturing where necessary. One more year of support would really see the benefits of the previous years of subsidies.

That is what it is all about: people who are already planning to deliver what they have been delivering in this country for decade after decade—and making a significant contribution to the prosperity of this country. We should be looking after them and doing all we can to ensure that they continue to do so.

I thank the member for New England for giving me the opportunity to speak on a very important issue that he has raised in this chamber—and I emphasise: that he has raised in this chamber.

Mr ALBANESE (Grayndler) (4.35 pm)—I congratulate the member for New England on proposing this discussion of a matter of public importance today. I certainly associate myself with comments from all sides of the House in praise of the work being done by men and women, families, on the land who are doing it extremely tough. I indicate that drought assistance has been bipartisan in terms of a recognition on both sides of the parliament that people need assistance. I do, however, take exception to some of the comments that have been made in the debate. In particular, I was intrigued by the comments by the member for Hume. He just said that there is more to come, implying that announcements will be made when they are politically convenient rather than when they are actually needed. In terms of playing politics on the issue of drought, surely that statement by the member for Hume was quite extraordinary and completely inappropriate.

I do find some of the comments attacking the Wentworth group rather over the top. The Wentworth group, by and large, is made up of people who have worked for the CSIRO and scientists who have brought their scientific expertise to the policy debate. I certainly do not think that these people of goodwill should be subject to personal abuse, as has occurred in this debate.

We have heard in this debate, quite extraordinarily, from the member for Page that the Murray is going well. I have been to the mouth of the Murray with my colleague Steve Georganas, the member for Hindmarsh, and I can assure the House that the situation whereby the mouth of Australia’s most important river system has to be dredged for the river to be kept open is just beyond belief. The truth is, of course, that the Murray is in a dire situation and there has never been in more than 100 years of our recorded history less water in the Murray. We know that the Darling system is also in total crisis. I have seen this with my own eyes. I find it quite extraordinary that there are members of the government saying that this is not an issue.

We also want to make a contribution to this debate on the issue of climate change and what that means for our future water supply and, particularly, how these issues affect rural Australia. In her opening contribution on behalf of the government, the Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry said that we should not talk about that because that would politicise the debate. This is a debate about...
politics; this is the Commonwealth Parliament of Australia. Unless you address climate change you certainly will have no opportunity to address the issue of water. Australia is drying out because of climate change and yet the Prime Minister is sceptical that it is even happening. We heard the Prime Minister on 27 September state that he was not interested in ‘what might happen to Australia and the planet in 50 years time’. That was an extraordinary comment from the Prime Minister given that climate change is happening, it is real and it is happening right now. The fact is that today in the Bulletin the Parliamentary Secretary to the Prime Minister and responsible for water, Malcolm Turnbull, said that it is happening now and that it is real. The government has a dual strategy. On the one hand, there are people such as the Prime Minister and the Minister for Industry, Tourism and Resources, Ian Macfarlane, who said on 20 August:

Well, I am a sceptic of the connection between emissions and climate change.

On the other hand, people like Malcolm Turnbull go out and say that it is real and that we really need to do something about it. But, of course, we do not see anything happening.

Peter Cullen has been discussed in this debate. The member for Kennedy dismisses the CSIRO, but one of the things Peter Cullen has said is that the climate we are now seeing in some parts of Australia is what the CSIRO climate change model seemed to predict for about 2050. So either it is happening much faster or we have a gradual climate change with a severe drought on top of it. What we really have is a Prime Minister who prefers to stay 50 years behind.

Addressing Australia’s national water crisis is an urgent task which requires leadership and action from all levels of government. Australia’s water resources are highly variable and range from heavily regulated rivers and groundwater resources to rivers and aquifers in almost pristine condition. Over 65 per cent of Australia’s water run-off is in the sparsely populated tropical north, but Australia’s large urban areas are in southern Australia and irrigated agriculture is principally located in the Murray-Darling Basin. This is where only 6.1 per cent of the national run-off occurs. As a nation, we have never really valued water. Our water supplies have been taken for granted, undervalued, overallocated and misdirected. We are starting to see the early development of a water market, something begun by the Keating government with its COAG reforms of 1994, but the fact is that we still see a very slow move to action.

The Living Murray is almost on life support. In November 2003 we were promised by the Howard government 500 gigalitres within five years. The promise was warmed up in the 2006 budget but, despite that, we have not seen a drop of water returned to the Murray. The parliamentary secretary has said that 35 gigalitres have been returned. He said that on the 7.30 Report two nights ago. He repeated that in the Bulletin today. But the truth is that 35 gigalitres was not recovered following action by the Commonwealth under the Living Murray first step program; 25 gigalitres was in fact recovered from the Snowy River and there was a donation of 10 gigalitres from South Australia. The parliamentary secretary must know this, but again we have a situation whereby the federal government wants to be seen to be doing something.

The reality is that a lack of investment in national water infrastructure has brought us to this crisis. We must stop our profligate waste of water, both in our cities and in agriculture, mining and industry. Climate change will have a massive impact. The government’s own reports say that by the year 2030 water supplies for cities will drop by 25 per
cent, rainfall in the Murray-Darling Basin will fall by 25 per cent and evaporation rates will rise. Climate change and water are the two sides of the same coin. Rising temperatures are cutting rainfall and increasing evaporation in rivers and dams. Rising sea levels threaten to increase salinity. This is happening in the Pacific and it threatens Australia. Increasing temperatures cut our thirst for water while, of course, our population is growing. With less water, more people and increased temperatures, this drought is a terrible crisis for rural communities. I honestly think it will get a lot worse unless we are prepared to take action to avoid dangerous climate change. I have had good discussions and dialogue with the National Farmers Federation, who are increasingly of the view that there is a direct link between climate change and drought. The processes that have been there in the past—the Landcare program and other programs—point towards the way forward.

(Time expired)

Mr Bruce Scott (Maranoa) (4.46 pm)—I thank the member for New England for putting this on the agenda today as a matter of public importance; I certainly appreciate being able to contribute to this debate. Effective rural policy now and in the future is underpinned by effective governance of this country. Unless you have effective governance and good economic management of the economy, it will be very hard for people in rural Australia, our farming sector, to have and implement even the best of policies. I am reminded of the economic management of this government and what we have achieved in the last 10½ years, going on 11 now, and the levels of interest rates today compared with what they were in that disastrous period when Labor were in government, when we had ‘the recession we had to have’, which was the statement made by the then Treasurer Paul Keating, who later became the Labor Prime Minister. Under a Labor government’s mismanagement of this economy, official interest rates rose to 17½ per cent. Unless you have good economic management, it is impossible for people on the land and in our rural communities to implement effective rural policy now or into the future.

One of the most useful, valuable tools for anyone on the land today as they prepare for, and have in the past been preparing for, drought is a reserve of cash. Since coming to power, this government has reinstated an effective mechanism that is tax effective in the form of Farm Management Deposits. I am reminded at this time that when Labor was in government the old scheme that had been implemented in a previous coalition government was taken away by the Labor Party. The income equalisation deposits, as they were known then, were taken away and the legislation was repealed. That is not effective rural policy. What is effective rural policy is what this government has done in relation to the cash reserve to assist our farm sector prepare for drought. The Farm Management Deposits today are a better tool than the old IEDs. They are more effective, provide greater flexibility and allow farmers to utilise the cash surpluses when they can achieve them and put them aside for when they are required in a drought. I acknowledge that not all farmers have been able to do that since we implemented those Farm Management Deposits under the Agriculture—Advancing Australia policy, but it is effective rural policy now and it will allow farmers into the future to better cope with extremes of seasonal conditions and downturns in commodity prices.

Another effective rural policy now and into the future is this government’s Roads to Recovery program. One of the things that are important in our rural community is being able to bring commodities from the farm to the market. Because of the effective economic management of this government, we
have been able to implement the Roads to Recovery program and, in the last budget, we doubled the allocation of funds to local governments under the Roads to Recovery program. That is what effective rural policy is now and into the future: being able to assist these communities with their infrastructure—in this case, the road infrastructure that otherwise would have been borne by local ratepayers, which, of course, becomes a burden on the farmers. That is what effective rural policy is: being able to assist local governments to upgrade roads in rural communities, to help bring down the cost of doing business and to transport goods faster and more efficiently. At this point, I want to point out that the Roads to Recovery program was an initiative of the former Deputy Prime Minister and former Leader of the National Party John Anderson. All local governments across Australia—cities and county towns—are benefiting from that program. That is effective rural policy that is a legacy of this government.

Another effective rural policy now and into the future is being able to assist those children of people who live in rural communities to gain access to basic education. Only this week we have had the Isolated Children’s Parents Association in parliament, seeing many members of parliament on both sides of the House. I would like to hear from the Labor Party whether they support what the organisation is trying to achieve in their discussions with government in relation to access firstly, to basic education through the Assistance for Isolated Children Scheme, which we increased after the last election to be on average about 55 per cent of average boarding costs across Australia. We never hear the Labor Party talking about that.

I would be interested to hear whether the Labor Party are going to talk about the Isolated Children’s Parents Association, who have been around this parliament this week working on another initiative which I strongly support. We need to extend that assistance for students who are geographically isolated and have to go away for postsecondary education to gain access to perhaps a TAFE or technical college education, further education, upskilling, or university. We allow it in this place for those students to gain access to secondary education. Many of them will be leaving secondary education at the end of this year as we near the end of the academic year and considering their future, going on into further education. These students, whether they are from families on the land or whether they are workers’ children living in rural and regional communities—for parts of my electorate it might be the child of the local police sergeant or the CEO of the local council—are seeking a payment from government.
I would be interested to hear whether the opposition would support this if we were able to achieve funding of an access payment to assist those students from rural Australia who have to leave home to go on to further education post their secondary education. That is effective rural policy now and into the future because it will help students from rural Australia to be upskilled. Our assistance through the Assistance for Isolated Children Scheme helps children who have to leave home to gain access to secondary education. The fact that we increased that allowance after the last federal election—a commitment we gave before the election—is certainly testimony to this government’s approach to good and effective rural policy to help communities across rural Australia.

I could go on but time is now limited. I want to close by saying that the drought support that this government is giving to our rural communities, our farmers, is invaluable. The extension that we have made this week is welcome and it is because we have got the economy in such a strong position that we as a nation and we as a government are able to provide that additional support that is so important to keeping the fabric of our rural communities together. (Time expired)

The DEPUTY SPEAKER (Mr Hatton)—Order! The discussion is now concluded.

MARITIME LEGISLATION AMENDMENT (PREVENTION OF POLLUTION FROM SHIPS) BILL 2006

Referred to Main Committee

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (4.56 pm)—by leave—I move:

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

Question agreed to.

BROADCASTING LEGISLATION AMENDMENT BILL (No. 1) 2006

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (4.57 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

PARLIAMENTARY SUPERANNUATION AMENDMENT BILL 2006

HIGHER EDUCATION LEGISLATION AMENDMENT (2006 BUDGET AND OTHER MEASURES) BILL 2006

LONG SERVICE LEAVE (COMMONWEALTH EMPLOYEES) AMENDMENT BILL 2006

CORPORATIONS (ABORIGINAL AND TORRES STRAIT ISLANDER) BILL 2006

CORPORATIONS AMENDMENT (ABORIGINAL AND TORRES STRAIT ISLANDER CORPORATIONS) BILL 2006

CORPORATIONS (ABORIGINAL AND TORRES STRAIT ISLANDER) CONSEQUENTIAL, TRANSITIONAL AND OTHER MEASURES BILL 2006

Returned from the Senate

Message received from the Senate returning the bills without amendment or request.
PRIVACY LEGISLATION
AMENDMENT (EMERGENCIES AND
DISASTERS) BILL 2006
First Reading
Bill received from the Senate, and read a
first time.

Ordered that the second reading be made
an order of the day for the next sitting.

MARITIME LEGISLATION
AMENDMENT (PREVENTION OF
POLUTION FROM SHIPS)
LEGISLATION

Mr PRICE (Chifley) (4.58 pm)—Mr
Deputy Speaker, I want to raise a procedural
matter with you. It is normal for the Chief
Government Whip to refer bills to the Main
Committee, and it is done in consultation
with the opposition. In this case it was not; it
was done by a minister. The opposition gave
leave for it to be done but if normal protocols
are not followed leave will not be granted.

The DEPUTY SPEAKER (Mr Hat-
ton)—I thank the Chief Opposition Whip. We
were expecting the Chief Government
Whip to run through with that, but on advice
in his absence it was agreed between the
Clerk and I that the minister would handle
that matter and it was agreed to by those at
the table.

Mr PRICE—Mr Deputy Speaker, I am
indicating to you there is a laid-out proce-
dure. It is not up to the Clerk and the minis-
ter to set new interpretations of standing or-
ders. The opposition is always willing to fa-
cilitate the government in emergent circum-
stances, but in future we will not provide
leave, notwithstanding any advice by any
clerk at the table, for those bills to be re-
ferred to the Main Committee. I see no rea-
son to depart from the procedure and I object
very strongly to the fact that advice was not
provided by the clerks to the opposition
about this matter.

The DEPUTY SPEAKER—I thank the
Chief Opposition Whip. I think the strength
and determination of his position should be
well communicated to the Chief Government
Whip—if not now, very shortly.

BUSINESS

Mr NAIRN (Eden-Monaro—Special
Minister of State) (5.00 pm)—I move:

That so much of the standing and sessional or-
ders be suspended as would prevent the Member
for Wills’ private Members’ business notice relat-
ing to the disallowance of Parliamentary Entitle-
ments Amendment Regulations 2006 (No. 1), as
contained in Select Legislative Instrument 2006
No. 211 and made under the Parliamentary Enti-
tlements Act 1990, being called on immediately.

Question agreed to.

PARLIAMENTARY ENTITLEMENTS
AMENDMENT REGULATIONS

Disallowance Motion

Mr KELVIN THOMSON (Wills) (5.01
pm)—I move:

That Schedules 1 and 3 to the Parliamentary
Entitlements Amendment Regulations 2006 (No.
1), as contained in Select Legislative Instrument
2006 No. 211 and made under the Parliamentary
Entitlements Act 1990, be disallowed.

This is a government that cheats. Govern-
ment members parade and strut around here
like winners, but they do not believe in a fair
contest. When they are not using steroids,
they are tampering with the ball. Here they
are on steroids—taxpayer funded steroids.
These regulations should be disallowed be-
cause they give incumbent MPs an unfair
advantage over challengers. Presently, all
House of Representatives MPs have an an-
nual printing allowance of $125,000. It is a
lot of money. No MP can seriously claim that
it is not enough to communicate regularly
with their electorate. I write to my electorate
four times a year. The cost of doing that is
significantly less than $100,000. No case has
been made out as to why an increase is

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needed or warranted, yet the government propose to increase the allowance to $150,000. This is extravagant and wasteful. It will lead to glossy publications and gimmicks like fridge magnets rather than any more serious communication endeavours. It encourages a cavalier and spendthrift attitude to taxpayers’ money, and taxpayers are entitled to expect that their dollars will be used in a wise and frugal way and that politicians will take the lead and set a good example in these matters.

If all this regulation did was to increase the entitlement from $125,000 to $150,000 a year, I would not support it. Labor opposed the government’s previous attempt to lift the cap to $150,000 and did so successfully prior to the government’s gaining control of the Senate. But this regulation is not merely wasteful of taxpayers’ money; it is sinister. It allows MPs to roll over up to 45 per cent, or $67½ thousand, of unspent funds from their printing entitlements into the next year’s entitlement. At present, if you do not spend your full $125,000, that money stays in consolidated revenue. The taxpayer keeps it. But MPs can now build up a war chest for election campaigns. Next year, for example, MPs could have an entitlement of anything up to $217½ thousand, and they could spend all of it during an election campaign—the whole lot. This is what this regulation is all about: building a moat around incumbent MPs, turning each electorate into an impregnable fortress and using taxpayers’ dollars to do it. Anyone who wants to challenge a sitting MP starts out anything up to $200,000 behind. It is not a fair contest. The government does not believe in a fair contest.

This comes at the same time as the government has made clear that there are basically no constraints on the capacity of MPs to use the allowance for campaigning purposes, for themselves and indeed for others. This has progressively been creeping into the system. In years gone by, printing allowances were not supposed to be used for campaigning for your own re-election. In the various states rules like that can still be found. In my own state of Victoria MPs are not allowed to use their taxpayer funded printing entitlement—which, by the way, is far more modest than the Commonwealth one—during the forthcoming state election campaign period. But here there is no such restriction, and this regulation expressly sets out that MPs can use their printing entitlement to print postal vote applications and how-to-vote cards. It is open slasher on campaigning. Anything goes.

The government does not even restrict members to using their entitlement to campaign for themselves. Federal Liberal Party members use it to campaign during state elections. A couple of days before the Queensland state election, many Queensland voters received correspondence. You might expect that they would receive correspondence from state MPs and candidates just a sleep or two out from a state election, but it in fact the correspondence was not from their state MPs or candidates; it was from their federal MP. What issue were they writing about and why did they choose to write at this time, you might ask. I am glad that the Liberal member for Dickson is at the table, because I have a piece of correspondence which came from him. He commences as follows:

Having lived in Queensland all my life and now raising a young family, I am deeply concerned at how Peter Beattie has allowed our health system to reach breaking point.

The member for Dickson goes on to mention Peter Beattie on no fewer than six occasions—none of them flattering. The member for Dickson goes on to say:

After 8 years, Labor still has not done the hard work to develop a credible plan to fix their health mess. Residents in Pine Rivers deserve better.
Now, just in case the message is not clear enough already as to what the member for Dickson is on about, he then says:

I have been working with James Petterson, local candidate for Ferny Grove, on health issues in our area for some time now. I know that James Petterson understands the real health needs for Ferny Grove and will work hard to get things done.

Now, if that letter is not all about the Queensland state election, urging a vote for Mr Petterson, I’ll go he for tiggy!

The government says there is a 70-30 rule whereby you can talk about candidates for election apart from yourself provided that does not involve more than 30 per cent of the publication. The truth is that touting for the election of Mr Petterson was 100 per cent of what the member for Dickson’s letter was about. The member for Dickson was not the only Queensland federal Liberal MP to get the writing bug during the last week of the Queensland state election campaign.

Mr Dutton—I rise on a point of order. I want to draw your attention to the way in which the House is being misled by a person who is trying to protect a premier in Queensland who has ripped the people off in relation to the health system—

The DEPUTY SPEAKER (Mr Jenkins)—The minister will resume his seat. The minister has other methods of addressing any problems that he has. The member for Wills will refer to members by their proper titles.

Mr KELVIN THOMSON—The member for Dickson was not the only Queensland federal Liberal MP to get the writing bug—

The DEPUTY SPEAKER (Mr Jenkins)—The member will refer to members by their titles.

Mr KELVIN THOMSON—The minister was not the only Queensland federal Liberal MP to get the writing bug during the last week of the Queensland state election campaign. The member for Leichhardt opened up to constituents in Brinsmead:

I am asking you after eight years of Mr Beattie and Labor if our health system has improved, if our roads are better, if education standards have increased and if power and water supplies are more reliable?

His letter goes on to attack what he sees as the various sins and shortcomings of the Beattie government, and finishes off:

In our area, Stephen Welsh is a real leader who cares about the community and understands the local priorities. Together we are working hard to make sure our community gets the representation it needs and deserves.

He wrote an identical letter to residents of Clifton Beach, except the glowing tribute at the finish was for a different candidate. He wrote:

In our area, Peter Scott is a real leader who lives in the electorate and understands the local priorities. Together we are working hard to make sure our community gets the representation it needs and deserves.

That was a form letter from a federal Liberal trying to get a state National over the line.

It was the same with the member for Herbert, writing to constituents just before the state election to attack the Beattie government; and the member for McPherson, who produced a leaflet with numerous photographs of, and references to, her state colleague Jann Stuckey, attacks on the Labor candidate for Currumbin, and a large print conclusion:

Residents can be assured that I shall continue to work closely with Jann to keep the pressure on the Queensland Government.

For the government to allow this material to be printed at taxpayer expense shows we have now entered an age where anything goes. The leaflets were totally about the Queensland state election. To claim otherwise is laughable, absurd. Pull the other
leg—it plays *Jingle Bells*! The so-called 70-30 rule has become a joke.

Now, what is all this going to cost taxpayers? Of course it depends on whether MPs spend all their printing entitlements or not, but we are engaged in a political contest here, and it is not reasonable to expect Labor MPs not to make use of the entitlement when Liberal and National MPs clearly do. We already have one arm tied behind our back, in terms of the resources available to opposition, without engaging in the kind of self-denial which would only make it easier for the Howard government to get re-elected. We have not come here to cooperate and meekly go along with that venture.

For 2005-06, the total possible expenditure on the printing entitlement by all members of the House of Representatives is $18.875 million. With this regulation it rises to $22.2 million—an increased cost to taxpayers of $3.325 million. Last financial year, the printing entitlement advantage held by the government over Labor was $3.325 million. With this change it will rise to $4.05 million. So the government will say that Labor MPs have the printing entitlement as well, but the truth is the size of the entitlement gives the government and its MPs a $4 million head start. And that is what this is all about. They are not interested in a fair contest.

The 2007 election will see a rerun of *You’ve Got Mail*, only this time it will not be starring Tom Hanks and Meg Ryan; it will be starring a Howard government MP in a marginal seat near you. They will have so many leaflets they will probably call out the RAAF to do an aerial leaflet drop! This is extravagant and excessive.

And, speaking of leaflet drops, the communications allowance—which we use for postage and the like—has been upped from $27,500 to $45,000 per year. Back in 1990, under the Hawke government, it was $9,000. But not content with increasing the printing entitlement and the communications allowance, the government has introduced a back-door increase in communications allowance for MPs whose electorates exceed 10,000 square kilometres.

Clauses 11.1, 11.2 and 11.3 of the latest Remuneration Tribunal determination—No. 18 of 2006—introduce, for the first time, the capacity for members representing an electorate of 10,000 square kilometres or more to aggregate their charter and communications allowances.

Now, I have no problem with the charter allowance. It is quite reasonable that MPs with large electorates—and Australia has quite a few of them—travel around those electorates, and have an allowance to meet their costs if they do so. But if they do not do the travel there is no reason why they should be able to hang onto that money and use it to distribute still more taxpayer funded leaflets. There is no need for that. If they do not spend the charter allowance on travel it should come back to the taxpayer. It is just another rort for incumbent government MPs.

Mr Ripoll—Use it or lose it.

Mr Kelvin Thomson—Indeed! When you do the research on electorates of over 10,000 square kilometres you find that there are 33 of them: Labor has four, the Independents have three, and the government has 26. Surprise, surprise—another little advantage for government MPs! Labor opposes this little rort as well.

The increase in the printing allowance, the rollover provisions for it and the amalgamation of the charter allowance and the communications allowance are far from the only steps the government has been taking to give itself an electoral advantage at taxpayer expense. There are the government advertising campaigns. It has spent a billion dollars of
taxpayers’ money on government advertising since coming to office, with notorious campaigns such as the GST ‘unchain my heart’ ads, Strengthening Medicare, and Work Choices, for which $55 million was spent. After the ‘unchain my heart’ campaign, the Auditor-General produced a set of guidelines designed to draw the line between bona fide government advertising and political advertising, which the Liberal Party ought to be paying for, not taxpayers. The government never adopted those guidelines.

And they are still at it. In this year’s budget they allocated a further $230 million for government advertising programs such as those for private health insurance, $52 million, and the smartcard, $47 million. They did not allocate anything for the sale of Telstra, but that has not stopped them. They are out there, at it again, with another $20 million of taxpayers’ dollars to talk up the Telstra sale and try to undo some of the damage they have done with their interference in the management of Telstra, particularly in seeking to impose Mr Geoffrey Cousins on the board.

And then there are the changes to election campaign disclosure laws and the increase in tax deductibility for campaign donations. Tax deductibility used to be $100; now it is $1,500. Why should campaign donations be tax deductible? Here, as with the printing entitlement, the government is seeking to use taxpayers’ funds for electoral advantage. If this were happening in East Timor or the Solomons, Australia—and particularly our patronising Minister for Foreign Affairs—would be giving them a lecture about democratic practice and culture. The abuse of taxpayers’ funds for political advantage is a blot on Australian democracy.

So the House should disallow these regulations, which increase the printing entitlement by 20 per cent, allow up to 45 per cent of it to be rolled over into an election year and extend the entitlement beyond information leaflets and letters to include magnetic calendars, postal vote applications, how-to-vote cards, certificates and Christmas cards.

When the government is not cheating, using taxpayer funded steroids, it is tampering with the ball. Back on 17 August, the Special Minister of State, who is also at the table, came into the House on the adjournment debate to speak about the issue of printing entitlements. In the course of his contribution, he set out for the House the printing expenditure of the member for Griffith, the Leader of the Opposition and the member for Prospect. In doing so, he behaved quite improperly. So too did the member for Indi, who earlier that same day purported to reveal the printing allowance expenditure of the member for Richmond.

If journalists ask for details of MPs’ printing allowance expenditure, they are told to go away. It is not public information and it will not be revealed without the consent of the MP. All members of parliament are entitled to be treated in the same way. Either all printing expenditures should be revealed or none should be. By releasing Labor MPs’ expenditure but not coalition MPs’ expenditure, the minister is guilty of partisan abuse of his office. The minister should restore some decency to this matter by now revealing the expenditure of the printing entitlement of all House of Representative members. While he is at it, he should provide details of the year-by-year total cost of MPs’ spending on their printing entitlement. He said Labor has no caps. I think we will find that the reality is that MPs’ spending on printing has risen greatly since the Liberals came to power.

The behaviour of the minister is all too reminiscent of the smear campaign conducted in 2001 against the former Labor
member for Paterson Bob Horne, who was attacked for his printing allowance expenditure. Figures suddenly appeared in a newspaper regarding one member of parliament, Bob Horne, much to his political disadvantage, because the local Liberal machine campaigned successfully against him on this particular basis. He was highly criticised in the press. But when we got access to all the figures, we found that in that year Mr Horne came 14th on a league table of spenders. Who were bigger spenders than him? That would be 13 coalition members of parliament, but Bob Horne was the only one outed.

I note that in the papers today were reports that Mr Des Kelly has been acquitted of charges of leaking information in his capacity as a public servant in the Department of Veterans’ Affairs. This case is related to charges against two Herald Sun journalists, Michael Harvey and Gerard McManus, for refusing to disclose their sources. The government claims that in this case no witch hunt was involved and that Mr Harvey and Mr McManus were simply caught up in the government going through the normal process of investigating leaks. Why is it, then, that no investigation was ever launched into the leaking of Mr Horne’s printing expenditure in 2001? Could the reason be that the government knew perfectly well who had leaked that information and that the last thing it wanted was an AFP investigation? How is it that the member for Indi is apparently in possession of the member for Richmond’s printing allowance expenditure? Has the AFP been asked to do an investigation of this? I dare say it has not. That is because there is a double standard from a government which cheats. Every time it thinks it can get away with it, it cheats, and this regulation is just another classic example of that and it ought to be disallowed. The Sydney Morning Herald got it exactly right a few weeks ago when it said:

... there needs to be tighter rules on MPs’ various entitlements ... And such rules need to be policed independently. Otherwise, even the robust flower of democracy will wilt from overfeeding.

Mr ANDREN (Calare) (5.21 pm)—I second the motion. I hope the opposition’s change of heart on allowances survives the next election. Incumbents will now be able to spend up to 20 per cent more on printed material, thanks to this increase in the printing entitlement, which could see MPs storing a war chest of up to $217,500, taxpayer funded, in time for next year’s election. Under the arrangement, MPs can now spend $150,000 a year, up from $125,000. As the member for Wills has just said, that $125,000—which I found absolutely amazing at the time, for its largesse—was brought in in 2001 after the former MP Mr Horne was caught out. Embarrassingly, it seemed that an individual had spent so much more than his entitlement. Of course, it was later revealed, as the member for Wills just pointed out, that 13 other members of the parliament at the time had spent way in excess of that amount. The double standards and the hypocrisy of that process were obvious to all and particularly the electorate, I must say.

Sitting MPs are able to have postal vote applications and how-to-vote cards printed under the entitlement, which basically means they have a couple of hundred thousand dollars advantage over other candidates, especially independents and minor party candidates. While I was listening to the start of this debate, I was completing a speech for an independent association conference in Canberra tomorrow, in which I was pointing out some of the important roles that non major party members of parliament can and should play in the system. But it is getting very hard for anybody to step up to the plate when there is $40 million worth of public funding. In addition, there are many millions, now, of
undisclosed dollars and many millions of dollars of taxpayer provided allowances. They are called entitlements; I suggest they should be called privileges and we would then have this whole thing in the right sort of perspective. The barrier to anybody taking on this formidable process and having a go in our parliamentary system is beyond the means of ordinary people to overcome.

The printing entitlement is supposed to provide for the production of things such as newsletters, stationery and other items such as calendars for MPs to communicate their work to their electorates, not the production of party propaganda or election material. There are no enforceable regulations to ensure that the printing entitlement is not abused. There is only a convention that says that newsletters, for example, must deal with parliamentary or electorate business and not party business; but it cannot be enforced.

As an independent MP, I have no party business. The only thing I need to communicate to my constituents is the work I do in representing them. In the last financial year I spent about $45,000. Add to that $5,000 for letterheads, envelopes and calendars, and I am spending around $50,000 to $60,000 each year. What do party MPs do with the extra $100,000? They produce total party propaganda designed to blitz electorates, including areas with newly redrawn boundaries, where no sitting MP should be allowed to campaign before the dissolution of parliament and the abolition of the current boundaries.

The Labor Party, while opposing this regulation, is not so pure. There have been deals such as the allowance to print how-to-vote cards prior to the last election, which was part of a nudge-wink deal between the major parties that slipped out. I was alerted to the fact that it was happening. I had no indication that it was going to be available—and nor should it in any sense be available for the production of material that should be the responsibility of the parties, which now have many millions of undisclosed dollars; the limit is now $10,000 before a declaration of where the money comes from must be made.

And here we have the use of the lurks and perks of office to further try to cement and shore up the incumbency of the major parties. It comes with the use of staff during elections to help the members and senators up for election. It again highlights the need for a cap on the spend in campaigns, and for the spend of every individual candidate to be fully audited, so that the playing field can, marginally, be levelled to give people an opportunity to run for parliament without the massive advantage that endorsement by the party system provides.

Mr NAIRN (Eden-Monaro—Special Minister of State) (5.26 pm)—Before I respond to this motion I will explain, in case people reading the Hansard might be a bit perplexed, that there is an unusual sequence of events in the case of this motion. I, on the government side, have facilitated the raising of this private members business motion. Obviously, we will be opposing it. Some might find that a bit strange, but that is how the system works with disallowable instruments. If we did not facilitate the process, the regulations would be disallowed. So there is a little bit of instruction for the people reading Hansard.

The government will not support this disallowance motion. It really is simply a piece of cheap populism from the Labor Party, which does not have any policies. I have to say, it is a real stunt. The member for Wills has come in here and done his bit and disappeared. It is hypocrisy of the first order, and I will explain why. But, before I do, I might, while the member for Calare is here, just
mention something for his benefit. The member for Calare talked about the lack of enforcement for newsletters and things that are printed. That is not the case. There are rules about how the entitlement can be used. In fact, if it is used incorrectly members are asked to repay the cost of what they have sent out. And it has happened. As Special Minister of State I am aware of a number of circumstances where members on both sides of the House have sent out material inappropriately. They have had material in their newsletters not in accordance with the rules or have sent material out to the wrong locations and have had to repay the cost of that to the Commonwealth. So there is enforcement, absolutely, on what you can and cannot do.

The printing allowance was introduced by the Labor government in 1990 as part of the Parliamentary Entitlements Act 1990. The printing allowance was not capped by Labor. It was unlimited. There was no restriction. It was an absolutely unlimited entitlement. So, from 1990, the Labor Party put in place an unlimited entitlement. Some members were spending huge amounts of money—anything up to $400,000 a year—on printing.

In September 2001 the Prime Minister announced that, as of 1 January 2002, the entitlement would be capped at $125,000 per annum as part of a comprehensive package of entitlement reforms. So it was this government that actually put a cap on it.

Mr Ripoll interjecting—

Mr NAIRN—The member for Calare talked about the $125,000 cap, but what he did not say was that prior to that it was uncapped—

Mr Ripoll interjecting—

Mr NAIRN—and that was put in place by the previous, Labor government. The original decision is now more than five years old and there is a need to maintain the real value of the entitlement. Thus the cap has been increased to $150,000. We believe that MPs should keep the public informed of major issues in their electorates, as well as their rights and responsibilities. In the case of my electorate, the new cap of $150,000, if I were to use it all, would amount to $1.60 per constituent per year for me to correspond with my electorate. I do not think that is unreasonable at all.

I note that this disallowance motion by the member for Wills, who took off after he spoke, is also disallowing the change for senators. The member for Wills did not mention the senators’ printing allowance at all. He talked about government advertising—I did not interrupt him, like the member for Oxley has been trying to interrupt me—because he got way off the mark. He was talking about a motion for disallowance of printing, but he went off and talked about government advertising and all sorts of other extraneous things. But he did not talk about the senators, whose printing this motion is attempting to disallow as well.

Let us deal with senators. Senators previously had an allowance of 5,000 printed sheets per month which was administered by the Department of the Senate, which in turn vetted all material. This was administratively inefficient and on a bipartisan basis it was decided to extend to senators the same rules that applied to members. I say ‘bipartisan’ because it is. Let me quote some of the things that were said by senators in relation to this. In Senate estimates on 26 May 2004, Senator Robert Ray said:

…the difficulty here is that, whilst you are limited to 5,000 a month and 60,000 a year, you may have only one large print run a year but you cannot do it. You have to have it spread over all that time. Don’t you think it would be much better to move all these things to come under one administration? You have already moved travel allowance. This is just an anomaly sitting there.
That was Senator Robert Ray in 2004. Black Rod, who has to administer this, said:

The only other stress that we have with it is this ongoing ‘censoring’ role that the Black Rod and the Deputy Black Rod perform that some senators are not very happy with.

Again, Senator Robert Ray said on 24 May 2004:

Why don’t you just dump this out of the Senate department? It has been there for 30 or 40 years. It has become a joke. Why don’t you just cut and run on this—no Senate printing allowance, leave it up to DOFA to do or Senator Abetz to do what he wants to do with it to make it equal and just get out of it. You are always going to be put in a position where you are making Black Rod the censor. It is never going to be very popular with senators and it puts you in a totally invidious position. Why don’t you just cut and run?

He was talking to the President of the Senate. So he saw the sense in making the change that we have made. Mr Harry Evans, the Clerk of the Senate, on 24 May 2004 said in response to Senator Ray:

In response to suggestions that the regulations be changed to transfer it to DOFA, I have always said that we have no objection to that. It is not a function that we want to desperately hang on to—

He went on to say:
Take it away! I am not fussed about whether it goes or does not go.

On 14 February 2005, Senator Faulkner said to Black Rod:

I think you are in the awful situation of having to be the chief censor, aren’t you?

Black Rod responded:
Yes, and my deputy.

So that is the bipartisan support for the changes in the Senate—the changes that the member for Wills wants to disallow. In the 20 minutes he spoke, he said nothing about senators, only members. Given the different nature of the jobs, however, senators have an entitlement of $20,000 per annum.

I mentioned the hypocrisy in this motion—the fact that under Labor the allowance was unlimited—and that is why this is really just a stunt. I recall that Labor and the minor parties carried out this same sort of stunt in August 2003. They joined with the Democrats and Greens to disallow an increase to the printing allowance which would have been of assistance to all members. What Labor would like us to forget, though, is that at the same time they could not quite find it in their hearts to disallow a range of entitlements that were specifically designed to help Labor and the minor parties—entitlements such as enhanced transport arrangements for opposition and minor party MPs, including new charter transport arrangements for them, business-class travel for their staff, more computers for them and more mobile phones for their staff. They did not disallow those things but they disallowed the printing allowance. So it is hypocrisy to the nth degree, absolute hypocrisy.

The ‘shadow minister for entitlements’, the member for Wills, has shown himself not to be too smart on this issue. On ABC Radio in Perth on 17 August 2006, he said ‘$125,000 is already too high’. As I said before—and as the member for Wills acknowledged earlier—the member for Griffith spent $124,999.99 of his allowance in the last financial year. So maybe the 1c is the difference between not too much and too much! On another occasion, the member for Wills said, ‘I think people ought to be able to do their communications with a budget of under $100,000.’ Well, the Leader of the Opposition spent $110,000, so they are in conflict there.

Then he went on to say that the previous cap was in the order of $62,000. It was not. That is completely false. There was an unlimited cap, as I have said a number of times. The Howard government are the only
ones that have put a cap on printing. Under Labor it was uncapped. He then said:
The willingness to use taxpayers’ money for your own political advantage is something that we would not tolerate.

My goodness, put the hand on the heart when you hear that from the member for Wills! He certainly spent more than the $62,000 that he claimed was a cap, which was not a cap anyway, so he broke his own cap. And on it goes. We do not know whether it is unlimited or $125,000, $100,000, $75,000, $62,000—they are all over the shop and they do not really know what is going on. It is always ‘do as I say, not as I do’ when you look at the record.

We obviously do not support this motion. Many of the members of the Labor Party have been right up there against the cap of $125,000 that was put in place over five years ago. Change is appropriate. As I said, it relates to about $1.60 per constituent per year in my electorate and, having the very large electorate that you have, Mr Deputy Speaker Scott, you would know full well the need to communicate right throughout your very large electorate. You cannot drive around it in half an hour. People expect you to answer their correspondence and provide them with the information they are looking for and at $1.60 per constituent per year I do not believe that is unreasonable at all. This process today has just been another stunt to divert attention from the fact that the Labor Party do not have any policies at all. We will be opposing the disallowance motion.

Question put:
That the motion (Mr Kelvin Thomson’s) be agreed to.

The House divided.  [5.43 pm]
Mr BRENDAN O’CONNOR (Gorton)—On behalf of the Parliamentary Standing Committee on Public Works, I present the committee’s 16th, 17th and 18th reports of 2006. The 16th report of 2006 addresses the provision of facilities for Project Single Living Environment and Accommodation Precinct—phase one, at an estimated cost of $406 million. This project is the second public-private partnership that has come under the scrutiny of the Public Works Committee.

The project proposes to provide 1,295 permanent rooms and the provision of infrastructure and ancillary support services for a period of 30 years across three sites: Holsworthy Barracks in New South Wales, Gallipoli Barracks at Enoggera in Queensland and RAAF Base Amberley, also in Queensland. The project goes some way to addressing the current shortfall of bed spaces of appropriate standards for single services personnel and includes:

- financing the development of the facilities and services;
- a commissioned and fully operational living-in-accommodation service, together with all associated furniture and equipment, parking, storage and facilities;
- all required infrastructure, including upgrading engineering services and other utilities;
- ongoing operation including repair and maintenance; and
- supply and conduct of the accommodation services for the facilities including those provided by the strategic partner and those sourced through existing Garrison Support Service and Comprehensive Maintenance Service contracts.

The committee investigated all aspects of the work, paying particular attention to project cost, consultation, project delivery and project implementation.
Given the complexity of the PPP—public-private partnership—arrangement for this project, the committee requested an additional confidential briefing to ensure that the details of the expected costs for the project represented value for money for the Commonwealth. Another issue for the committee was that it faced the challenge of considering a project before its final form is known. As a result, the committee recommends that Defence provide it with regular reports on the progress of works as well as a briefing on the final form of the project.

Part of this proposal involves the demolition of existing buildings. The committee heard that 175 buildings within Gallipoli Barracks contained asbestos and was assured that it would be removed and disposed of during the demolition of the buildings.

Having given detailed consideration to the proposal, the committee recommends that proposed provision of facilities for Project Single LEAP—phase one proceed, at the estimated cost of $406 million.

The committee’s 17th report of 2006 presents findings in relation to the proposed development of canine kennelling and training facilities for the Australian Federal Police at Majura, ACT.

The purpose of the proposed works is to provide new and upgraded facilities for handlers and trainers, dog kennelling and training to enable the AFP to meet the increasing demand for canine services within Australia and overseas. The project will provide:

- 46 main kennels;
- 20 isolation kennels;
- two quarantine kennels;
- workshops;
- magazines and vaults for the storage of explosives, firearms and drugs;
- an extended and refurbished kennel management facility;
- a new building to accommodate handlers, trainers and the ACT Community Policing Dog Team; and
- associated site works and infrastructure.

Subject to parliamentary approval, construction is scheduled to commence in November 2006 and progressively completed and operational by November 2007.

The committee conducted a site inspection of the Majura site noting the inadequacy of the facilities for both handlers and canines. The committee was provided with a comprehensive briefing and demonstration of a canine exercise, further highlighting the importance of this capability within the AFP. We are pleased to recommend that the proposed works proceed, at the estimated cost of $10.2 million.

The committee’s 18th report of 2006 addresses the proposed fit-out of new leased premises for the Department of Employment and Workplace Relations at Brindabella Park, ACT.

The department currently occupies 13 buildings across the ACT, located in Civic, Turner and Brindabella Business Park. The two main objectives of the proposed works are to:

- meet the additional accommodation requirements of DEWR, which have been significantly affected by the implementation of the workplace relations reforms and expiration of existing sub-lease arrangements; and
- maximise space efficiencies made possible by larger floor plates on offer at 29-31 Brindabella Business Park, taking advantage of the opportunity to co-locate currently fragmented working groups.

The committee considered in detail:
the leasing arrangements of current tenancies and options considered for the project;
consultation with staff and other relevant stakeholders;
specific design initiatives such as individual workstation configuration and the sound attenuation of the building; and
general staff amenity.

The committee was pleased to note that the Department of Employment and Workplace Relations had consulted the Australian Greenhouse Office and that the department is currently in negotiations with the building owner to attach a green lease schedule allowing for building owner and tenant to achieve 4.5 star ABGR. The committee is hopeful that a green lease schedule can be attached to the project and recommends that the department keep it informed of its progress with this matter.

Having examined all the evidence presented to it, the committee recommends that the proposed fit-out of new leased premises for the Department of Employment and Workplace Relations proceed, at the estimated cost of $15.1 million.

On behalf of the committee, I would like to thank my committee colleagues and all those who assisted with the public hearings, the secretariat and Hansard.

I commend the reports to the House.

Third Reading

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (5.58 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ENVIRONMENT AND HERITAGE LEGISLATION AMENDMENT BILL (No. 1) 2006

Second Reading

Debate resumed.

Mr ALBANESE (Grayndler) (5.59 pm)—I was interrupted when I was speaking about the Prime Minister, who on 27 September said in relation to climate change that the government was not really interested in ‘what might happen to Australia and the planet in 50 years time’. This was an extraordinary statement from the Prime Minister, given that it is quite clear that many of the CSIRO predictions of what will happen in 2050 are happening right now. The Prime Minister, it would appear, is some 50 years behind when it comes to climate change.

In his second reading speech last Thursday, the Parliamentary Secretary to the Minister for the Environment and Heritage described the EPBC Act as:

… a world-class and innovative piece of environmental legislation.

Why then is the government treating the act with such contempt? The process in this has been a farce. In government, Labor commit themselves to having a comprehensive review of the act with proper consultation processes and appropriate time for public discussion and debate. Robert Hill, for so long the leader of an endangered species in themselves, the moderates in the Liberal Party, and a former Minister for the Envi-
ronment and Heritage, was very proud of the act. He stated in 1999 that it was:
… by far the most significant piece of environmental legislation enacted by the Commonwealth parliament.

Importantly, he also said:
I think we’ve got the balance about right.

The following year, in December 2000, Robert Hill described the act as:
… user-friendly. It establishes an assessment and approval process that provides certainty and that is governed by tight time frames.

He went on to say:
Decisions are made in a timely and transparent manner. Assessments under the EPBC Act are being effectively integrated with state processes, avoiding delay and duplication.

There was a time when these things seemed to matter—getting the balance right, being user-friendly and having transparency—but the Howard government has changed. There is no longer a balance in this government. Transparency has gone the way of Beta video recorders—a relic of the past, it seems. User-friendliness has gone out the window: 409 pages of amendments added to a 733-page act and rushed through the parliament. The bill upsets the balance between environmental protection and development approval. The voice of moderation is disappearing. Increasingly the climate change sceptic, the Minister for Industry, Tourism and Resources, is running environment policy in the Howard government. How else can you explain not a single mention of climate change in the bill?

Robert Hill certainly understood the dramatic impact climate change would have on Australia. He supported the Kyoto protocol, emissions trading and a greenhouse trigger under the EPBC Act. But that is long gone now. Indeed, Robert Hill said on 30 March 2000:

… the Howard government worked very hard to ensure that the Kyoto protocol gave recognition to Australia’s special circumstances. There are those who foolishly believe that Australia has something to win by derailing the Kyoto protocol. In the words of the former Minister for the Environment and Heritage, we now have a Minister for the Environment and Heritage, Senator Ian Campbell, who is indeed a fool, because he and others are attempting to derail the global agreement to reduce greenhouse gas emissions. The fact that the Howard government’s premier environmental law completely ignores climate change demonstrates how out of touch this government is. It is an inconvenient truth for the government that between 1990 and 2004 emissions rose by 25.1 per cent, once you exclude the decisions of the New South Wales and Queensland governments on land clearing.

The government has consistently boasted that the Kyoto protocol is irrelevant because Australia will meet its target anyway. You cannot have it both ways. You cannot say it is going to damage the economy on the one hand but at the same time say that we will meet our target. Last week of course the environment minister conceded that the Howard government might not meet its target at all.

Climate change is the great nation-building challenge of the 21st century—avoiding dangerous climate change, preparing our economy for a carbon constrained world, getting our energy mix right, ensuring we are world leaders in clean, renewable energy and seizing the significant opportunities that the global challenge of climate change will bring. This bill is a huge missed opportunity.

Today I offer a simple challenge to the Howard government: join the Labor Party in the fight against climate change. Support Labor’s amendment to establish a climate change trigger under the EPBC Act. Support
Labor’s practical amendment, to be moved in the consideration in detail stage, to ensure climate change is an integral part of the act. Robert Hill understood the significance of a climate change trigger. Indeed, on 10 December 1999 he released a consultation paper on the possible application of a greenhouse trigger under the act. At the time he stated:

Introducing a greenhouse trigger would provide another measure for addressing our international responsibilities in relation to climate change and ensuring Australia meet its Kyoto target.

Senator Hill got rolled in the cabinet. So, instead of best practice, we have had seven wasted years.

Labor will act. I have had a private member’s bill before this House to establish a climate change trigger under the act and will be moving an amendment to this bill along those lines. This would ensure that new developments represent best practice. The climate change trigger will apply to the establishment of any industrial plan or other facility which emits or is likely to emit more than 500,000 tonnes of carbon dioxide or equivalents per year or any other action, series of actions or policies which would lead or be likely to lead to the emission of more than 500,000 tonnes of carbon dioxide or equivalents per year. Any such action will require ministerial approval, unless the minister decides that the action is not controlled under the act. If the action is approved, the minister can, under the act, attach conditions to the approval such as the need to mitigate its greenhouse emissions. Labor’s amendment also provides that the minister must consider whether the direct or indirect emissions of carbon dioxide that are likely to result from the action will be minimised by the use of best practice environmental management and low-emissions technology.

There is no argument for not accepting this amendment. The government should support this and should support other amendments. It should add a new objective to the act to protect Australia from dangerous climate change. It should add a new principle of ecologically sustainable development to note that decision-making processes should consider and minimise where possible the adverse effects of climate change. It should add a new section 3B outlining the significance of climate change and add a definition of climate change to reflect the definition of the Intergovernmental Panel on Climate Change established under the UN Framework Convention on Climate Change, of which Australia is a participant. If the Minister for the Environment and Heritage really believes that climate change is a very serious threat to Australia, he will support these amendments.

Robert Hill also understood the need for the EPBC Act to evolve to consider new triggers for environmental protection. In 1999, when discussing the act’s triggers, he stated that:

... it will be an evolving situation reflecting community attitudes and what really is seen as the best and most appropriate mix at the time.

In fact, the act provides for a five-year review to assess the need for any new matters of national environmental significance, the key environmental challenges that trigger the act. The most recent review was undertaken in April 2005. Its outcomes were never published and, as we can see by the amendments before the House, no new triggers have been added. In failing to publish the results of the review, the minister has failed to fulfil his obligations under his act. There are not a lot of environmental pieces of legislation in the environment and heritage portfolio, but this minister cannot even fulfil his obligations. Section 28A is very explicit. It states:
Every 5 years after the commencement of this Act, the Minister must cause a report to be prepared on whether this Part should be amended ...

It goes on to say:

Before preparation of the report is completed, the Minister must cause to be published in accordance with the regulations (if any): (a) a draft of the report; and (b) an invitation to comment on the draft within the period specified by the Minister.

None of this has occurred. What is the minister’s response to his being in breach of his own act? He seeks to repeal the section. The arrogance of the minister is quite extraordinary. But this, of course, is not the first time the minister has broken his own law. The environment minister admitted in Senate estimates on 31 May 2006 that he broke the laws governing heritage protection. Under section 324J of the existing EPBC Act, the minister must gazette a decision to list a place on the National Heritage List within 20 business days of receiving advice from the Australian Heritage Council. There is no discretion in the current act; the minister cannot just delay announcing decisions due to political reasons. At the May estimates the minister did not deny that he had decided more than 200 days earlier to place Old Parliament House on the National Heritage List. The minister seemed unconcerned that he had broken the law, telling Senate estimates: A number of decisions have not met those timelines. That is right.

That is arrogance personified from this government.

This bill is a missed opportunity. It is marked by arrogance throughout it. You see it in the attempt to curtail third party appeal rights, you see it in the undermining of public consultation processes and you see it in the further politicisation of decision-making processes. The bill contains five separate measures to strip away the right to appeal ministerial decisions before the Administrative Appeals Tribunal. They relate to threatened species, migratory species, marine species, whales and dolphins, and wildlife trade permits. This sets an extraordinary precedent. The appeal rights in relation to wildlife permits have existed since 1981. The checks and balances and transparency that were said to be such an integral part of the act are fast disappearing. Labor will restore that transparency. We will move amendments to repeal those sections of this amendment bill that remove the right to appeal ministerial decisions to the Administrative Appeals Tribunal.

The bill places even more power in the hands of the environment minister—a minister who has treated the act as his own political plaything. The bill allows the minister to determine annual themes through a priority assessment list for the listing of threatened species and heritage places. Once a year the minister will call for nominations of possible themes and the nominations will be considered by the scientific committee and the Australian Heritage Council. In the end, the minister will decide on the themes. He or she can remove items from the priority assessment list and only needs to notify the nominee and put the decision on the internet. In proposed section 194K(3) of the bill it states:

... in exercising the power to make changes to the priority list the Minister may have regard to any matters that the Minister considers appropriate.

Just think about that extraordinary provision—placing even more power in the hands of a minister who already treats the act as his political plaything. We already know about the orange-bellied parrot, a favourite of the environment minister. Who knows what other favourite threatened species or heritage themes lurk in marginal seats around the country. We know that decisions to use the act have not been based upon science; they have been based upon politics. You see it again in section 324A(5), where, in deciding whether or not to list a place on the National
Heritage List, the minister must give regard to advice from the Australian Heritage Council but may also ‘seek and have regard to information or advice from any other source’—a Liberal party candidate perhaps or a National Party branch resolution. There has to be some appropriate scientific basis for this if the act is going to have integrity and if, at the end of the day, the environmental needs of this nation are not going to be set aside and undermined. This provision gives the minister carte blanche to seek advice from any source or make whatever decision he or she chooses. It undermines the integrity and the independence of the heritage protection regime.

Why would people be concerned about that? Let us look at when the environment minister has used the act. In June 2005, he tried to offer emergency heritage protection to allow cattle grazing in the Victorian Alpine National Park. That flew in the face of scientific evidence and advice from his own department. His department had advised the Victorian government in 2004 that cattle grazing in the Alpine National Park ‘is highly inconsistent with the sustainable protection and management of its natural heritage values’. That was the advice from the minister’s own federal department, but what did he do? He intervened to try to impose an outcome that was against heritage and protection of the natural environment.

That situation was repeated in the Pythonesque farce over the Bald Hills wind farm in Victoria. On 10 March 2006 the Department of the Environment and Heritage advised the minister to approve the Bald Hills wind farm under the act, because it found ‘no direct evidence of any impact on the orange-bellied parrot at Bald Hills’. Nonetheless, the minister blocked the $220 million project because he thought there might be one endangered theoretical parrot every 1,000 years, thus honouring a political commitment made during the federal election campaign. Given the abuse of the act for political purposes, there is a real danger in providing this minister with even greater discretion.

There is a great irony that the environment minister abuses the EPBC Act when it is in his political interests but runs a mile from it when it requires tough decision making. Just have a look at the Australian Whale Sanctuary. The act provides for the establishment of an Australian Whale Sanctuary to give formal recognition of the high level of protection and management afforded to cetaceans in Commonwealth marine areas and prescribed waters—a legally binding safe haven for whales. What has the Howard government done with these powers? Absolutely nothing. More whales than ever before have been slaughtered in the Australian Whale Sanctuary since it was established, because the government refuses to enforce its own act. In fact, the Attorney-General has taken legal action to intervene in a court case to say that the EPBC Act should not be enforced as it would ‘create a diplomatic disagreement with Japan’. Japan as a nation is a great friend of Australia, but we do have a diplomatic disagreement when it comes to the slaughtering of whales in Australian waters, and Australians want to see our laws enforced. I am appalled that the government is making it even harder for community groups, including environment groups, to protect our natural flora and fauna by stopping appeals to the Administrative Appeals Tribunal. Labor will seek to restore AAT appeal rights, and we will continue to campaign for real action to make the Australian Whale Sanctuary a true sanctuary and ensure that the slaughter is stopped for all time.

The amendments outlined in this bill represent a further backward step in the protection of Australia’s natural, cultural and Indigenous heritage. They continue the tre-
A tremendous slide in heritage protection that has occurred since 1996. Labor governments, of course, have a proud record. It was in 1973 that the Whitlam government set up the Hope royal commission into Australia’s National Estate. That led to the establishment of the Australian Heritage Commission under my friend Tom Uren. The commission was responsible for managing Australia’s Register of the National Estate. Today, that register contains over 13,000 sites of natural, cultural and Indigenous significance. Tragically, the idea of an independent heritage body is now just a memory, and this bill sounds the death knell of the Register of the National Estate. That will be phased out after five years. In the second reading, the Parliamentary Secretary to the Minister for the Environment and Heritage referred to the archiving of the Register of the National Estate. Let us be honest: the register is being abolished. The bill removes the requirement for the minister to have regard to the register when making decisions, and it will disappear after five years. We will be moving amendments to restore the Register of the National Estate and to require the minister to have regard to it when making decisions.

The Howard years have been characterised by a lack of respect for our heritage. The Radioactive Waste Management Act 2005 is another brick in the wall. Among other things, this draconian act overrode the EPBC Act and Indigenous heritage laws in establishing the site for a nuclear waste dump in the Northern Territory. The Howard government has always put its political interests ahead of the national interest. Another example is the government’s attitude to Anzac Cove. In 2003, the Prime Minister promised to protect Anzac Cove forever. He promised to make it the first listing on the National Heritage List. On 18 December 2000, the Prime Minister said:

It seems to me ... entirely appropriate that the Anzac site at Gallipoli should represent the first nomination for inclusion on the National Heritage List. And, although it’s not on Australian territory, anyone who has visited the place will know that once you go there you feel it is as Australian as the piece of land on which your home is built.

Instead of protecting Anzac Cove, we know that the Howard government requested road works which damaged the integrity of the geography of the site, which had remained largely the same for 90 years. Now the government has raised the white flag. It will no longer pursue national heritage listing for overseas sites. The bill establishes a new List of Overseas Places of Historic Significance, a symbolic measure but a pathetic, weak backdown, given the commitments that had been given by government. The much vaunted National Heritage List, the linchpin of the government’s heritage regime, really has failed to live up to the rhetoric. It is not protecting our Indigenous heritage; it is not protecting our precious national heritage.

Simon Molesworth, the head of the National Trust, has described the list as ‘abysmal’. In the last 18 months, only 26 places have been added to the list. I am pleased that Labor Party pressure has increased the number of places on the National Heritage List, but there is still only one site listed in the Northern Territory and South Australia. It is outrageous that only one of our 16 World Heritage sites is on the list. That is in spite of the fact that there was a special six-month grace period under the act in which it could happen automatically.

In Senate estimates in May 2005 the secretary of the department said:

… there was clearly a misunderstanding in the department as to the act’s meaning. That, quite frankly, is a problem. ... Our understanding of the legislation is that the legislation was not what we thought it was.
This was an extraordinary concession. The minister does not know how the legislation works, the department under the minister does not know either and yet you have 409 pages of amendments being rushed through the parliament. The Howard government have failed to address the issues of our natural environment. If they are serious, they will support Labor’s amendment, which will strengthen the act. At the moment, the EPBC Act fails to address the great environmental challenge of climate change. The Australian public will judge this bill very harshly if it is not amended, and that is why Labor will oppose this bill if it is not amended. The EPBC Act has failed when it fails to address the major issue facing Australia, leading to a plant and animal extinction crisis where 20 per cent of our species are threatened with extinction by the end of this century. We have a number of challenges before us. I commend my amendment to the House. (Time expired)

The DEPUTY SPEAKER (Hon. BC Scott)—Is the amendment seconded?

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

Mr LINDSAY (Herbert) (6.24 pm)—The EPBC Act is very important to me and to my electorate in Townsville and North Queensland. In Townsville we have the Barrier Reef lagoon, in the Great Barrier Reef Marine Park. Of course, that is World Heritage listed but we also have the World Heritage listed tropical rainforest. The interaction between the coastal plain and the reef lagoon gives rise to concerns from time to time in relation to protecting that environment. It is the EPBC Act that comes into play, when it is triggered, to make sure that that special place is protected.

The EPBC Act is also important to me because it may well be that Townsville will be the location for the new alumina refinery in Queensland called the Chalco project. Bauxite will be shipped from Cape York down to Townsville, if that is where the refinery is situated, and it will be refined in our city. Alumina refineries produce copious quantities of what is known in the industry as ‘red mud’. There is some discussion about where the refinery would be located in Townsville and I know that the coordinator general’s department of the Queensland government and the company itself is mindful that this project will trigger the EPBC Act. This act will provide protection for the Great Barrier Reef lagoon and I am very pleased to see that the community leaders in Townsville, to a person, have said that they are not—(Quorum formed) I thank my colleagues for attending. It gives me the opportunity to remind them that the Australian Labor Party intends to vote against these very sensible amendments to the Environmental Protection and Biodiversity Conservation Act.

As I was saying, community leaders in Townsville, to a person, have made it very clear that the Chalco refinery will not proceed unless it satisfies the EPBC Act. This is a vote of confidence in the act by both sides of politics, and I am very pleased to see that the act is operating as intended. The current act has been six years in operation and it has operated very successfully. But from time to time you pick up things in the act where, if there were changes introduced, it would allow a better act and a more sensible operation of the act, and that is why the government has brought these amendments to the House today. The changes basically simplify the processes in the act. They make it easier for all people who are captured by the act, but they do not in any way alter the protections that have been in the act for the last six years.

Dr Emerson—Yes, they do.

Ms George—Yes, they do.
Mr LINDSAY—There are 400 pages of amendments or changes. What sort of a point is that? What point are the Labor Party making? If you have to change the act, you have to change the act, and if you have to make minor technical amendments then you make the minor technical amendments.

Ms George—Without public consultation. No public consultation!

Mr LINDSAY—In relation to the point that is made about having no public consultation, I have seen the consultation process occur on a project on Magnetic Island in Herbert, and the process was unreasonably disgraceful. Two or three people are able to hold up sensible development that has absolutely no impact on the environment or heritage whatsoever—zero—for two years. That is obviously unreasonable, and obviously you have to do something about it. These processes today will do something about it.

In relation to the amendment that the Labor Party put up, the first part says:

(1) the bill is being rushed through the Parliament without proper consideration or consultation …

Goodness me. If the Labor Party would only act more sensibly in the operations of the parliament, it would stop having these silly quorums when we are trying to have a debate about these things, it would stop wasting the time of the House throughout the sittings of the parliament and perhaps things could be a little bit better. Then I see:

(4) the bill will increase the Howard Government’s politicisation of environment and heritage protection …

What absolute rubbish. The Environment and Heritage Legislation Amendment Bill (No. 1) 2006 is not about that at all. The Howard government implemented the most significant environmental protection that this country has ever seen. It funded the largest environmental protection program this country has ever seen. The Natural Heritage Trust has been outstandingly successful. The Labor Party’s answer to all that when the EPBC Act was first proposed was to vote against it.

The Labor Party will claim cutting red tape is just weasel words for reducing environmental protection. Nothing could be further from the truth. The Howard government is not interested in process for process’ sake. Many of the changes in the act before the parliament are relatively minor and of a machinery nature. These all add up to making the act easier to use without changing—and that is a guarantee—the very high level of basic environmental protection. Projects that are likely to have significant impact—for example, the Chalco alumina refinery—will still need rigorous approval under the EPBC Act. But this now provides for quick decisions for straightforward proposals. What is wrong with that? There are projects that trigger the EPBC Act, but these are straightforward and blind Freddy can see that there will not be any impact on the environment or the heritage. So we are reducing the number of mandatory steps and enabling decision points to be handled concurrently along the way. Of course, it provides more tailored assessment guidelines to fit the particular proposal.

I heard the member for Grayndler give an example of the government’s high-handedness in relation to the environment and heritage when he talked about the nuclear waste repository proposed for this country. Governments have to show leadership from time to time. We had all of the state governments saying, ‘Not in my backyard.’ But Australia needs a nuclear waste repository in a proper location, and that is why proper locations were determined. The member for Grayndler seemed to think that a piece of land somewhere in the desert in the Northern Territory used for a nuclear waste repository would somehow or other affect the environment and the heritage of the
place. Any reasonable Australian would know that that comment is unreasonable. We cannot have nuclear waste stored in containers in car parks in hospitals. We just cannot.

With the Labor state governments, to a person, saying, ‘No, it’s not going to be in our state,’ the federal government showed the necessary leadership and moved on.

The member for Grayndler also spoke about the Kyoto protocol. We hear the Labor Party all the time talking about the Kyoto protocol, but I remind the House that those who are part of the sensible debate on the environment know and understand that Kyoto is a slogan—it is not a solution. Signing the Kyoto protocol is an excuse for not having a proper debate at all. Sensible people in this debate know and understand that. And they know that the direction Australia is heading is a much better way than signing a protocol that is already dead in the water—a protocol that does not include the biggest polluters in the world, a protocol that would damage Australia. Of course Australia is very proud to be one of the few nations in the world that are actually meeting Kyoto targets.

These changes before the House will provide for quick decisions on straightforward proposals. They are going to reduce the number of mandatory steps in the process. They will provide greater flexibility for the process and they will enable the minister to decide that advice to other ministers under section 160 is not required. This is a good result and it is what the country needs. It is appropriate and sensible, after six years of operation of the EPBC Act, to make amendments to further streamline and improve the efficiency of the operation of the act while continuing to protect our very precious environment and heritage. I support the bill.

Dr Emerson (Rankin) (6.38 pm)—In supporting the passage of the Environment and Heritage Legislation Amendment Bill (No. 1) 2006 government members have argued that this legislation does not in any way alter the protections in the existing act. That is untrue. I want to concentrate my remarks on a particular provision in this legislation that can have profound implications for the protection of Australia’s natural and built heritage—that is, proposed section 324JJ. In essence, it says that the minister is to decide whether or not to include a place on the National Heritage List. In so doing the minister will receive advice from the Australian Heritage Council and that advice will be in the form of an assessment of the heritage values of the particular site. The minister then, under the amendments proposed in this bill, will take account of the advice of the Australian Heritage Council but, crucially, at section (5):

(b) the Minister may seek, and have regard to, information or advice from any source—
in making a decision as to whether a site will or will not enter onto the Heritage List.

Let us, as a parliament, understand what this means. The minister receives the advice from the Heritage Council. That advice, no doubt, will be well formulated by a group of experts, but in the end the minister can completely ignore that advice in making a decision on whether a property shall enter onto the register. It means that the minister can take account of anything—any information provided by anyone. It could be advice from the minister’s brother or mother. It could be advice from the minister’s newsagent or his political donor. I wonder if you can see the direction in which I am heading.

This sort of legislation has precedence. It has precedence in the Bjelke-Petersen era in Queensland. I was an adviser in Canberra to the then Prime Minister when particular destructive developments were occurring in Queensland under the Bjelke-Petersen gov-
I refer to the midnight demolitions of the Bellevue Hotel and the Cloudlands Ballroom. What the then Premier of Queensland did was effectively argue, ‘It’s all very well me being advised that these are areas of great cultural significance and have heritage values; I’m just taking into account another consideration, and that is donations by my developer mates.’ And so he did. And there was no legal remedy to those midnight demolitions.

Fast-forward 30 years and we have here, in this parliament, a piece of legislation that validates Bjelke-Petersen type behaviour—that is, the minister can receive from the Heritage Council rolled gold advice that a particular site is of wonderful, iconic heritage value in Australia and say, ‘Wow, that’s interesting but I’ve also got another piece of advice and that is that my developer friends think that this’d be a dandy place to stick a high-rise development or a golf course or some other commercial development.’

The Bjelke-Petersen era is alive and well in the Australian parliament. And we have government members coming into this place and saying that this legislation does not in any way alter the protections in the existing act! That is complete rubbish. I know that no-one on the government side will be drawing attention to this legislation. They have brought into this chamber a piece of legislation that runs to 407 pages. It has been rushed into the parliament, and government members are avishin’, ahopin’ and aprayin’ that no-one will notice this particular odious provision that empowers the minister to reject any and all heritage applications at his or her whim.

Now, let us look at some of the sites that have been nominated for the National Heritage List but have not yet been accepted. Empowered by this amendment bill, when it has passed through the parliament, the minister can, at a whim or for any other reason, reject nominations that have already been lodged under the recommendation and analysis of the Heritage Council. I thought I would download some of those nominations. I am sure that those who are listening tonight will understand the significance of some of them. I have not ranked them in iconic status, because they are ranked in alphabetical order, but they are household names. Starting with A, there is Australia Square in George Street in Sydney. If the minister considers that there is a development proposal or interest, and therefore that Australia Square does not have heritage significance, then under proposed section (5)(b) of 324JJ the minister can say, ‘All very interesting, lovely report, but it is not going on the Heritage List.’

Another area that most Australians will have some fond associations with is the Australian Antarctic Territory. Maybe it is that, after the expiry of the present agreement that there would be no mining developments in Antarctica, the minister of the day would say, ‘Well, it’s fine that the Australian Antarctic Territory seems to have heritage values, but I’m not going to recognise those values by putting the Australian Antarctic Territory on the National Heritage List.’ Similarly, the minister could knock back the Cherub’s Cave grey nurse shark habitat on Moreton Island, in Queensland. There might be a sandmining proposal that interferes with that habitat, so the minister, rather than saying, ‘Yes, I accept it’s got heritage values,’ can say: ‘I reject the notion that this has heritage values. I reject the advice of the Heritage Council, and it is not going to be recognised as having heritage values by being added to the National Heritage List.’

The City of Adelaide Historic Layout and Park Lands could receive the same treatment, as could a rather iconic piece of sand in the Great Sandy Region called Fraser Island. Most Australians would know about Fraser...
Island. But the minister, in a Howard government, can say: ‘Fraser Island does not have national heritage significance because I have decided it doesn’t. And, by the way, there are some development proposals there that I don’t want complicated, so it’s not going on the National Heritage List.’ Regarding the Great Western Tiers in Tasmania, the Greater Wilsons Promontory area, and the High Court and the National Gallery precinct here in the ACT, the minister could say, ‘I don’t see any heritage values in those whatsoever.’

The Kosciuszko National Park falls into the same category, as does Noosa National Park. Regarding the very place in which we are having this debate, Parliament House in Canberra, there would be no heritage significance if the minister decides that it has no heritage significance. Regarding Old Parliament House, the beginning of national parliament in Australia, the minister is empowered under this legislation to determine that it is not worthy of entry onto the National Heritage List. Point Cook air base falls into the same category, as does the Tarkine wilderness area, the Greater Blue Mountains area and an area in which I was born and grew up, the Warrumbungles National Park, on John Renshaw Parkway, Coonabarabran, where the Siding Spring Observatory is located. This is astonishing legislation—the minister could say that the Warrumbungles National Park and the Siding Spring Observatory have no heritage values because he has decided that they have no heritage values and are not going onto the list.

The government will argue that the minister had this capacity anyway because of the silence of the existing act. The reason that this amendment has been put in is to protect the minister’s butt, so that he can say, ‘To remove any doubt as to whether I have the capacity to knock back a heritage application, based on a whim, I am going to put into this amendment a clause which says that I can—on a whim or for whatever other reason—decide that an area does not in fact warrant listing on the heritage list.’

This is not the way to manage the issues of the economy and the environment. Fundamentally, we make an error when we talk about balancing the economy and the environment. What we need to do is integrate the economy and the environment by embracing the philosophy of ecologically sustainable development—that is, having the economy growing strongly but in an environmentally sustainable way, so that we are not visiting upon future generations the economic and environmental costs of environmental damage and ultimate clean-up. Translate the concept of ecological sustainability into this legislation, and this is how the legislation should work. The Heritage Council does a lot of serious work on an application. It comes to a view. It then makes a submission to the minister, and the minister then would not have the discretion to say, for whimsical reasons or because he has developer mates, that an area does not have heritage values. It either has heritage values or it does not have heritage values. It is not up to the minister to say, ‘It’s got economic value and therefore it doesn’t have heritage values.’

The Heritage Council in many cases may advise that an area does not have heritage values, but if the council says it does have heritage values then it should be acknowledged as an area of national heritage significance. Then we come to the management of that property. Here is where I would argue that putting something on the National Heritage List does not necessarily mean that no economic development can occur on that site. It is a matter of protecting the values. If you can preserve the values, it is not necessarily a matter of totally protecting the site. That is an important distinction.
This has historic precedent. I understand why the first bill came forward: there were real problems with the national estate heritage listing process, from the 1975 legislation all the way through the eighties and 1990s. That is, an under-resourced Australian Heritage Commission was receiving nominations to the Register of the National Estate—a different concept. It was so underresourced that it could not properly assess the applications. So, for the benefit of doubt, it was very strongly disposed to putting anything and everything on the Register of the National Estate.

This was used by people in the environment movement to try to prevent development occurring, for example, in any area of Tasmania that was on the Register of the National Estate. Their tactic was to put as many areas on the Register of the National Estate as possible. A compliant Australian Heritage Commission would agree because it did not have the resources to assess the heritage values properly. The way to manage that would have been to say—and the Hawke government did—that the government was not going to accept the argument of the environment movement that there could be no logging in a national estate area. The Hawke government, on 12 June 1986—it was one of my first duties as an adviser to the Prime Minister—put out a press release saying that the Hawke government would protect national estate values. The environment movement had wanted it to say that it would protect all national estate forests.

I understand and accept that that national estate listing process was basically flawed. Therefore there was a case for a new piece of legislation that got the listing process right and that improved the integrity of the listing process. But, having improved the integrity of the listing process, you cannot then give the minister a veto right to say that, notwithstanding the advice that something is a rolled gold piece of iconic Australian natural, built or cultural heritage, it is not going on the list because he or she has commercial reasons not to put it on the list.

Having made those points, and having made them strongly because I feel strongly about this, I will say there is no doubt that in this legislation there are ample provisions that involve extra protection or improvements to the existing legislation. The tragedy is that, through this Cloudland Bjelke-Peterson style amendment, the government is destroying any possibility of the good parts of this legislation being properly recognised; there are so many fundamentally bad parts to this legislation. The way that this should have been approached—and I understand that this legislation was developed in consultation with the states—is that it should have enjoyed a proper public consultation process so that a light could be shone on some of its most odious provisions. That would have allowed us in this democracy to argue that they be deleted and the good parts retained. But those of goodwill and who are well motivated in the bureaucracy and in the Heritage Council, and those who have a genuine interest in Australian heritage and economic development, are going to confront the situation where this bill will have a very bad reputation because it has such odious provisions included in it.

Working with the states is the way to go. The intergovernmental agreement on the environment that was reached in 1992 introduced the notion of full faith and credit. By that I mean that the Commonwealth and the states would agree on an environmental assessment process, and if that were followed rigorously by a particular state then the Commonwealth would not seek to replicate the entire process. There had been the problem of a project proponent going through a state environmental assessment process, getting a tick for that and then being confronted
by new Commonwealth environmental assessment processes that dragged out the assessment process and applied new restrictions. After a while, commercial development proponents just gave up and went away because they had been subject to a death by a thousand cuts. That is why the 1992 intergovernmental agreement on the environment was developed. It was based on the principles of ecological sustainability and applied the notion of full faith and credit. There was so much potential to do good in the bill being considered—to protect genuine cultural, built and natural heritage—but the reputation of this legislation will be badly sullied.

That brings me to my final point. The government has been in office now for 10 years. It is very difficult in looking back to think of any major environmental improvement or major environmental achievement of this government. Yes, it did put a lot of money into a National Heritage Trust, some of which no doubt was spent well and wisely, but much of it was spent in marginal and National Party seats and was not necessarily spent very wisely at all. You can hardly qualify that as a great environmental achievement. If we look at the Murray-Darling Basin system, we see that when Bob Hawke launched the environment statement Our Country Our Future in 1989 one of the big challenges was seen to be to improve the health of that system. This was symbolised by the fact that the Prime Minister launched that environment statement on the Murray River. There were a lot of dead trees on it because of waterlogging and salinity. Come forward from 1989 to 2006, and the Murray-Darling Basin system is sicker than ever because the government has not got the guts to take on the issue of water allocations and move to permanent trading in water rights.

I cannot think of any great environmental achievement of this government—and then it brings in a piece of legislation, much of which I might find had a lot of merit if I had the time to go through its 200-odd pages. But, because it has the Joh Bjelke-Petersen amendment, I will certainly be voting against this legislation. I want the Australian people to understand the significance of the power that the minister now claims for himself in this legislation: the power to knock over any application for any icon anywhere around Australia because he or his developer mates, brother, sister, mother or daughter thinks it should not go on the list. This is absurd and it is obscene. Therefore I will be strongly opposing this legislation.

Mr BROADBENT (McMillan) (6.58 pm)—I will be speaking in support of the Environment and Heritage Legislation Amendment Bill (No. 1) 2006—that is, I will be opposing the member for Rankin. I do not believe his concerns will prove to be founded in the long run, although he did show to the parliament this evening the depth of his knowledge of the history of this legislation from his former roles working for a previous government.

I support the government’s proposed amendments to the Environment Protection and Biodiversity Conservation Act 1999, or the EPBC Act, as it is generally known. In the six years since the introduction of this act, the challenges facing the Australian environment have changed. Just as the Australian environment itself has changed, experience has shown us that there are ways in which the operation of the EPBC Act can be improved to optimise its efficiency while maintaining and enhancing its environmental effectiveness. The bill proposes those improvements.

As chair of the Australian government’s environment and heritage backbench committee I have witnessed the community’s wide acceptance of the EPBC legislation and have been proud to be part of the real results
this act has had for the environment, particularly in my electorate of McMillan.

In his second reading speech, the Parliamentary Secretary to the Minister for the Environment and Heritage, the member for Flinders, explained:
The EPBC Act has established Australia’s place as a world leader in environmental legislation. The act has been acknowledged as a world-class and innovative piece of environmental legislation. It is one of the few environmental laws anywhere in the world that provides a comprehensive national approach to environmental protection and that deals with such a wide range of environment and heritage issues.

He also went on to say:
For the first time in our Federation, the EPBC Act clarified the environmental roles and responsibilities of the Australian government, and the linkages between it and the state and territory governments. The act provides mechanisms for consultation and cooperation between those governments. It puts in place a streamlined environmental assessment and approvals process in a way that is predictable, transparent and efficient, employing statutory time frames to ensure timely decision making.

As I said in my opening remarks, this bill is about efficiency—an opportunity for continuous quality improvement. The government now proposes to streamline the act with a series of amendments that will benefit the community, industry, the economy and the nation, while maintaining our strong commitment to protecting Australia’s unique and iconic natural, Indigenous and cultural heritage.

Broadly, the amendments include changes in six areas. Cutting red tape in government will reduce duplication and complexity, and improve assessment and approvals processes. Other changes will have a more significant impact on the application of the act, including providing incentives for developments to be considered earlier in the planning process, in the context of regional plans and strategic assessments. The amendments mean that quicker decisions can be made on straightforward projects, which will result in greater cost savings and efficiencies for industry, government and the community.

Another change to the EPBC Act will be the increased flexibility in setting conditions on developments. In this area, the amendments in the bill will broaden the types of conditions that can be attached to development approvals. This will allow voluntary compensatory actions and financial contributions to be made to help offset the impacts of developments in situations where impacts are unavoidable. The two areas that will interest people in my Victorian electorate of McMillan will be the increase in the certainty for community and industry and the strengthening of compliance and enforcement. I will cover those two areas in more detail later in my address.

I do not think the Howard government gets the recognition it deserves in terms of working to preserve, protect and enhance our environment and heritage. As the Minister for the Environment and Heritage said earlier this year during the budget session:
Over the past 10 years, the Howard Government has committed historic levels of funding to tackling the national challenges of natural resource management and climate change …
The Howard government has nominated a sustainable environment as one of its nine strategic priorities and has made an environmentally sustainable Australia one of its four national research priorities. This commitment has been backed up by resources, with total spending on environmental issues increasing from just $370 million in 1995-96, when the Howard government came to government, to $1.55 billion in 2006-07. Anybody would have to agree that is a major commitment. (Quorum formed)
Governments get accused of blowing their own trumpets, but I say to you that there is no shame in acknowledging the achievements we have made, like vehemently opposing commercial and scientific whaling and our commitment to pursuing an end to these practices through international forums and the Howard government’s oceans policy, the first such policy in the world, which develops regional marine plans including a system of marine protected areas. Then there is the fact that air quality in cities and urban areas has improved markedly as a result of mandatory cleaner fuel standards.

Another huge success story is the Natural Heritage Trust, the biggest and most successful environmental restoration program in Australia’s history, with $3 billion in funding helping local communities in 56 regions across Australia to clean beaches, rehabilitate coastlines, reduce erosion, improve the health of land and waterways, increase the productivity of agricultural land and protect our threatened species. It is estimated that over 800,000 Australians, mostly volunteers, have contributed to thousands of Natural Heritage Trust projects. I cannot talk highly enough of the Howard government’s approach to the environment and its encouragement of hands-on, grassroots environmental action through programs like Landcare and its on-the-farm ground support. Landcare projects providing for farmers in terms of coordination and access to funding for fencing, revegetation, erosion control and salinity reduction are to be commended.

Across my Victorian electorate of McMillan there are four highly active Landcare networks with over 30 Landcare groups. I take my hat off to the volunteers and coordinators who work tirelessly to implement Landcare projects that foster volunteerism, teamwork, local ownership and community spirit. Landcare is a living, breathing example of the effectiveness of this act and other acts that control our environment. They clarify the environmental roles and responsibilities of the Australian government and those of state and territory governments. This clarity comes through the Environment Protection and Biodiversity Conservation Act which provides a framework for the seven matters of national environmental significance for which the Australian government has particular responsibility. These are: World Heritage properties; National Heritage places; wetlands of international importance—that is, wetlands declared under the Ramsar convention—nationally listed threatened species and ecological communities; listed migratory species; the Commonwealth marine area; and nuclear actions.

In my Victorian electorate of McMillan, a very special and breathtaking place, we have a rich and varied environment. Unlike your seat, Mr Deputy Speaker Haase, McMillan sounds small, but it covers some 8,300 square kilometres of the most beautiful parts of Victoria from the Great Dividing Range in the north to Wilson’s Promontory in the south and from the eastern outskirts of Melbourne to the start of the Latrobe Valley in the east. McMillan is the gateway and the heart of Gippsland, although Minister McGauran would probably tackle me on that. The rolling hills with nearly 2,000 farms—and, yes, even though we have a vast drought across the nation—is the emerald jewel in our nation’s crown, except for parts of Queensland of course. We still need rain. Our rivers and our dams are not filled. Our catchments for our water supply for Gippsland and Melbourne are not filled. We are looking forward to that rain, because it will come first in Gippsland, I feel. Whilst our farmers are doing reasonably well, though some are starting to feel the pinch now, we still produce 20 per cent of Australia’s milk with the 2004 figures showing that Gippsland farmers hold higher equity in their
farms than the national average and continue to build their asset base. As well as farmland, McMillan is also home to the sensitive coastal regions of South Gippsland, particularly Wilson’s Promontory, a corner of my electorate that is very special to many Victorians. I share the coastline of course with the member for Gippsland and the member for Flinders, and this area is a most precious area.

Returning to the amendments that I believe will be nearer and dearer to the hearts of the residents in my electorate from the Bald Hills, Toora and Foster districts, as mentioned previously these changes will increase the certainty for the community and industry and strengthen compliance and enforcement. These communities in my electorate, without appropriate consultation or involvement, have been lumbered with one constructed wind power station and two proposed power stations. The community in and around Bald Hills and Foster deserves the right to a full public consultation process, a right removed by the Victorian Labor government. These people did not have the avenue of the local council planning processes and therefore were not able to provide evidence detailing the threat these proposed power plants and wind turbines would be to the 18 threatened bird species in the area, in particular the critically endangered orange-bellied parrot at Bald Hills and the endangered wedge-tailed eagle at Foster North.

The amendments in this bill coupled with recent court proceedings in the Federal Court and the recent community roundtable discussion to work towards a national code for wind farm installations or wind turbine installations highlight the Australian government’s desire for community consultation and involvement through the frameworks and provisions of the EPBC Act. I have been accused by the Victorian state Labor government of being ‘anti wind and anti renewable energy’ because I have stuck my neck out and worked for my communities and my constituents around Bald Hills and Foster. This is just not the case.

In fact, I applaud the Howard government’s $1 billion pledge to investigate and develop all forms of technology to combat greenhouse gas emissions, including clean coal, solar, geothermal, carbon sequestration and wind power. The Australian government wants to explore a range of technologies but not to the detriment of our endangered species or our precious coastal regions and wetlands. This is what the framework and the provisions of this act will allow.

What is important for the communities I have mentioned in my electorate is that the proposed amendments set out in this bill will provide greater opportunity for public participation. The amendments will provide more appropriate mechanisms for community participation to be considered and acted upon by the government. The government is not removing any appeal rights in relation to judicial review. Anyone affected by a particular decision will still be able to appeal that decision under the Administrative Decisions (Judicial Review) Act. The extended standing provisions of the EPBC Act continue to apply.

With regard to the repeal of the provision, ‘No undertakings as to damages for interim injunctions,’ this merely brings the EPBC Act into line with other Commonwealth legislation. This means that the Federal Court will have the discretion to require an applicant for an injunction to give an undertaking as to damages as a condition of granting an interim injunction. It is appropriate for the courts to be making these decisions rather than for them to be prescribed in legislation. The ability to appeal administrative decisions of public servants is an important right. This ability is being preserved.
The Administrative Appeals Tribunal will have the same jurisdiction as now in relation to any decisions made by public servants as delegates of the minister. However, many of the decisions taken under the act require careful balancing of competing interests and judgements.

The Australian government considers that, where these decisions are sufficiently important to be taken by the minister as an elected representative, those judgement calls should not be able to be overturned by an unelected tribunal such as the Administrative Appeals Tribunal. Of course under these proposed changes appeals through the Administrative Decisions (Judicial Review) Act will continue to apply to wildlife decisions under the EPBC Act, whether taken by the minister or his delegate. This provision is important as it ensures the minister has made his decision appropriately. But, ultimately and rightly, as an elected representative it is a decision the minister makes, not a judge. Changes proposed by this bill limit the use of the Administrative Appeals Tribunal where it is more appropriate for an elected member of parliament to make the decision than a judge.

In closing, I reiterate that the changes to the EPBC Act proposed by this bill will ensure matters of national environmental significance continue to receive the highest possible level of protection. They will cut red tape and enable quicker and more strategic action to be taken on emerging environmental issues. They will make environmental decision making more efficient and cost-effective. They will provide greater certainty for industry while, at the same time, strengthening compliance with and the enforcement of the Environment Protection and Biodiversity Conservation Act. They will make regional decision making with its better strategic framework a priority and increase the general understanding of the processes and mechanisms of the EPBC Act.

The bill will build on the substantial environment and heritage gains so far achieved under this act and by the Howard government and will provide the framework for Australia to move forward in the 21st century. The proposed changes will strengthen the act’s environmental protection regime and increase its effectiveness by facilitating more strategic approaches while at the same time reducing the extent to which the act is process driven in a non-productive manner. I commend the bill to the House.

Mr GARRETT (Kingsford Smith) (7.18 pm)—This legislation, which has been rushed into the House, that we are debating today will be opposed by the Labor Party, particularly if the amendments that we will move are not carried. The Environment and Heritage Legislation Amendment Bill (No. 1) 2006 probably represents in the clearest possible way the approach the government is going to take to the protection of the environment in relation to a number of proposals for development and a number of proposals for speeding up development approvals. This includes the analysis and consideration of the existing EPBC Act that certain parties around the Commonwealth have represented to the government as standing in the way of them being able to conduct their business. But the critical question is whether or not this legislation will serve to better enhance the protection of Australia’s environment.

There is a glaring omission in the legislation that has been brought into the House: it does not contain any measure in relation to climate change. There has been a long debate in the community amongst scientists and conservationists and it is a debate which has come into the House over a period of time. It is a debate that was current when the first tranche of EPBC legislation was being considered in relation to what ought to be the appropriate triggers for the environment minister to have to take note of regarding an ac-
tion under the act. At the time, it was felt that there ought to be a greenhouse trigger because there were clear signs that what are described as anthropogenic activities—the activities of humans, whether it is using motor vehicles, power stations or a whole range of other different activities—were contributing in significant ways to the possibility of an emerging pattern of global warming. Even though the science at that particular point in time was less complete than it is now, there were sufficient reasons for the government to consider whether or not the greenhouse trigger should have been included in the original EPBC Act—but it was not.

A number of years later, in 2006, the signs of global warming are clear and apparent wherever we look. Each and every day brings more media reports, scientific analysis and evidence that global warming is upon us and that it produces a number of significant risks—risks to endangered species, risks to natural landscapes and risks to the viability of our inland river systems.

For an example, I picked a news clipping at random. It is from the *Sydney Morning Herald* on Wednesday, 30 August 2006: ‘Fears over speed of glacial meltdown’. We often talk about the likely impact of global warming on the Antarctic and Arctic regions. The article points to the impact of global warming on the Andean glaciers in South America. Amongst other things, it says: The rate of glacier retreat has shocked scientists, says a report on the effects of global warming in Latin America... Their study says climate change is accelerating the deglaciation phenomenon. The report went on to point out: The last two hurricane seasons in the Caribbean rim—to the north of the Andes—caused $US12 billion... damage to countries other than the US. Climate change models predict more rainfall in eastern South America and less in central and southern Chile with a likelihood of greater and opposite extremes. The 2005 drought in the Amazon basin was probably the worst since records began.

That sounds very familiar to me. It is a consistent pattern that we are experiencing in the global climate and it is clearly a consequence of the increasing emissions into the atmosphere of greenhouse gases. If there were any environmental issue of significance that the national government should be addressing it is this: the prospects of the impact of climate change on our economy, our ecology and our future. Yet there is nothing in this legislation at all. That is a glaring omission and I urge the minister and the government to consider the amendments that Labor is bringing in which would make sure that there was effectively consideration of climate change in the assessment of developments that come to the minister under the EPBC Act.

This bill has some 400 pages of amendments. It is complex and being viewed with real concern by conservation organisations and by those who have a legal background and some knowledge of the way in which the approvals process has hitherto worked under the EPBC Act. I note in particular that the Worldwide Fund for Nature and the Humane Society International have both spoken out quite strongly about their concerns for the deficiencies that exist in this legislation. Both of those organisations have a record of working constructively with the government—a record, I think, of analysing in a sober and prudent way legislation of an environmental kind that comes into this House. Yet they say very clearly that there are a number of features of this legislation which gives them concern. Andreas Glanzing, the senior policy adviser for WWF, says: HSI and WWF-Australia are alarmed by the proposed changes and the potential for the Minister to politicise what should be an objective scientific process.
Why would these organisations have concerns of that kind? Perhaps one reason is that we first learnt about this bill when we read in the *Australian*, in a Denis Shanahan article, that new legislation was going to come into the House to speed up and expedite the decision-making process in relation to projects which would fall under the EPBC Act. The Burrup Peninsula in particular was slated as one of the possible developments which would benefit from legislation of this kind. As it turns out, the Burrup Peninsula is an area that has been identified as having great cultural importance and natural heritage values as well. The assessment and understanding of those values must balance the development needs and proposals that are intended for the Burrup with the need to adequately protect the world’s largest collection of intact rock art and petroglyphs. That is a threshold issue for both the Western Australian and the federal government. On the basis of the legislation that is being introduced into the House, the government is now finding itself in a position of having to respond.

We have seen a number of pieces of legislation come into this place over the past week which have been rushed through this House. Yet this is another piece which is great in its complexity, which has emerged virtually out of nowhere and which contains a number of particular and specific provisions which are worrying not only for those of us in the House, as we look at it and assess and analyse what we think the government is doing with legislation of this kind, but also for those interest groups who represent the community interest and want to see the environment substantially protected. Of real and critical importance are the concerns that the bill abolishes the right to appeal ministerial decisions relating to the protection of whales and dolphins, threatened species and other wildlife. It is very clear that there are a number of amending provisions which remove the right of review of ministerial decisions by the Administrative Appeals Tribunal.

The basis on which legislation of this kind as constituted in the original EPBC Act passed the parliament was that the minister’s decisions could be subject to review. There are a number of decisions that ministers for the environment have made in the past and are likely to make in the future which require that review. That review is very necessary not only for the adequacy of the decision-making process but also to ensure that people have confidence, particularly when areas of natural significance and environmental importance are being considered by the minister.

In particular, I note that affected decisions in terms of the ministerial review are decisions to issue or refuse a permit; to specify, vary or revoke a condition; to impose a further condition on a permit; to transfer or refuse to transfer a permit; and to suspend or cancel a permit in relation to a listed threatened species or ecological community. The government’s poor environment record is at its starkest when the minister actually has to make decisions and take into account the likely impact of a development on something like a threatened species or ecological community. Yet there has been a removal of the right of review by this legislation. That is why we feel so strongly in the House that the amendments we are bringing in need to be given full support by the government.

Debate interrupted.

**ADJOURNMENT**

The **DEPUTY SPEAKER** (Hon. IR Causley)—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.
Drought

Ms KING (Ballarat) (7.30 pm)—For much of the past decade regional Australia has been gripped by drought. The drought has crippled regional communities across Australia not just this week or this month or this year; we have been in severe drought conditions for almost a decade. But if you were listening to the Prime Minister last week or paying attention to the media you would have thought that the drought had just suddenly occurred. It certainly seemed to have just occurred to the Prime Minister. Hello, Prime Minister! We did not need you to tell us there is a drought, because I am, and people like me are, living in it.

Over the past few days we have seen the Prime Minister in the media empathising with farmers left devastated by the drought—saying that the government has not forgotten them and that it will stand right by their side because they are ‘an important part of the national psyche’. While I absolutely support extra funding for struggling farmers, the Howard government has provided a short-term fix and failed to secure the long-term future of Australia’s important farming industry. The long-term future of our farming industry rests on our governments, state and federal, working towards solving complex environmental problems. No amount of money will make it rain, no amount of money will reduce greenhouse gas emissions and no amount of money will reverse global warming. I say to the Prime Minister: with almost a decade of drought conditions in Australia it is time to wake up. To borrow a phrase from former President Clinton, it is time to acknowledge that this is not just a one-off drought, ‘It’s climate change, stupid.’

Complex environmental problems such as drought, increased bushfire risk and loss of biodiversity will certainly continue if the Howard government fails to commit to reduce Australia’s greenhouse gas emissions, develop a sustainable renewable energy industry and market and assist our coal industry to develop more environmentally sustainable operations. Prolonged and intense droughts such as the one our farmers are currently battling will continue if the Howard government continues to ignore international scientific experts.

The cost of global warming is already mounting. Drought is estimated to cost $8.1 billion in lost farm production, and taxpayer funded drought assistance to farmers is likely to top $500 million. The reality is that if the federal government does not address global warming much of our agricultural sector will have no future. Recent CSIRO research suggests that eastern, south-eastern and south-western Australia are heading for drier winters and springs, just when farmers most need rain. CSIRO reports have documented the consequences in our region of a two-degree increase in temperatures by 2030. By 2070, average annual rainfall in these seasons could be 35 per cent lower in south-east Australia and as much as 60 per cent lower in the wheat belt of Western Australia. Flows in the Yarra have fallen 29 per cent over the past 10 years; Geelong’s main water supply, the Barwon, has fallen by 34 per cent; and Ballarat’s main source has fallen a staggering 60 per cent. If anyone still believes global warming is not already affecting our environment, they have their head well and truly in the sand.

As things stand, the Howard government’s climate change policy is a farce. There is no national climate change action plan and there are no time lines, no targets and no real policies to significantly reduce greenhouse pollution or slow energy demand. The government’s renewable energy policy is a joke and cannot even be described as a token commitment. While I welcome the funding increase announced for farmers, if the govern-
ment thinks it has done nearly enough it is gravely mistaken.

In addition to the broader issue of climate change, there are also pertinent and ongoing issues surrounding the amount of red tape and planning, which are hindering struggling farmers from accessing urgent EC funding. Take the examples of Gordon and Ballan in my electorate. They are both considered to be EC drought declared areas, but if you travel just 50 kilometres to Snake Valley, Beaufort or Learmonth the farmers are not so lucky. They have been unable to get their areas EC declared, despite receiving exactly the same levels of rainfall and having the same pressures as the farmers in Gordon and Ballan. I know that farmers who are on the other side of that line are still doing it tough; they still sit around the kitchen table at night wondering how they are going to pay the bills and buy stock feed—if they can actually access any.

It is all very well for the Prime Minister to say he stands by farmers, but if the system that has been established means it is difficult for areas to be EC declared, or if accessing EC assistance means too much red tape or few farmers eligible to actually access it, the Prime Minister’s words are just that—words. I go back to the point I made at the start of this adjournment debate: the Prime Minister’s sudden discovery of drought beggars belief. Yes, Prime Minister, we are in drought, but it is climate change.

The first MDG that I would like to comment on relates to the eradication of extreme poverty and hunger. Indeed, the first MDG has two aims: to reduce by half the number of people living on less than a dollar a day—a mind-boggling concept to us that people should live on such a small amount—and to reduce by half the proportion of people who suffer from hunger. I think it is almost certainly the case that at no time in recent history has global production of carbohydrate and protein needs slipped below the absolute minimum needed to ensure that all of humanity enjoys an adequate diet; yet one-third of global deaths—some 18 million people a year or 50,000 per day—are due to poverty related causes. The majority are women and children. It is estimated that 852 million people go to bed hungry every day, up from 842 million a year ago, and 300 million of them are children. Amazingly and distressingly, every 3.6 seconds another person dies of starvation and the large majority are children under the age of five.

The second MDG that I would like to refer to relates to education. I think all of us in this place—we talk about it often enough—would recognise the value of education. It is particularly important that it be carefully designed and that it be designed in ways that seek to raise not just numeracy and literacy but also skills and wisdom. I would make
that point at the outset. There is no doubt that there are urgent needs right around the globe, in Third World countries in particular, to raise the educational opportunities that are made available to children if those children are to achieve better outcomes and, indeed, if the nations that they live in are to develop economically and socially. It is predicted that only 72 per cent of countries in our region will achieve the objectives of the second MGG on universal primary education by 2015. Countries lagging behind include Papua New Guinea, Laos, Nauru and Vanuatu. In fact, one in four adults in developing countries are illiterate. That is 872 million people and 75 per cent of them are women.

The seventh MDG goes to the heart of environmental sustainability. We have been talking a lot about water. The reality is that water is becoming a huge issue for humanity and one that is particularly pertinent in the Third World. Our problems pale into insignificance when we realise that 2.5 billion people across the globe do not have access to improved sanitation and 1.2 billion people do not have access to an improved source of water. 2.2 million people in developing countries, most of them children, die every year from diseases associated with a lack of access to safe drinking water, inadequate sanitation and poor hygiene.

Let me come very briefly to the final, or eighth, MDG that I want to touch on tonight—a global partnership for development. Australia has committed to this. It is about open and fair trade. It is about helping countries develop decent governance models that will deliver fairness, justice, equity, education and economic outcomes for their people. It is about addressing the special needs of landlocked and small island states. It is about doing something serious where it is appropriate and wise to do so on debt reduction. We as a nation, I think, have individually shown great compassion for those who are less fortunate. We as a nation now collectively need to do more and I urge that we do so. (Time expired)

Liberal Party: New South Wales Division

Mr PRICE (Chifley) (7.40 pm)—On the weekend the state member for Hawkesbury, Stephen Pringle, was another victim of the extreme right-wing takeover of the New South Wales division of the Liberal Party—a member in his first term in parliament. It is the second contest in two months where a marauding extreme right wing has ridden roughshod over the branch membership and opposition leader Peter Debnam to install a candidate of its choosing. Last month, the Prime Minister’s friend Pru Goward was rejected in Epping, notwithstanding the fact that Mr Debnam asked her to contest the preselection. Ethnic branch stacking on a grand scale meant that Pru Goward could not win, even with Mr Debnam’s backing. Last month Mr Debnam declared:

All the sitting MPs have my total support and I’m working for them.

It appeared Mr Pringle had Mr Debnam’s support. He wrote a reference for his parliamentary colleague and telephoned presselectors on his behalf. Like in Epping, his apparent support counted for nothing. I say ‘apparent’ because Mr Pringle is not so sure that the support was genuine. In Mr Pringle’s words, the result of the Hawkesbury preselection shows one of two things, that Mr Debnam is either ‘lying or impotent’. Whichever is true, he says with some justification:

It does raise questions as to who is actually in charge of the party.

In the lead-up to the Epping ballot, operatives acting under the direction of the extreme right-wing powerbroker David Clarke stacked 130 members of the Lebanese Maronite community into the Cherrybrook branch. For the Hawkesbury contest, branch
stacking was organised on an even grander scale. About 500 people were stacked into the Beaumont Hills branch to guarantee the preselection result. Once again, most of the extreme right-wing stacks were members of the Lebanese Maronite community. Once again, extreme right-wing operative and reported bankrupt David Baynie was a key player. Mr Pringle has told the press that he never stood a chance, observing that:

The Beaumont Hills branch was very difficult to counter when there were a large number of people with the same family name involved.

He says that he rang large numbers of preselectors and that:

... they had absolutely no idea what I was talking about. They had no idea about the preselection, no idea about the Liberal Party.

It is not just the moderates who are concerned about the outcome of this preselection contest. The Australian Hotels Association expressed its concern about the ‘radical and bizarre views’ of the extreme right-wing candidate. It is clear that the agenda of the extreme right-wing powerbroker David Clarke did not start at Epping and has not ended at Hawkesbury. A party source has told the Australian Financial Review:

It is a takeover of the entire Liberal Party. John Brogden, Patricia Forsyth [were forced out], Peta Seaton has retired under pressure, Andrew Tink has left. Pringle was the next in line.

The extreme right-wing takeover of the New South Wales Liberal Party has been long in planning and brutal in execution.

Seventeen months ago, the secretary of the Hawkesbury branch warned the Director of the New South Wales Liberal Party:

... the Clarke faction is signing up members from the far right in order to frustrate and unseat a sitting Liberal member.

The warning was prescient. It was ignored. Other moderates are now in the sights of the extreme right wing. It is clear that Senator Marise Payne will soon join Stephen Pringle on the roster of moderates being brought undone by extreme right-wing thuggery. I understand that the head of Bruce Baird, the member for Cook, is now on the chopping block. I have worked closely with Senator Payne and the member for Cook on the Joint Standing Committee on Foreign Affairs, Defence and Trade. I have had a regard for both of them and can vouch for their contribution.

No doubt if they had not been New South Wales moderate Liberals they would have been ministers and, in the case of the member for Cook, as a former Deputy Premier, the Speaker. The state leader, a good chunk of the state party and even members of this parliament are living in fear of right-wing extremists that have, sadly, taken over the New South Wales division of the Liberal Party. It is time the Prime Minister took on the extremists that want to expunge the last vestiges of liberalism from the New South Wales Liberal Party.

Carindale Brook and Carindale Court
Innovative Care Centres

Mr VASTA (Bonner) (7.44 pm)—

Carindale Brook and Carindale Court innovative care centres are two aged care facilities within Bonner that constitute Queensland Rehabilitation Services. The centres provide an outstanding level of care to residents, and director Mr Mario Casagrande is committed to offering a wide range of services that cultivate the wellbeing of residents. Mr Casagrande works tirelessly to ensure that a superior standard of care and administration is consistently provided within each centre, and his passion for developing the aged care industry has proved a great asset to Queensland. I commend Mr Casagrande. Furthermore, I believe that both state and federal governments can learn much from the experience and innovation he brings to this industry.
It is commonly known that our ageing population is on the increase, and one of the many implications is the ever-increasing demand for aged care services and facilities. It is important, therefore, that smaller operators, such as Carindale Brook and Carindale Court, be encouraged and assisted to grow so that this increasing demand can be met with quality service. Mr Casagrande is committed to this future growth and planning. Furthermore, he is committed to finding innovative ways for the Australian aged care industry to grow and improve.

In recent months, Carindale Brook has engaged in discussions and visitations with key health professionals within Japan, namely Dr Jitsuhiro Yamada, who is not only Director of Kizawa Memorial Hospital in Minokamo City but also owner of aged care facilities within the Jikeikai Nursing Group. These Japanese facilities are impressively modern, and the level of service offered to residents is second to none. In all aspects of their care, residents are offered and afforded opportunities to live and live well in their older age. Physiotherapists and diversionary therapists, as well as activities-style officers, operate daily and consistently, utilising equipment aimed at keeping residents active, mobile and entertained. Facilities within the Jikeikai Group also offer a day service to elderly and disabled members of the community who are still competent enough to live at home. A mini shuttle bus, owned by the facility, operates to transport these people from their homes to the facilities and is utilised for residents’ day trips and outings. Management are committed to both the ongoing education of staff and the utilisation of the most advanced and efficient equipment and techniques. These are but a few of the examples of the quality of service that Carindale Brook has identified as clearly distinguishing Japanese facilities.

Mr Casagrande has worked closely with an experienced colleague, Mr Russell Darby, in liaising with Dr Yamada and a number of the Japanese health professionals. As a result of these meetings and discussions, an exciting proposal has emerged that could ultimately be of significant benefit to Queensland and, in fact, the Australian aged care industry. This proposal outlines the establishment of an exchange relationship between nurses and management staff within Japan and Australia. Furthermore, it is proposed that Dr Yamada visit Australia in November or December this year with the intention of signing a friendly agreement with Carindale Brook in Bonner. It is hoped that, whilst in Australia, Dr Yamada will be given the opportunity to visit both facilities within the Queensland Rehabilitation Services and personally meet with director Mario Casagrande and the care managers from each facility. Through this personal interaction and assessment it is hoped that Dr Yamada will subsequently enter into a friendly relationship agreement with Carindale Brook. It will be through these friendly relationships and exchange of staff, experience, and industry knowledge that Carindale Brook and Carindale Court centres will further develop innovative ways of caring for our elderly. It is through this transfer of ideas and practical skill that Mr Casagrande believes small operators can grow and offer the quality of service that Australian aged-care residents deserve.

This proposal and upcoming agreement has my full support, and I congratulate Mr Casagrande on his vision and commitment to finding ways in which our ageing population can be better cared for. It is my hope that Carindale Brook’s relationship and exchange with Japan will inspire other aged-care facilities to promote similar relations. I believe this is a proposal that should be embraced by government and recognised for the innova-
Prime Minister's Prize for Excellence in Science Teaching in Primary Schools

Mr ADAMS (Lyons) (7.49 pm)—I want to start by congratulating one of the teachers in a school in my constituency for a very special, significant award won this week. Ms Marjorie Colvill from Perth Primary School won the Prime Minister’s Prize for Excellence in Science Teaching in Primary Schools, a prize with $50,000 attached to it. Perth Primary School, which is just across the road from my office, has a wonderful teaching body, wonderful students who wave to me—and I wave to them quite often—and a great supportive parent body.

The notification of an award suggested that it had been given on the basis that 30 years of science teaching had given Ms Colvill a clear idea of the perfect science class, one in which students set up their own investigations and make their own discoveries. It was truly a remarkable achievement when you think of all the primary school teachers around Australia who would have been considered for such a distinction. I am sure that the children she teaches will be very proud that they have also been part of this exciting award. After all, there are obviously generations of primary school children who have benefited from the interest Ms Colvill has given them. By motivating the children to undertake to solve problems they come up with themselves, they will remember the difficulties and the results much more easily.

I am particularly pleased for her, as I believe that science is not always readily available to primary school children. In fact, a quick look at the literature shows that there is a wealth of anecdotal evidence and some published studies which indicate that, in the majority of primary schools, science is taught infrequently and often not at all. It was noted in the study that primary teachers often are not confident in their ability to teach science and may tacitly avoid teaching it.

So I know that those children who have been lucky enough to be given the opportunity to explore simple science in all its forms at a young age are likely to be the ones that make the breakthroughs in research in later years. So Ms Colvill is giving them something very precious, and her interest will start to help science to become a popular subject again in secondary schools, and onwards into the tertiary areas. I believe she is making an enormous contribution to our society while helping to further raise the profile of science and science teaching in Australia, so necessary to improve our skill levels. I know that the interest in science in all its fields is lacking in both primary and secondary schools. There are more exciting topics to study, such as IT and various arts subjects; science is seen as being too nerdy and kids are not relating to it. This is translating into shortages in our skill level once students get to the workforce.

This is being backed up by some of the tertiary institutions. There was a plea in June by the Australian Academy of Technological Sciences and Engineering for more engineers, for greater emphasis on engineering education and for an overhaul of how engineering education is designed and delivered to maintain our international competitiveness and standard of living. They have criticised the low spending on science and engineering education and industry based research and development which they believe threatens the nation’s ability to achieve sustainable, internationally competitive positions in world markets. They believe that if we do not get into engineering and science studies we will continue to have a lack of professionals in these fields.
Dr Peter Farrell who is the Chairman and CEO of ResMed Inc said:

In essence, advanced societies require innovation to survive and prosper over the long term. Furthermore innovation is invariably based on technology and although the individuals who drive innovation are entrepreneurs, those who make the best entrepreneurs are people with a basic training in engineering.

So, if just one of those children from the classes of Ms Colvill comes up with an idea in later years that is innovative and marketable, I believe that it would be because of the interest and encouragement shown by a teacher whilst still in primary school.

**Tarkine Development Plan**

Mr BAKER (Braddon) (7.54 pm)—I rise this evening to speak about a unique part of Australia in my electorate of Braddon. Covering a vast area of Tasmania’s north-west hinterland, the area known as the Tarkine is regarded as Australia’s largest temperate rainforest and is of significant environmental and heritage value. Through the Tasmanian Community Forest Agreement, the Australian government has already acted to protect this area.

The Tarkine is one of north-west Tasmania’s greatest natural assets and represents a significant drawcard for future tourism in the region. The area is becoming increasingly well known nationally and internationally, and holds a great, untapped potential. In the not too distant future, I believe people will speak of the Tarkine in the same vein as they now speak of Cradle Mountain and the great Gordon River.

If we are to further develop tourism as a strong and viable industry in Tasmania’s north-west then it is important that we manage our natural attractions in a responsible and sustainable manner. The Cradle Coast Authority, which is our regional development body, has been working through an extensive consultation process with the local community and other stakeholders to produce a Tarkine Development Plan. The plan provides an opportunity to develop partnerships between key stakeholders in the region to protect the unique environmental values of the Tarkine whilst also looking at ways of appropriately developing its tourism potential. It is hoped that the Tarkine Development Plan will provide a blueprint for tourism development in this unique area.

The Howard government has provided the impetus for developing the Tarkine as a tourist attraction. On 8 September 2006 I had the privilege of announcing $200,000 in Australian government funding under the Howard government’s Tourism and Conservation Initiative, to help fast-track the Cradle Coast Authority’s work on the Tarkine Development Plan.

I must thank the Minister for Tourism, the Hon. Fran Bailey, who is a regular visitor to my electorate, for her assistance in securing this funding. I would like to acknowledge the Cradle Coast Authority, especially the executive chairman, Roger Jaensch, and the Regional Tourism Development Manager, Ian Waller, for their vision and work on this important project.

It was fitting that we were able to secure this grant in time for it to be announced at the 2006 Cradle Coast tourism forum, ‘Capturing the edge’, held at Smithton on 7 and 8 September 2006. This forum was attended by a wide range of stakeholders from throughout the north-west of Tasmania including tourist and associated industries and local councils. Along with the Tarkine Development Plan, a new brand for the region was also unveiled. ‘Tasmania’s north-west—where will the stories take you?’ has been adopted as the slogan for our new tourism marketing strategy. Supported by all nine local councils in the greater north-west and
west coast region, and by Tourism Tasmania, the strategy will focus on telling the remarkable cultural and heritage stories of the north-west.

I fully support the decision to feature Tasmania’s north-west in the marketing of our region and I note this has been particularly welcomed by local tourist operators. Regrettably, the tourism industry in my electorate has had a few major setbacks over the past year. However, in the true spirit of the people of the north-west, rather than dwell on these setbacks, the industry is looking to move forward in a positive way. The assistance of the Howard government in these endeavours is greatly appreciated by all involved.

I am sure, Mr Deputy Speaker, that not only you but all the members of the House will be hearing much more about what Tasmania’s superb north-west, particularly the magnificent Tarkine area, has to offer to visitors in terms of tourism in the future not only from Tasmania, not only from Australia but from overseas.

Question agreed to.

House adjourned at 7.59 pm

NOTICES

The following notices were given:

Mr Ruddock to present a bill for an act to amend the Copyright Act 1968, and for related purposes. (Copyright Amendment Bill 2006)

Mr McGauran to present a bill for an act to amend the Telecommunications Act 1997, and for related purposes. (Telecommunications Amendment (Integrated Public Number Database) Bill 2006)

Mr McGauran to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Proposed fit-out of new leased premises for the Department of Employment and Workplace Relations at Workplace Relations at Brindabella Park, Australian Capital Territory.

Mr McGauran to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Development of canine kennelling and training facilities for the Australian Federal Police at Majura, Australian Capital Territory.

Mr McGauran to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Provision of facilities for Project Single LEAP—Phase 1.

Mr Lloyd to move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for work in the Parliamentary Zone which was presented to the House on 18 October 2006, namely: refurbishment works to the podium that surrounds the National Library of Australia.

Mr Lloyd to move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for work in the Parliamentary Zone which was presented to the House on 18 October 2006, namely: Temporary car-park replacement, Section 57, Parkes.

Mr Johnson to move:

That the House supports the Australian Government’s policy of:

(1) remaining unequivocally committed to the Iraqi people’s aspirations to be a democratic and free society, with the continuing presence of Australian Defence Force personnel; and
standing completely resolute against non-state actors determined to commit (directly or indirectly) acts of terror and violence against free peoples and free societies. (Notice given 18 October 2006.)
Skilled Migration

Mr RIPOLL (Oxley) (9.41 am)—Today I want to raise a very disturbing incident that has taken place in the last couple of days. We all heard in the parliament about the issue of the 40 Filipino workers working for Dartbridge Engineering in my electorate. This is not a case of exploitation of the 457 visa system; this is a case of exploitation of workers. This is what has been happening. Yesterday’s revelation was that these workers were being abused by Dartbridge Engineering at Carole Park. As I said, it is not an abuse of the system, because it is exactly what the government intended the system to be used for. The government have changed the system. They have changed the industrial relations legislation to allow for lower wages, a dumbing down of skills and a lowering of conditions. It is being used, in concert with the changes to the 457 skilled visa program—which can in itself be a good program if it is used for the right reasons: for skills shortages, which would be fine—to exploit workers from overseas. Even worse, it is being used to exploit Australian workers.

The reality is that we have people looking for work, people who want to work, and they are being replaced by cheaper labour. It is not the fault of the Filipino workers. That is not the problem. They are good, decent people trying to earn a living and they are being conned into coming to this country by labour hire companies that charge them exorbitant fees. They make eight men pay $175 each in rent, to live in one house, and for transport. They work them long hours a day without penalty rates, without overtime, without shift allowances and without any rights. They force them to sign contracts in the Philippines, where the only part of the contract—these so-called AWAs—that they see is the signature page. They have no real comprehension of what they are being led to. They are just given a promise that they will be treated fairly in the sense that they will be paid the market rate—the minimum allowed under Australian law—of about $42,000 a year.

In reality, these people are being paid around $27,000 a year, when the going market rate in my area is around $50,000 to $60,000, even $70,000, for someone with similar skills. This is putting huge pressure on welders in my area. I warn welders in my electorate—and right across the country—‘Be very afraid of this government, because this government is replacing you with cheap welders from all around the world.’

Mr RIPOLL—You cannot get welders, but you can get them for a lot less if you get them from overseas. That is not replacing a skills shortage; that is driving down wages. I am going to be asking the welders of my electorate and the Liberal electorate of Blair to come forward and tell me their stories and tell me whether they are looking for work. This is not the only company doing this. The people who are being replaced by these workers are finding that they cannot compete on wages and they never will. (Time expired)
Mr ANTHONY SMITH (Casey) (9.43 am)—For the second day in a row in the House of Representatives we have seen the Leader of the Opposition, once again, babble and bluster as he tries to avoid the terrible consequences of his irresponsible, pathetic and weak policy on Iraq. We see babble and bluster as Labor refuse to acknowledge the consequences of their policy which, if followed by our allies, would see Iraq descend back into the hands of Saddam Hussein; would see people who have suffered for generations, now trying to build a democracy, return to the very state they only dreamed of escaping.

The Leader of the Opposition and the member for Griffith, for two days in a row, have now refused to address the consequences of their weak and pathetic policy. Earlier last year we saw for the first time elections in Iraq. We saw people confound the sceptics and stampede to ballot boxes in numbers nobody predicted. They did so with terrorists threatening to kill and maim them, and some threats were delivered. We saw people prepared to take the risk to help build a new democracy.

I would like to remind those opposite of just some of the news footage of the time and of some of what was said by the people of Iraq as they began building their new democracy—people like the Kurdish woman who said, ‘This is the happiest day of my life,’ the man who said, ‘We just want to live like all other people, like all other human beings,’ and the other Iraqi who said, ‘Voting is a very good feeling—we want sovereignty and we want to get rid of injustice.’ What about the slogan painted on the wall in Baghdad, ‘Don’t live in fear’? What about that wonderful story that we saw on our TV screens of a 94-year-old Iraqi woman, demanding to vote, being wheeled by her family to a polling booth in a wheelbarrow?

I would like those members opposite who profess to believe in freedom to tell those people what their policy really is. Members opposite would just walk away. They would leave Iraq to descend. They would hand it over to the terrorists. We hear precious little from those opposite. They would just turn a blind eye and allow the very people who suffered at the hands of Saddam Hussein to suffer in the future. What do they say to those families who had members killed by Saddam Hussein and now see that he has fallen, with just the chance of a democracy in Iraq? But those opposite will sit silently by while the Leader of the Opposition adopts Mark Latham’s policy. *(Time expired)*

**Antisiphoning List**

Ms OWENS (Parramatta) (9.46 am)—In recent weeks my office has been inundated with emails and letters from constituents concerned about the government’s proposed change to antisiphoning laws. Labor introduced the antisiphoning regime in 1992 to prevent events that had traditionally been shown on free-to-air television from migrating exclusively to pay TV. The current list covers events in 11 sports, as well as the Olympics and Commonwealth Games, and iconic events such as the Melbourne Cup, the Australian Open tennis, the AFL and NRL grand finals and Ashes Test cricket matches.

Not everyone in my community can afford pay TV, and my constituents believe that all Australians should have access to these major events. Antisiphoning laws ensure that sport is accessible to all. Pay TV is quite understandably arguing its case to access sporting events that free-to-air television does not show. It calls it ‘use it or lose it’. I do have some sympathy for
this view, and I understand the point it is making. But this minister’s early target is a sport which has been available and which has been well covered by SBS, and that sport is soccer.

Every soccer fan will appreciate the support that SBS has given to the sport over many years, and we all remember the enthusiasm of the Australian public for the Socceroos’ tilt at the World Cup this year. But, thanks to this government, the Australian public and Australian soccer fans will not see the Socceroos’ qualifying games on free-to-air television again. Games in qualifying rounds used to be protected on an ad hoc basis, despite the ongoing calls of the Australian Broadcasting Authority that they be properly protected through the antisiphoning list. The ABA recommended to the government that each international soccer match involving the senior Australian representative team and the senior representative team of another country be protected. But the government saw it another way and we now see the result.

Soccer is a sport for everyone. Around my electorate there are 35,000 registered soccer players, compared, for example, to 7,000 registered AFL players. This is a huge sport in my community, and both audiences and players come from some of the poorest groups in our community. You can watch the kids as they arrive from Somalia and the refugee camps in the Sudan with exceptional soccer skills. They may not have had a soccer field but they had a soccer ball, and they play with great skill. Go and see our local soccer clubs and you will see people from every group in our community, regardless of income level and regardless of background. It is a genuine community sport loved by people right across my electorate.

The Minister for Communications, Information Technology and the Arts, Senator Coonan, has ignored advice from the ABA to protect Socceroos’ matches by the use of antisiphoning legislation and allowed all World Cup qualifying rounds to be bought up by subscription television—and in doing so has put them out of reach of thousands of soccer fans in my electorate. Senator Coonan has stated that the antisiphoning laws are there to protect events of national importance or cultural significance. Her decision shows that she thinks soccer is not such an event. (Time expired)

Breast Cancer

Mrs MAY (McPherson) (9.49 am)—Breast cancer is the most common invasive cancer diagnosed in females in Australia, but it is rare in males. It is also the leading cause of cancer death in females. In Australia, more than half of all breast cancers are found by a woman or her doctor after noticing a change in the breast. Each year in Queensland, more than 2,200 women are diagnosed with breast cancer and more than 430 women die of the disease. The Queensland Cancer Fund recommends that, from 50 years of age onwards, women should have a mammogram every two years. Screening mammography is the best method available for detecting breast cancer early, with routine screening reducing the risk of dying from the disease by 25 per cent. All women, regardless of their age, should consult a doctor if they become aware of any unusual changes in their breasts.

In support of raising awareness of breast cancer, all Gold Coasters were encouraged to honour those whose lives have been touched by breast cancer by taking part in the Pink Walk around the Glades golf course to mark the official launch of Pink Ribbon Day on the Gold Coast. Pink Ribbon Day is a national day set aside to raise awareness about breast cancer—the most common cause of cancer death in Australian women. At the official launch, the Queensland Cancer Fund joined with the Glades residential and golf resort in holding a Pink Walk last Sunday, 15 October, to raise money for vital research, patient support services and
prevention and early detection programs. Gold Coast prevention and early detection coordinator Amanda Mullins said that the key objective for Pink Ribbon Day this year was to encourage women of all ages to focus on the importance of detecting breast cancer and prevention by maintaining a healthy and active life.

Last Sunday I walked with over 300 Gold Coasters to mark and recognise the significance and awareness of breast cancer in our communities. I want to congratulate John Brass and his team from the Glades golf course, who supported the walk; Gold Coast ambassador Chris Wheeldon, who walked with his fiancee, Claire; and also Mr Ray Stevens, the new member for Robina, and his wife, Ruth.

I would also like to acknowledge Mrs Kay Redshaw, who has just been named the state winner in Queensland for the 2006 Queensland Cancer Fund challenge. Mrs Redshaw raised more than $67,000 for the Queensland Cancer Fund, which will help pay for the cancer research, patient support services and education programs we so desperately need. Kay has been working in our community as a volunteer for many years, and she deserves a huge amount of credit from all Gold Coasters for the amount of funds she has raised for the Queensland Cancer Fund. Congratulations to Kay and to all those who walked last Sunday in support of breast cancer awareness.

World Poverty

Ms BURKE (Chisholm) (9.52 am)—Today I want to thank generation Y, who are out there leading the charge to make poverty history. It is generation Y who are the first generation with the resources, technological capabilities and globally agreed framework to end extreme poverty, and it is generation Y who are actually taking up the charge and leading the challenge to make poverty history.

All of us this week around parliament have been attending various events for the Make Poverty History week. Most of the people are younger people—people who are out there trying to make a difference. We often say that young people are non-passionate, non-concerned and non-involved, that they do not care and that they are too busy getting on with their lives and their consumer habits. I have been blown away by the commitment of this generation, this group of young people, who are out there taking up the challenge, who are not prepared to say that it is too hard and who are prepared to say: ‘Yes, we can make a difference. We can make a difference in our lifetime and we will.’

On Saturday I had the privilege of seeing about 100 young people take up the challenge. They were taking the challenge to knock out poverty. They took the step of going out and knocking on 10,000 doors around the suburb of Blackburn in the seat of Deakin. The member for Deakin, Phillip Barresi, Lyn Allison from the Democrats, a representative from Family First and I were all there. It was support from all sides of politics, with the will to see an end to poverty and to support these kids who were going out to knock on doors.

I was pretty impressed. I do not like doorknocking at the best of times, but these kids were taking it up with gusto. They were absolutely prepared to go and do it in droves, and a good 100 to 150 of them turned out on Saturday to do it. Their aim was to spread the word about the issue of poverty. They were going out to speak to residents about foreign trade, debt and aid, to better equip them to support the campaign against global poverty.
They were going to talk to residents, not to push them into too much but to make them aware of the issue, to get them to sign up and to put the pressure back on us as politicians. We can all sign up to the eight Millennium Development Goals; we can all say that we want to see an end to extreme poverty, that we want to see global education and that we want to see AIDS and other diseases eradicated. But we all need to actually do it with dollars. These young kids are out there in droves, with lots of P-plate cars and with lots of them even having to be driven around by parents, because it was school-age kids going out there to knock on doors, to create awareness and to get people involved in this grassroots campaign.

I want to particularly thank Hugh Evans, the 2004 Young Australian of the Year, who is behind the Oaktree Foundation, which is leading this charge. I also want to thank World Vision, which was there supporting this and rallying it. There was a call from Axle Whitehead, the host of the popular music show *Video Hits*, who launched Knock Out Poverty—an invitation to Make Poverty History—and invited others to join the battle. Others did join the battle and I hope we will see an end to poverty. *(Time expired)*

**Mildura Airport**

Mr FORREST (Mallee) (9.55 am)—I rise to celebrate an achievement in my electorate and to congratulate the Mildura Rural City Council, which manages the Mildura regional airport. Last night, George Vallance, the airport manager, stood at the convention centre in Cairns and graciously received an award issued to the airport, the Australian Rural Airport of the Year. This is a prestigious award.

The Australian Airports Association is a not-for-profit organisation and celebrates its 25th anniversary next year. It represents the interests of over 260 airports Australia-wide, from local country community landing strips, of which I have a few across my federal division of Mallee, to the major international gateway airports. The charter of the Airports Association is: ...

... to facilitate co-operation among all member airports and their many and varied partners in Australian aviation, whilst maintaining an air transport system that is safe, secure, environmentally responsible and efficient for the benefit of all Australians.

It is good to see that the association is offering encouragement to airports and I offer congratulations to the member for Wide Bay, because Hervey Bay, which is in his constituency, was awarded the Australian Major Airport of the Year award, so congratulations to the Minister for Trade, the member for Wide Bay, as well.

But I want to talk about Mildura, and particularly the Mildura Airport. The Mildura Rural City Council took over responsibility for the airport decades ago when ownership of regional airports was reshuffled, and they have taken advantage of Mildura’s strategic location. Mildura is located conveniently between three capital cities—Adelaide, Melbourne and Sydney—and you can fly out of Mildura every day, and four times a day to Melbourne and return. In the last decade this has achieved massive growth in passenger numbers, servicing about 68,000 a decade ago to 155,000 today and growing by 10 per cent every year. This has put enormous pressure on the Mildura Rural City Council. They have responded—the terminal has already been increased in size on two occasions—and they are now addressing and planning for a third extension as that growth continues.

I want to congratulate Mildura Rural City Council, particularly George Vallance, the airport manager. I know he would have stood last night surprised but honoured. I also congratulate
William Forrest AM, who was on the judging panel—and I respond to those constituents who rang me: no, he is no relation, although I wish he was, because he is a very highly paid QC. Congratulations to George and congratulations to the Sunraysia community. (Time expired)

Holt Electorate: Narre Community Learning Centre

Mr Byrne (Holt) (9.58 am)—I rise today to highlight the case of a local adult education centre in my electorate. The Narre Community Learning Centre is a fantastic centre which recently approached my office regarding the loss of their right to allow individuals and businesses to claim tax deductions on donations to the centre. The centre is based in the heart of my electorate and is used by a lot of people who are coming back into the education stream—wives, people who have been out of work et cetera.

The centre previously provided a program that gave it a classification as a prescribed benevolent institute but, due to the Howard government’s scrapping of the funding of this program, the centre is subsequently losing this classification and, as a result, any donations to the centre, which are quite vital to keep the centre operating, may no longer be claimed as a tax deduction. How do you think that affects people in my electorate?

This will be a significant disadvantage to the centre, which already has to compete with larger TAFE institutes for donations and sponsorship to continue to be able to provide their students with much needed chances to return to study. The centre has a completely different client base to that of the larger TAFE institutes in that students are typically from what some could categorise as being a disadvantaged background. The services that the centre provides are vital to adults returning to study, whether it be to finish their VCE equivalent or to undertake a course to further their chances of returning to the workforce with greater skills and confidence.

As a consequence of this particular change the centre, which estimates that it received last year between $25,000 and $30,000 in sponsorship and donations, fears that this year it will not reach this amount again, let alone the goal amount that it previously had to raise, which was $100,000 in sponsorship this year by approaching larger businesses such as Bunnings to sponsor, say, a room for about $10,000.

The Narre Community Learning Centre is a centre of very high repute in my electorate. It services the areas of Narre Warren and Narre Warren South. My electorate has the highest rate of couples with dependent children in this country by a mile. It has the highest rate of people with mortgages in the country by a long way. People such as housewives wanting to return to work and people wanting to finish their VCE are trying to access these programs. This institution, in trying to do the right thing, is trying to raise money and trying to get government support. What it has got from the Howard government is a slap in the face. It is about time the Howard government started doing something to assist families in the region in this area, rather than slap them in the face. (Time expired)

Herbert Electorate: Dancenorth Australia

Mr Lindsay (Herbert) (10.01 am)—Townsville’s professional dance company, Dancenorth Australia, received a federal funding boost last week following the Australia Council Dance Board’s announcement of its annual funding allocations. The company, which is supported largely through state and federal funding, has received a $30,000 increase in its funding for the next two years. This not only brings its annual federal funding to $210,000 per
annum with an indexed increase in 2008; this also places the company back on the triennial funding cycle.

Securing this funding is a testament to the hard work undertaken by everyone at dancenorth to restore the company to its rightful pre-eminent position in Australia. I am delighted that our local dance company now has the certainty it needs to produce product of world standard. Dancenorth Australia, which is based in Townsville, is the pre-eminent regional dance company in the nation. My confidence in its board, management and artistic team has been vindicated by the Australia Council’s recognition.

I note that artistic director Gavin Webber is ecstatic over both the increase in funding and the response from audiences in Townsville. Mr Webber told me that the increase is a great vote of confidence from federal funding bodies and that dancenorth Australia is now in a strong position to continue the major national and international initiatives that have been put in place in the last 12 months. This direction could not have been taken without the fantastic support that the company gets from the community, and Gavin Webber certainly thanks everyone who has supported the company. He went on to tell me that he is sure that no-one can complain about the diversity and talent that have been on display this year at dancenorth Australia. He looks forward to continuing to challenge, entertain and surprise Townsville in the coming years.

Recognising that the funding boost is great news, its general manager, Trevor Keeling, was also very pleased. He said that this not only means that the company is assured of federal funding for the next two years but is also recognition for the vigorous change in direction that has been undertaken at all levels during the last 18 months. He said:

“Most importantly, it is recognition for the exciting artistic direction that the company has steered since the appointment of our Artistic Director, Gavin Webber.”

Dancenorth is about to conclude its Townsville season of works with its end-of-year cabaret, *nightcafe 06*. I will certainly be attending. It will be opening on 26 October.

**Swan Electorate: Green Corps**

Mr WILKIE (Swan) (10.05 am)—I rise to speak on another shameful act by this arrogant and out-of-touch government. Last week my office was contacted by Greening Australia concerning a Green Corps project in my electorate. Named ‘Queens Park: a right royal restoration’, the project is to commence on 13 November 2006. Among other things, the project will focus on conserving and enhancing the environment of the Maniana bushland and improving biodiversity of vegetation and fauna located in the Queens Park regional parks and recreation reserve.

I was informed that participants will take part in numerous activities, including walkway construction, revegetation and fence repair and installation, and identify and monitor flora and fauna. The project is being run in conjunction with the City of Canning, Peet Ltd and the Quattro joint venture partners, which includes the Western Australian state Labor government.

Greening Australia told my office there was to be an official launch and an opportunity for me to release a media statement. Less than an hour later the invitation was suddenly withdrawn by Greening Australia after telling me that they had been advised that, as Green Corps is a federal initiative, only Liberal members are to be advised of Green Corps projects and invited to the launches. Indeed, once it was identified that I was a Labor federal member, I
was informed by Greening Australia that they had been told to contact ‘Liberal patron senators’ for Labor held electorates.

This is a disgraceful act by a sneaky, conniving government. This is taxpayers’ money being used to fund these projects—it is not coming out of Liberal Party coffers—and the Howard government should hang its head in shame at such a blatantly political manipulation of the system and of the efforts of the organisations and young people involved in these projects.

I also note that, on its website, Green Corps advises the project is in Canning. In actual fact it is in Swan. It cannot even get the electorates right. I intend to alert the partners involved in the Queens Park project as to what has been going on in this shabby little affair. This smacks of the same disgraceful actions of this government when it told schools in my electorate that only Liberal members could attend the dedication of flagpoles. Yet again the government is showing its true colours. It is shameful, it is a disgrace and it is high time these people realised that they work for the people of Australia. The people of Australia fund these projects, not the Liberal Party, and it is time the government started getting all members of parliament involved in these worthwhile initiatives.

Iraq

Stirling Electorate: School Infrastructure

Mr KEENAN (Stirling) (10.07 am)—I rise to talk about the shocking neglect by the Labor state government in Western Australia of our state schools. Before doing so, I want to clarify an exchange that I had earlier with the member for Chisholm, who quoted an extraordinarily fallacious figure of about 600,000 dead in the Iraq conflict based on a report that had been produced and that received some publicity this week. Although it is very difficult to get a correct estimate of how many people have been killed, the official estimates are substantially lower than that. We need to reflect on the methodology used in that report, which was done by a North American organisation. The methodology involved a phone poll of an extraordinarily small sample from which they extrapolated the number of dead in that conflict. That is an unbelievably flimsy way to get information and it is an extraordinary assumption for them to make. I totally reject the figure and I do not think honourable members should use it.

The Western Australian government, sadly, has all but abandoned students and parents in my electorate of Stirling. When visiting my local schools, as I do often, I am shocked to see the decaying buildings and infrastructure that is occurring on every level. The Carpenter Labor government is completely failing our educators. The Western Australian Labor government is swimming in cash. It has a surplus of $2.2 billion and collects $1,000 more from every Western Australian than the Court Liberal government did. In fact, it is the highest taxing government in Australia.

Yet, when a school in my electorate of Stirling requires vital infrastructure, it is up to the Howard government to provide it. When I have visited these schools, principals have said to me that without the Howard government no infrastructure would be built at their school. I have been shown white ant infested walls of a main school building. I have been shown playgrounds that are no longer appropriate.

The Investing in our Schools program has provided our local schools with the vital funding to complete projects for classroom improvements, library resources, computer facilities, air conditioning, play equipment and outdoor shade structures. The $700 million provided by the
Investing in our Schools program is in addition to the $1.2 billion that is provided by the Howard government to support state school capital works projects undertaken between 2005-08.

I call on the Carpenter Labor government to start using some of its record surplus to support local schools and their hardworking teachers and to fulfil its responsibilities to our young people in Western Australia and follow the lead of the Howard government through our marvellous Investing in our Schools program.

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

BROADCASTING LEGISLATION AMENDMENT BILL (No. 1) 2006

Debate resumed from 12 October, on motion by Mr Hunt:

That this bill be now read a second time.

Mr SNOWDON (Lingiari) (10.10 am)—Before I embark on an analysis of what is in the Broadcasting Legislation Amendment Bill (No. 1) 2006 and its impact upon parts of Australia that I work in, let me first make the observation that it is absolutely scandalous that we are not able to have an extensive debate on the broadcasting legislation more generally because of a gag now being implemented which will prevent people like me participating in that debate in the main chamber. That demonstrates to me, and I think to the people of Australia, how arrogant this government is, how it seeks to deny those who are democratically elected by the people of Australia to have their voice heard and be properly represented in the chambers in this House. To impose a gag in the way in which it is being done by the government on such an important piece of legislation, which has implications for every Australian regardless of where they might live, is a shameful exercise. I will come back to that issue more broadly later on.

The piece of legislation that we are discussing this morning provides a framework for metropolitan and regional television licences to begin transmitting digital services. The accelerated take-up of digital television has important public policy benefits. Ultimately, the successful transition to digital broadcasting will allow the return of the spectrum used for the current analog broadcasts. The spectrum can then be used for the delivery of new services such as digital radio, community broadcasting or telecommunications. Digital television transmissions began in metropolitan areas in 2001 and in most parts of regional Australia in 2004. The Broadcasting Services Act, the BSA, was silent on the transition to digital broadcasting in remote licence areas such as communities outside of Perth in Western Australia.

This bill will make changes to the regulatory framework to encourage the commencement of digital services in remote licence areas where there are only two commercial stations. This legislation will allow WIN and Prime to jointly provide a third digital commercial television service under section 36 of the BSA, free from the obligation to broadcast high-definition programs. In metropolitan and regional markets, licensees are required to broadcast 1,040 hours per year in high-definition digital format. This is known as the high-definition quota. This bill will allow the joint venture company to elect to broadcast only in standard-definition format, thereby greatly reducing the costs of making the transition to digital broadcasting.

As I said, the practical impact of the legislation is that the Golden West Network owned by Prime TV and WIN have told the government they will form a joint venture company to
broadcast digital services into remote Western Australia. The new service will consist primarily of content from the Ten Network and it is expected to commence by 2007.

Labor supports this legislation. It does something to reverse the absence of policy on digital television in remote communities—for remote parts of Australia. The fact that it is only now that this bill is getting through speaks volumes about the government’s lack of commitment to remote communities. I have to say, as someone who represents some of the most remote communities in Australia, that it appalls me that it has taken until this time to have this legislation passed. Shortly, I will come to what I regard as a more appalling situation—the failure to address the needs of other service delivery organisations which provide television services in other parts of remote Australia.

We all know the benefits of digital broadcasting technology. It offers better quality sound and image, the opportunity for more content and more economic use of the spectrum. In Britain, the government estimates that re-employing the spectrum currently used for analog broadcasting will save £2.2 million. Digital broadcasting has tremendous potential to provide improved services to greatly underprivileged and underserviced sectors of the community: those people living in remote communities.

The government legislated in 1998 to give the Australian Broadcasting Authority—now the Australian Communications and Media Authority, or ACMA—the power to draw up a scheme for the changeover from analog broadcasting to digital. This is contained in the BSA at schedule 4. Part A deals with the non-remote areas and contains numerous provisions relating to the rollout. The planned switch-off for those areas was originally set for 2008 but, in the middle of this year, it was extended to a more realistic 2010-12.

Part B of the schedule deals with remote areas. This does not contain specific measures for the phasing in of digital in remote areas. This matter is left to policy, yet to be developed, which is set by ACMA as per sections 7 and 7A of schedule 4 of the BSA. Supposedly, this was done to allow remote area broadcasters time to work out a digital model amongst themselves, reach a consensus and then come to the government. This is what has happened, as we understand it, with the Western Australian broadcasters.

In my electorate we have a broadcaster that covers much of South Australia, parts of Western Australia, western New South Wales and even parts of Victoria and Tasmania. The government has left the broadcasters in the dark, and they are uncertain of what form their future obligations will take. This is a concern being expressed by Imparja Television, an Alice Springs based Indigenous broadcaster that began its operations in 1988. Its first broadcast, the World Series Cricket test match between Australia and Sri Lanka, went out to the people of Alice Springs, who at that point were very glad to receive it. Imparja’s vision is the promotion of Aboriginal cultural and values. The station is wholly owned by Indigenous groups, including the Central Australian Aboriginal Media Association, or CAAMA, the Central Land Council, the Tiwi Land Council, the Northern Land Council, Warlpiri Media Association, the Pitjantjatjara Council, Top End Aboriginal Bush Broadcasting Association, Maralinga Tjarutja trust and, previously, the former Aboriginal and Torres Strait Islander Commission.

In addition to its main broadcasts, Imparja also carries an Indigenous television service, ICTV, a digital service available to satellite viewers and also broadcast as a local community service in up to 120 remote Indigenous communities. The channel delivers 10 hours a day of programming, over half of which is in Indigenous language. This does much to further In-
digenous culture and values and, in my view, it works to empower Aboriginal people through
the medium of television. Imparja’s area of operation, the central and eastern remote area li-
cences, is the largest of any commercial network in Australia. It covers most of the Northern
Territory and South Australia and, as I said earlier, significant parts of New South Wales, Vic-
toria and Tasmania. It has a total viewing area of approximately 4.5 million square kilometres
and an audience of just 430,000.

To cover such a vast audience and distance, Imparja’s signal is pre-broadcast via repeater
transmitter stations into over 250 small communities. In more remote locations, which are out
of the range of conventional TV coverage, viewers need to have their own satellite dish and
receive Imparja direct from satellite. This ensures that people in isolated homesteads, stations,
mining camps, ranger stations, motels and other smaller communities have access to the ser-
vice. There are significant cost pressures in catering to such a wide and sparsely populated
geographical area.

Let me now stress the importance of the service that Imparja provides. In addition to a
number of popular programs which are purchased from channels 9 and 10, Imparja provides a
substantial amount of local content. As well as a daily children’s program and news service, it
has provided and delivered weekly community and sports magazine programs and full-length
features on the Finke Desert Race, the Mount Isa Rodeo and the Camel Cup, to name just a
few.

In addition to these examples, Imparja also supports a further 85 local events within its
footprint. That question of local content is very important, given the now truncated debate in
the lower house. The frustration I feel as a member of this House, not being able to participate
in the broader debate and make those points soundly on the new legislation which is going
through the House this morning, is a shame and an indictment of this government. What we
will see as a result of this legislation passing through the lower house is a concentration of
media ownership, a great lack of diversity and no compulsion really for local content of the
type I have just described, which is being produced by Imparja—to its credit—in Alice
Springs in Central Australia.

The problem facing Imparja is the future requirement of digital broadcasting. As I men-
tioned previously, there is no legislation setting out how and when digital broadcasting is to
be implemented in this licensing area. It is a matter of policy and involves the government
coming to a working agreement with the licence holders for those remote areas. Imparja and
Southern Cross Television, the other broadcaster in the remote central and eastern Australia
licence area, have been submitting options to the Department of Communications, Informa-
tion Technology and the Arts since late 2002, detailing digital road maps and their respective
views on different models. To this end, Imparja has employed the services of a consultancy
firm, Deloittes, and its Sydney media unit. For all the work on a submission on its part, there
has been, as yet, no response from government.

Understandably, this creates a very uncertain environment within which to operate a busi-
ness. The CEO of Imparja, Alistair Feehan, has written to me on precisely this matter. Imparja
have known since the late nineties that they would be required to transfer from an analog to a
digital technology. As such, they have had to reduce capital expenditure on analog equipment
and are faced with the future capital costs of digital conversion. Of course, spending money
now on what will soon be obsolete technology is not an appealing option and does not make
too much economic sense. At the same time, should the current analog transmission base fail, there are no short-term solutions other than an investment of further capital. This is already happening with a number of repeater television transmitters which rebroadcast Imparja in remote towns and communities. We should not underestimate the cost to the provider of addressing these particular issues.

In May of this year, Mr Feehan wrote to Senator Coonan, Minister for Communications, Information Technology and the Arts, imploring her department to work with Imparja. I quote from this correspondence:

The integrity of our current service has been jeopardised due to the lengthy delays in finding a digital solution for the licence area.

He said to her very clearly: ‘The integrity of the current service has been jeopardised due to the lengthy delays in finding a digital solution for the licence area.’ What do we hear from the government minister? Nothing in response. This is just another way that this government deals with the people of remote Australia. Mr Deputy Speaker Causley, I know of your interest in the bush, and I, like you, am appalled at this treatment. On an earlier occasion, in February this year, Mr Feehan wrote to the minister:

Our major concern is that the longer the issue goes on the more business is compromised in being able to remain a local broadcaster.

I urge—in fact, I demand it—Senator Coonan to take note of Imparja’s predicament and do something about it: instruct her department to work with Imparja to come up with an acceptable solution for the rollout of digital television within that remote area that their licence requires them to service. If we do not, we are placing a heavy and undue burden on this particular broadcaster to provide an ongoing analog service when they know, you know, and everyone else in Australia knows that there is to be a rollout of digital services but there is no plan for that rollout because the government is too lazy to come to—or incapable of coming to—an agreement and to find an appropriate solution for the rollout of that service to those many communities across Australia.

Let us think about it. We are talking here about 4.5 million square kilometres of Australia’s landmass. Granted, we are not talking about Sydney, Melbourne or Perth. We know what sort of activity is happening in those places. We know where the cream is. We can see that, after the broadcasting legislation passes through this parliament today, potential investors may be lining up to purchase parts of the major metropolitan markets in media. They are not lining up to do anything in the bush because they know that the costs involved in providing the sorts of services that are provided by Imparja mean that the profit margins are very slim indeed. Of course, a business case which Imparja have to develop and have to convince their directors and their shareholders of is very difficult in an environment where the government fails to respond appropriately to their entreaties in terms of a plan for the rollout of digital.

It is worth noting in the Western Australian model contained in this bill that, while it is a way forward for digital broadcasting in Western Australia, it cannot feasibly be applied in the central and eastern remote licence areas. They are quite distinct and different areas and it needs to be understood why they are different. In Western Australia there are a number of medium sized population bases—for example, Broome, Geraldton, Kalgoorlie, Port Hedland, Albany, Bunbury and other places—which are covered by this licence for Western Australia. The region, as I have just demonstrated, that Imparja services is wider and far more sparsely
populated. The economics of the servicing of the central and eastern remote licence areas are very different indeed from the economics of the servicing of the Western Australian licence area.

A plan to implement digital in this region—that is, the central and eastern remote licence areas—must involve the government engaging with the broadcasters and working out a plan that all parties will agree to. This cannot be so difficult. I know that the licence holders are keen to resolve this situation, but the apparent reluctance on behalf of the government to actually sit down and get a resolution is a major cause of concern. Ultimately, what we face here is the distinct possibility that there will be people in this remote service area of 4.5 million square kilometres who will miss out on getting a digital service and who will ultimately fall off the analog list as well, because at some point Imparja will be required to move over to digital. If they do not have a plan in place which is agreed and properly implemented then it is very clear that the people who are going to be disadvantaged by it are the viewers in their licence area.

Of course, these people are voters. They may vote for the Liberal Party; they may vote for the National Party; they may vote for the Labor Party. But what is happening here is that they are being disadvantaged and ignored by the government. They will know they are being disadvantaged and ignored by the government, and it is very important that the Minister for Communications, Information Technology and the Arts, Senator Coonan, does something reasonable—not tomorrow, not next week, not in a month’s time, six months time or 12 months time but now. I know she has much to do at the moment to explain to the Australian community why the government should proceed in the way they have proposed in terms of the broadcasting legislation. I can tell you this, Mr Deputy Speaker: the issues of local content, diversity in broadcasting and diversity in the multimedia areas of media in Australia are extremely important to all Australians.

Despite the commitment to roll out digital television, we note that the government has done what I think is a significantly poor job indeed in promoting digital television. That is a shame because it is a technology which has a lot to offer. By stretching out the transition to digital, the government is costing the Australian taxpayers. According to the government’s own figures, it currently costs about $75 million to meet the analog broadcasting costs of the ABC and SBS and to assist regional broadcasters. This figure was taken from a Senate committee report on a host of broadcasting and media amendments, released on 6 October. A survey conducted last year by the Australian Communications and Media Authority shows the poor take-up rate of digital television, which in itself is an illustration of the very poor performance of the government in this area. Seventeen per cent of the respondents did not know about digital television at all, 45 per cent did not know if they could access it, 42 per cent were not interested and 38 per cent did not know that digital could replace analog at some stage.

The government has a responsibility to ensure that people who live in remote communities, wherever they might be in Australia, have access to digital television. What they have an obligation to do is to sit down with, in this case, the broadcasters who are responsible for the remote central and eastern broadcast areas of television and work out an appropriate plan for the implementation of digital technology in their broadcast areas. To not do so is unreasonable and unfair and, in my mind, shows the discrimination which these people are being dealt by this government. *(Time expired)*
Mr CIOBO (Moncrieff) (10.30 am)—It is with a certain amount of irony that I heard the contribution from the member for Lingiari, who referred to the fact that he thought the government was ignoring the people of remote Australia with respect to the Broadcasting Legislation Amendment Bill (No. 1) 2006 that is before the House and calling upon the minister to make changes to communications policy to ensure that some of our remote broadcasters are in a position to have some certainty going forward before the switch-off of analog television. That took my mind back to the Australian Labor Party’s decision, when they were in government, to switch off the analog mobile phone network. One must really be, I suspect, a little sceptical and cynical of the Australian Labor Party when they stand up and preach for 20 minutes about the need for the government to do something, while in some way attempting to demonstrate that it has a touch of arrogance, when they in fact switched off the analog mobile phone network and converted it to digital, having taken the decision to disenfranchise through the use of mobile telephony many tens of thousands of remote Australians. Having that at the forefront of my mind leads me to be a little cynical about the true motivation of the member for Lingiari and to wonder whether or not he is engaged in a scare campaign, rather than being open and frank with the people of regional and remote areas such as those in the Northern Territory, Western Australia, New South Wales and Queensland.

I just wanted to put that on the record in the lead-up to this debate. I note some comments that have been made by the member for Lingiari—comments that I assume will be made by the member for Lowe—who takes a particular interest in the government’s position on broadcasting policy. I would also make some comments at this juncture to highlight my strong support for the government’s changes to broadcasting policy. Whilst there are certain aspects of them that I could take or leave—in particular the 4½ hours of local content requirement, for example—nonetheless, this new policy, which is being debated for a number of hours in the House and will move on for further debate in other places, will in fact see recognition at long last that the media landscape in this country has changed significantly since the original inception of media policy introduced by Paul Keating some 20-odd years ago.

I turn now to the legislation that is currently before the Main Committee, the Broadcasting Legislation Amendment Bill (No. 1) 2006. The question may well be asked: why is a member from the Gold Coast speaking about a piece of legislation that predominantly deals with remote Western Australia? My response would be that that is a very good question. Nonetheless, I take an interest in this bill because I am concerned to ensure that the policy framework that is put in place by this bill will have application to and will be rolled out across the Northern Territory, parts of remote Queensland, New South Wales, Victoria and Tasmania. In that respect, I am certainly pleased that the framework that we are putting in place is one that I believe achieves an appropriate balance between some of the commercial considerations of providing additional broadcasting services to remote parts of Australia and the desire that people have to be able to access the kinds of facilities and broadcasting services that people in metropolitan Australia have. With that thought in mind, I am pleased to be able to make a contribution to this debate.

This particular bill allows for the implementation of the agreed model for the introduction of commercial digital television services in remote Western Australia, which is defined now as being all areas outside of Perth. It includes the joint provision by WIN and Prime of a third
Since the introduction of this bill, I am informed that both WIN and Prime have continued developing plans for the introduction of their digital television services in remote Western Australia—as I mentioned, that is all areas outside of Perth. I am informed that both broadcasters indicate that this planning is well advanced and, subject to the passage of this legislation this year, it is planned that the digital transmission of current television services in remote Western Australia in 2007 will commence at the beginning of that year, with the new third service starting shortly thereafter.

This particular bill ensures that we will delete item 3 of schedule 1 to the act. This in effect will enable ACMA to use its existing discretion under subsection 38B(27) of the BSA to set a revised date to commence the allocation process for the third commercial digital service in remote Western Australia. ACMA has indicated that this will be done within six months of the passage of this bill and it receiving royal assent, but it will be done in consultation, most importantly, with both WIN and Prime.

At the moment the BSA does not specify detailed measures for introducing digital television in remote areas. In recognition of the need to give appropriate considerations to the very special circumstances of these areas, ACMA is required to make a legislative instrument, referred to as a commercial television conversion scheme, to set out the terms of that conversion process. Passage of the bill will provide the framework for ACMA to develop the conversion scheme for Western Australia, allowing digital broadcasting to commence and the third commercial service to be provided.

Under section 38B of the BSA and its associated provisions, commercial broadcasters are allowed in regional licence areas with only two commercial licences to jointly—or, alternatively, for one broadcaster individually to—elect to provide a third digital-only service. Where they elect to undertake this in a joint fashion, they must provide each of the digital versions of their new analog services and the new joint service on a separate TV channel and provide high-definition television programs. The amendments contained in this bill will extend these provisions in a modified form to remote areas such that they will allow remote area licensees who have elected to provide jointly the third digital service to multichannel the three digital services on a single radio frequency channel with exemptions from any HDTV quotas that might be applied. Similarly, if a third service is provided by only one of the two licensees, that licensee will be able to multichannel the digital version of their analog service and the new service on a single digital channel.

To simplify these digital conversion arrangements in WA, it was necessary to ensure that all areas outside of Perth were technically classified as being remote. This model that is being adopted by the government for regional and remote WA does represent, as I mentioned, a balance between the public interest considerations and the special circumstances of remote area commercial television broadcasters. The fact is that these broadcasters do face significant cost pressures due to the very wide geographic area that they serve and the sparse population. Requiring delivery of HDTV to all viewers in this market would be a very significant cost to broadcasters. Viewers will also benefit from the new third digital service delivering a substantially increased range of information and entertainment.
This model will have application to those who are looking at operating in remote parts of the Northern Territory and Queensland—where I have a particular interest, of course. I am certainly pleased that ACMA has indicated, together with DCITA, that they are currently working with the two remote central and eastern Australian broadcasters—those being Imparja Television and Southern Cross Broadcasting—to develop a digital conversion model for remote central and eastern Australia. I am certain that, with the passage of this bill and further developments with respect to Western Australia, those parties operating in the Northern Territory, and Southern Cross Broadcasting, will be able to progress this matter further this year, including the consideration of providing a third digital service. Of course it is not possible at this stage to provide a firm date for completion of digital conversion arrangements, but it puts to paid to the allegations the member for Lingiari raised that in some way this government was not responding to the needs of people in remote Australia. Nothing could be further from the truth.

The mere existence and introduction of this bill highlights that this government is extremely responsive and is taking significant policy steps forward to ensure that people in remote parts of Western Australia and, subsequently, Queensland, New South Wales and the Northern Territory will be able to have access to quality digital programming and a range of channels similar to those in metropolitan areas. Most importantly, this bill also recognises the very legitimate cost pressures that arise through the operation of a digital service in remote Australia. It recognises that the additional costs that flow from covering such a wide geographic area with such a small population should be appropriately taken into account when it comes to decision making as to the kinds of licences and the application of the licences for licensees operating in parts of remote Australia. I commend the bill to the House.

Mr MURPHY (Lowe) (10.40 am)—The Broadcasting Legislation Amendment Bill (No. 1) 2006 deals with relatively minor though important changes to broadcasting services legislation for those living in remote service areas. In short, this bill amends the Broadcasting Services Act and Radiocommunications Act to allow commercial television licensees in remote areas to multichannel if they jointly or individually elect to provide a third commercial television service. The bill will also provide these licensees with an exemption from HDTV quotas that apply to commercial broadcasters in non-remote licence areas. I am pleased to see the government retreat, albeit only in remote areas, from the onerous and expensive requirement to mandate HDTV. The decision to compel commercial broadcasters to meet a 20 hours per week quota of high-definition television must surely be seen as a flawed decision.

As members before me have mentioned, Australia stands as the only country that has attempted to compel its consumers to make the transition to this expensive form of digital broadcasting. High-definition broadcasting is inordinately expensive for broadcasters and consumers. The cost of high-definition equipment to consumers is three times the cost of standard-definition equipment, making it a technology that is out of reach for the vast majority of consumers today and—most likely—in the future. Most other nations have had the good sense to allow consumers to decide which technology should ultimately hold sway, rather than mandating a particular preference. Given that this bill shows a minor retreat from the government’s usual approach of mandating HDTV, one might have thought Australia was taking baby steps forward, but steps forward nonetheless, to join most other nations on this issue.
However, in what is symbolic of this government’s incoherent approach to digital technology, the Broadcasting Legislation Amendment (Digital Television) Bill 2006, which was debated in this House last week, proposes to allow commercial broadcasters to multichannel solely in high definition until 2009 for reasons known only to the minister. Standard-definition multichannelling restrictions continue to remain in place. The decision makes absolutely no sense, but then not many of the government’s decisions on media reform do. Rather, the Howard government’s approach to digital television policy and media policy broadly is incoherent and full of contradictions and fails ordinary Australian consumers because it puts the media proprietors first. The question is: why?

Debate on this bill is timely. It solicits remarks on the approach taken to media reform by the Howard government and it solicits comments on the changes we are likely to see in parts of the media sector. In the minister’s second reading speech on this bill, we were again witness to the minister’s protestations that the government is working hard to ensure the smooth transition to and the smooth introduction of digital television to Australia. The minister protests that the government is committed to ensuring all Australian consumers have access to the exciting new services that digital technology will bring to our homes and that the government’s message about the exciting new world of digital television is being heard. That only around 20 per cent of Australian households have purchased the necessary equipment to receive digital free-to-air broadcasts speaks volumes. While the minister believes the government’s message is being heard, clearly the message is not being accepted by ordinary Australians. Despite the government’s attempts to stimulate the sluggish demand for digital television, including the amendments in this bill, we are all entitled to doubt whether we will see acceleration in the conversion rate to digital technology. Our doubts are reasonable given the way the Howard government has approached digital broadcasting policy, ‘in it for the consumers’. What a load of humbug and cant! This minister mocks our intelligence. That is what she said; ‘in it for the consumers’!

If the minister is truly in it for the consumers, obviously she has not read the submissions made to the House of Representatives Standing Committee on Communications, Information Technology and the Arts inquiry into the uptake of digital television. Why hasn’t the minister referred to a submission from John White that Australians are not taking up digital television because people do not perceive additional benefits such as multichannelling? Why hasn’t the minister referred to the submissions from Steve Ulrich and Paul Macknamara that digital television does not offer enough additional programming or content to provide incentives for consumers to upgrade? ‘In it for the consumers’ is one of the most absurd and disingenuous statements ever to come out of the minister’s mouth.

In light of the announcement that the government’s cross-media ownership laws were being watered down, we have seen media shares rise in value. I can assure members that it is no coincidence that shares in publicly traded media have risen in value.

The DEPUTY SPEAKER (Mr Lindsay)—Would the member for Lowe return to the content of the bill, please.

Mr MURPHY—We have heard Mr Packer say that Publishing and Broadcasting Ltd believes that the government has done the right thing and it is positive about the cross-media mergers. They are all related, Mr Deputy Speaker.

The DEPUTY SPEAKER—It has nothing to do with the bill, Member for Lowe.
Mr MURPHY—In the next breath we heard the Southern Cross Broadcasting Managing Director, Tony Bell, say that he believes media consolidation will take place reasonably quickly. Is it any wonder that at the moment Mr Packer is licking his lips? We see from today’s papers that the Packer family is having a field day with media reform. These are Senator Coonan’s ‘in it for the consumers’ media reforms. The bills have not even passed the House, Kerry Packer is not even stiff and James Packer is about to double the family fortune.

I wonder what the ‘Packer Family First Party’ conscience is thinking this morning with all the poverty in Australia and with the great wealth of the Packer family set to double out of Mr Packer’s monopoly gambling interests and his keeping the monopoly in place through his media company. All thanks go to the ‘Packer Family First’ senator, Senator Fielding, and the Howard government. ‘Packer Family First’ Senator Steve Fielding has behaved in my view in a most venal way and has become the Judas of the parliament.

Before the ink has barely dried on the Senate’s approach to cross-media changes and before receiving the rubber stamp from this chamber, we now have the good news that a conga line of media proprietors are seeking to expand their personal media interests. According to media reports this morning, Mr Packer will be selling some of his media interests, though still remaining in control of them, and using his new-found cash bonanza to target media acquisitions, including the Fairfax newspaper group and online and radio interests. We have news that Channel 7 has launched a $200 million raid on West Australian Newspapers, the main newspaper company in Perth. We have woken up to headlines this morning that are disastrous for our democracy, including ‘The big media carve-up’, ‘Packer’s sale of the century’, ‘Introducing PBL Media, $6b predator’, ‘Packer hits $4.5b jackpot’, and ‘Stokes joins media frenzy’.

CCZ Equities analyst Roger Colman had the good sense to tell the public, back in August this year, that if the bills were passed there would be a flurry of media activity. However, earlier this year the venal communications minister, Senator Coonan, said that she could see no big media changes, that ‘it is difficult to see that there would be a real flurry of activity’ on the media landscape. Senator Coonan is either incompetent or just hopelessly out of touch. Either way, she ought to be sacked for showing such contempt and reckless disregard for our democracy. What a disgrace. The parliament has not even passed the bills yet, and we have this flurry of activity that will result in less choice for consumers. What an appalling insult to this House, to the Senate and to the democratic process. What an appalling mockery of Australia’s precious democracy. What a black day for the parliamentary process. What a black day for our democracy. I ask again: who is really running the country?

Four-and-a-half billion dollar deals are not struck overnight. How long has this clayton’s communications minister been doing the bidding of big media proprietors? Was the public consultation process legitimate, or was the minister just going through the motions? Why was the minister so keen to push these changes through a farcical two-day shotgun Senate inquiry? And the government is going to gag debate on the Broadcasting Services Amendment (Media Ownership) Bill 2006 in the House in half an hour’s time. What a disgrace.

Through the Broadcasting Services Amendment (Media Ownership) Bill, the minister is gagging political debate in the media. As I speak, she and her party are going to gag debate in the parliament at 11 o’clock today. What a black day for our democracy. These are questions that must be answered immediately to restore some respectability and legitimacy to the gov-
ernment’s entire media reform. Yet this is a clayton’s communications minister who will not answer them. She has not answered them in the past, she will not answer them now and she will not answer them in the future.

PBL and News Ltd now have free reign to own virtually all of Australia’s major newspapers, a free-to-air television network, monopoly pay TV Foxtel and 70 per cent of the internet’s news and information sites, while no-one else is allowed to buy a free-to-air television licence. So much for the minister being ‘in it for the consumers’! While the big end of town jumps for joy at the minister’s half-measures and half-baked media initiatives, including the weak initiatives in this bill, consumers are increasingly becoming fed up. I draw the minister’s attention to Greg Graham’s letter to the Sydney Morning Herald on 12 October, which said:

The only beneficiary of the new laws is big business, and John Howard needs to explain to me at least why its interests override mine.

The government needs to explain this to Mr Graham, it needs to explain this to me and it needs to explain this to all other ordinary Australians, who are concerned that the government has fallen prey to the fangs of Australia’s media proprietors.

Australia’s democracy is certainly entering a dark era. Despite Australia already having one of the most concentrated media ownership landscapes in the Western world, we are seeing plans that will see it become a lot more concentrated. A functioning democracy requires a sufficiently diverse source of news and political commentary to ensure members of the public are well enough informed to make their own judgements. We need a free and sceptical media that can promote a plurality of opinions. What sort of a pillar of democracy will our fourth estate be if it is owned by a couple of media proprietors? Will journalists freely dissect and report the serious issues of the day if they run the risk of impeding their employment prospects?

As I mentioned, this bill uses half-measures to address current problems that are only compounded by other bills that are currently before the parliament. It is sad that people should be sceptical about the internet value of digital television technology, but it is sadder that such scepticism exists because of the actions and policies of the Howard government. We know the government can do something about this. The government can provide more compelling digital content, not token digital content, to viewers in remote areas through this bill. The government’s approach to this bill reflects the approach of the failed and discredited policies of former communications minister Senator Richard Alston. It reflects an approach that is stuck in the shadows of the government’s 1998 legislation in which it was somehow thought to be in the public interest to freeze further commercial television networks. Perhaps it was thought that we needed to protect the incumbent commercial broadcasters during the period when they had to invest in digital transmission all those years ago.

That might have been fair enough then, but why, in the name of the public interest, are we transforming this freeze into an ice age? There is no public interest reason. It makes no sense to the ordinary Australian consumer. This bill aims to encourage existing broadcasting players to provide more broadcasting services in underserved areas without the need for inviting more licensees into those areas. Those who sit opposite might wonder why. The reason is simple. There cannot be more licensees because the number of commercial TV broadcasting licences has been frozen. What about providing to consumers more competition, greater choice and innovation from new entrants? Why give existing players an opportunity to rehash old footage on a digital channel?

MAIN COMMITTEE
Remember the submissions from Steve Ulrich and Paul Macknamara that digital television does not offer enough digital programming or content to provide incentives for consumers to upgrade? Why hand over the new service to existing media players when there is a risk that the content will be similar to or the same as the content that consumers in that area are already getting? Is the minister really serious about driving the take-up of digital television in these areas? Is the minister really in it for the consumers? Of course not. What is wrong with giving another broadcaster a free-to-air television licence if that broadcaster is willing to put forward the large sums involved in such an investment?

If the minister truly were the consumers’ champion, there would be no freeze on the number of free-to-air television networks. As I have said before, John Singleton wants to put a 100 per cent Australian content television network throughout Australia, and that would take only five per cent away from the existing market. What is wrong with that? If the minister truly were the consumers’ champion, the conversion to digital television would be gathering momentum Australia-wide because free-to-air broadcasters would be unhitched from restrictions on multichannelling. The restriction on standard-definition multichannelling while opening up high-definition multichannelling is ludicrous. Given that the only network that has shown an interest in multichannelling, the Channel 7 network, has stated that it has no plans to commence a high-definition multichannelling service, it makes absolutely no sense.

This is a cunning attempt by the minister to appear as though she is giving something to consumers when in reality she is giving them nothing. The reality is that a prohibition on free-to-air networks and a ban on standard-definition multichannelling in non-remote areas are clearly designed to address the interests of media players. It is a compromise with the numerous media businesses that are naturally seeking to protect their turf. That is why I have been screaming in the House for the last six years, since the government proposed all these changes to the media reform landscape in Australia.

What about protecting the public interest? What about being in it for the consumer? This bill and other elements of the government’s so-called media reform package can only lead me to conclude that this government is motivated not by the public interest but only by the interests of the two biggest media companies in Australia. Most, if not all, of the government’s media reforms appease the powerful commercial media interests, not the interests of consumers.

It is amazing that the minister scratches her head and wonders why Australians are not taking up digital technology, when she is simultaneously selling them out in favour of the two biggest players. The government has refused to tell the Australian people the real agenda behind its policies, but the Australian people are not blind. Most will see right through the minister’s venal behaviour. What is most problematic about the Howard government’s approach to digital television is its track record of deviating from a commitment to providing a diverse range of services offering entertainment, education, news and information.

At every juncture of digital TV policy, the government has navigated a dangerous path which appeases entrenched segments of the television and pay TV industry and most obviously PBL and News Ltd. Everything the Howard government has tried to do in terms of digital television has been nothing short of a win for stupidity and a triumph for incompetence. Sadly, the fumbling and bumbling approach to digital technology is only contributing to the
untenable situation whereby Australia remains in a world of analog while other countries make a permanent switch to digital. This is the case in remote and non-remote areas.

I challenge the minister to undertake a genuine reform agenda, starting with this bill, that does not build upon the foundation of appeasing established vested interests. Why start from the premise of pandering to media moguls? Why not build from the foundation of exploiting opportunities presented by digital television rather than exploiting and flogging the poor consumers? If we can have more new broadcasters in the free-to-air television space, why stop this progress? If we can enhance viewing choice by allowing standard-definition multichannelling options for those in non-remote areas, why stop this progress? Why should we continue to remain shackled by decisions that seem purposefully designed to inhibit the development of digital technology? Why not listen to consumer and competitor concerns when reforming any elements of Australia’s media?

Australia’s media need not remain a protected species. Since entering parliament, I have held the sincere belief that the government would stop singing from the same song sheet as the influential media moguls. The Howard government’s track record on media regulation has been appalling. Combined with the Howard government’s ruthless attempt this week to sell out our democracy to powerful media moguls, my belief has understandably waned.

Members of the government should show courage and leadership and stand up for their principles rather than political pragmatism. Australia’s democracy is far more important than any short-term political gain. The public interest and the future of our democracy are at stake, in my view. They demand more than a short-sighted view to obtaining favourable editorial coverage from the media. Sadly, it appears that the bulk of the government’s reforms will continue to make it more difficult for competitors to rise from the ashes. The people who have the most to benefit from the spate of recent media bills from this government are the existing players. I say that again and again.

The past week has shown that the Howard government is either utterly clueless when it comes to promoting digital technology or extremely cunning in protecting vested interests. Either way, media consumers and Australia’s democracy will be worse off for this bill and the media ownership bill, which is going to be rammed through the House of Representatives shortly. Nonetheless, I will not resile from my campaign, which has been going since 2001, and I will continue to live in hope that people in this House will come to their senses.

I have previously accused the minister of engaging in venal behaviour and I do not resile from that. However, I know the Prime Minister to be a great believer in our democracy and a man who believes in civic responsibilities and obligations. That he did not wish to spend much political capital on this issue suggests that his heart really is not in it. Why didn’t the Prime Minister come into the House and speak on this bill? I appeal to him to review this bill and to put a stop to the assembly line production of other media bills.

We need to do more to protect and promote diversity in entertainment, news and political commentary sources in this government. We all know that greater diversity of news and information is good for democracy and good for our country. As I have already mentioned, in his Australia Day address to the National Press Club, the Prime Minister made several exultant references to our democracy. He also said that a fiercely independent media strengthened by industry diversity has contributed to these democratic traditions. Actions speak louder than words and that is why I hope the government will embrace the opportunities presented by
digital television and put a stop to cross-media amendments that will put more power and influence in the hands of unelected media proprietors.

It is a disgrace that the Prime Minister, ably assisted by Senator Coonan, is slamming a wrecking ball into the pillars of our democracy in Australia. We are going to suffer the ramifications of the media reform bills—this bill and the Broadcasting Services Amendment (Media Ownership) Bill 2006, which we are about to vote on in the House of Representatives in a few minutes time. It is an absolute disgrace. The government stand condemned. They are not interested in the public interest; they are only interested in looking after the big, powerful media companies.

Mr HATTON (Blaxland) (11.00 am)—It is interesting to come to the Broadcasting Legislation Amendment Bill (No. 1) 2006 after having just been one of the lucky people on the Labor side to speak in relation to the Broadcasting Services Amendment (Media Ownership) Bill and the Broadcasting Legislation Amendment (Digital Television) Bill. When you look at the content of this bill and what it attempts to achieve and the contents of the other bills, they are worlds apart. We are led, at least in the media ownership bill, into an area so deep and dark we have never seen anything of its like before in Australian history. It is a dreadful thing, as the member for Lowe referred to in what was a very broad discussion on this particular bill.

I want to go to the core of the Broadcasting Legislation Amendment Bill (No. 1) 2006. What are the elements of this bill? What is it trying to do? For particular regional and remote areas in Australia—in one instance, virtually the whole of Western Australia and in other instances the Northern Territory, outback Queensland and outback New South Wales—we have a situation where currently there are one or two licensees taking an analog service through those remote areas. The difficulty those licensees will have is that, in being forced to make the transition to digital—and we know that that transition to digital was going to be in 2008 to start off with and was then pushed out to 2010, and I think the plan might be to push it out to 2012—it might be a bit like the Joint Strike Fighter in that we may be looking at 2015 by the time we finally get to put it into play.

When in opposition in the past and since it has been in power, the government has made a great deal of the changeover from analog to the digital service with GSM. We had advice when we were in government on that changeover. Certainly, this government has had a whole string of advice about how it should make the transition from analog to digital. This bill is very interesting because it is completely in line with what the government decided in the very first instance when it looked at the whole question of high-definition television. Remember the early period when the government was looking at what it would do in terms of the transition to digital? It was trying to work out whether or not to go with high-definition TV, as recommended by James Packer and the PBL organisation and, I think, also News Corporation at the time. They argued that Australia should make an immediate and straight jump to high-definition television.

The Prime Minister and the Treasurer, Mr Costello, were both given high-definition TVs to have a look at what that service would be like during the summer cricket season. They enjoyed that for a number of months until someone found out and said: ‘Hang on, this is a bit rich, isn’t it? Why should two people who are making a decision about what kind of transition we should have been given a special privilege, at no cost whatsoever, particularly during the summer cricket season?’ It would, of course, affect one more than the other, given that the
Prime Minister is a bit more enamoured of cricket than the Treasurer is. Whether that had any effect or not, the government went down the high-definition TV road. I argued at the time that I did not think this was very smart.

What might have been a better proposition for Australia as a whole—and I am not sure whether I still hold to this, but we will see where the argument goes—would have been to take a standard-definition route. If you took a standard-definition route and did not take the immediate jump, you could do what a number of European countries have done in making the transition. You could have much greater diversity and much greater approachability in media provision. The part of the band taken up by analog is very large. You can put either one high-definition signal in its place, or you can put six standard-definition signals in its place. If you are interested in diversity and in providing a multichannelled experience, you would go with the SD model. The government went with high definition.

What is this bill saying? If you have a couple of licensees in remote and regional Australia—those licensees are WIN and Prime in large areas of Australia and there is another entity in Perth—because of the wide geographical spread of Australia and the sparse nature of the population, you are going to have to have very deep pockets if each of those licensees is going to have to reach into those pockets to pay for the full transition to HDTV. Accordingly, this bill provides something like $19.63 million to assist. It says that, in those areas where there are two analog licensees, it will create another entity. That entity will have one digital channel—a third digital channel—which, in the wonderful way in which these bills are drafted, will serve effectively as one of the existing two. It is a mechanism to say two can become one. There will still be two licences in an area but this one digital one can serve for both.

I think it is a sensible and necessary thing not to put the hammer onto companies and say, ‘You will have to provide it all yourself.’ We know that has been done from one end of the country to the other in the major metropolitan areas. There is enough depth in there. We also know that Channel 7, Channel 10 and Channel 9 have completely different definitions of what HDTV is. So you do not get the straight 620p or the interlaced version of that, 1080i, on all channels. It is not the same HD broadcast on all, because they have adopted their own different standards. That makes it difficult for people who are making content and providing it to a number of those stations, but it also would make it difficult for people in remote areas in terms of what they are getting. You have both WIN and Prime which, from memory, have different definitions of what they are providing in HDTV. If they have one single channel to provide it and if they are saving costs as a result of utilising this, they will actually have to make some changes in the way they put their shows together in order to be able to run through the one single system.

So what has been provided here could have been a great deal more if the government said: ‘We might make an exception here for remote and regional Australia, at least in the first instance, and go down the multichannelling SD route to provide more capacity, utilising the existing analog capacity. We could provide a great deal more diversity and give more choice to people instead of just the one HD signal. We can have up to six SD signals.’ They did not do that for Australia. The fundamental reason why? There were certain interested parties who came to speak to coalition members, ministers, the cabinet and indeed members of the opposition, pushing their barrow and arguing for what they wanted out of it.
What have we seen over the past 10 years in terms of the shape and nature of digital television delivery in Australia? We have seen that the take-up has not been really brilliant. It is about 17 per cent or so. It is still very slow. What has kicked on in that period and what has been most aggressive is people’s use of DVD. They have used some newer screens in that take-up. We know that in the next few years—and this will take quite a while to bed down—Toshiba will be putting their HD up against Blu-ray technology, which allows you to record roughly between 29 gigabytes and 50 gigabytes of information onto a disk. When you do that, you can actually tape one of these shows.

If you record about an hour of television and you use MPEG2—and what is interesting is that, once we get the legislation through this place, doing this will be entirely legal for the Australian population whereas at the moment it is completely illegal—you are looking at a couple of gigabytes of information. If you do the same with HD, it jumps dramatically in terms of the amount pushed out—something in the order of eight gigabytes for just one show of an hour’s length or so. You need to be able to store a lot. This makes a great deal of difference to people who want to time-shift and look at the information later, but it also gives you an indication of just how rich what is being provided through HDTV is. The signal is much better, the amount of pixelation is much greater and it is a hell of a lot sharper. But you are replacing analog with just that one service.

It may well be that, simply because of the quality of that signal, eventually people will pick it up and run with it. Part of the reason that they may do that is that they may see that DVD can in fact be surpassed. People who use DVD throughout regional and rural Australia now, those people who get just analog services—as we know, it is a bit hard to run down to the local shop in regional and rural Australia—are using the significant services available Australia-wide through Telstra and other entities where you can order a DVD service. That has supplanted a lot of the normal television watching we have seen, and it is part of the problem in the free-to-air area where advertisers realise they are not getting the same sort of bang for their buck they got previously, because people’s viewing habits have changed.

HDTV does allow for a significant jump in quality. If you have an appropriate system to use it and can access it, and if you have got over the hurdle of the cost of entry, you can take it up—and, as time goes on, a lot more people are coming in. The member for Gorton, who is here in the Main Committee, is a very crafty and sensible person. He just bought a new TV, but he did not buy it before the World Cup soccer because he knew the prices would have been up. He bought it after that, when there was a tremendous price drop. He got a television of the same quality for about half the price—and a lot of the punters out there are doing exactly the same thing. They are aware of the situation and they have waited.

The member for Gorton, like so many others in Australia, waited to see the price drop so that it could become affordable. That is a key point in terms of whether the transition to full HD will be really successful. You cannot undo this part of the changes in the media area. We cannot just go back and say, ‘Let’s just run with SD.’ But I think there are a number of things we can do. In the digital TV bill, which I just dealt with in the House but did not in fact speak on, there are some reasonable changes and we are supporting them. One of the things the bill allows is some multichannelling, as this bill does. You need to get a bit of a spread and allow people greater access to different programming. The fundamental problem since the kick-off of high-definition television in Australia, in terms of the government’s response and the man-
ner in which they have just run down the line of the major media interest, is that we have not had diversity of access because datacasting was completely knocked out.

Who would datacasting have assisted? It might have assisted the Fairfax organisation. They have a fair amount of data to pump around the country. People may have had more access to a broader range of data. It would have been a situation as well where, if datacasting had been allowed—and people could have had a very difficult time trying to work out what that was and what it would mean —and if you multichannelled, could you actually have a bit of a TV show and all the rest of it? What would it mean? Would it be sort of like TV? We are still imprisoned in this dilemma. What we do not have in regional and rural Australia is enough choice in this regard. For a government that underlines how important that is, we do not have fast enough internet access that could actually change what they are doing.

In fact, Labor has a plan—as we have for a number of things—to give to 98 per cent of Australians by 2010 fast internet access in the order of a minimum of six megabits per second. That is enormous compared to where we are now. We have gone from dial-up at 28 kilobits through to a provision where most people have roughly 256 kilobits—if they have woken up to the fact that they can pay as much for 256 kilobit access as they pay for 28 kilobit. The telcos are not going to ring you up and say, ‘Hang on—you can get a faster service for the same money.’

We are also in a period of immense transition where people in regional areas who are not so remote that they cannot get access have looked at other ways of doing things, of accessing high-definition content or accessing media content and data content through the internet. The innovative action here has been in the regional areas. That is where iPrimus and iiNet have said: ‘Okay, we can make some changes here. The copper network may be pretty dodgy because Telstra has not put the money in that it should have in order to maintain it, but if we put a piece of equipment into the existing digital exchanges’—a piece of equipment called a DSLAM—‘and, using that, are able to give people access to ADSL2, that is 25 times faster than 256 broadband.’ In the regional areas, where there was always the greatest deficit, people could actually have another choice, because part of what is happening in this area is that delivery mechanisms are changing.

Where this bill deals with the transition from analog to digital, from a couple of analog services through to one dedicated channel which would provide those HD services and some associated multichannelling, in the future there will be some competition from elsewhere, because we do not have the full SD multichannelling involved here. If your internet access is fast enough, except for in the most remote areas of the country, you will be able to run to an eight- through to 12- to even 25-megabits access through the net, depending—as it does at the moment with the normal ADSL—upon how far you actually are from the exchange.

A division having been called in the House of Representatives—

Sitting suspended from 11.18 am to 11.31 am

Mr HATTON—The choice that people in regional and rural Australia have is marginally increased through this action to license a digital channel, which can allow for some multichannelling at certain times instead of full HD. But the impetus Australia-wide is changing. I am firmly of the view that, in going from analog to digital TV, the use of that spectrum will still allow the free-to-airs to have a dominant position in the Australian market. This is not a
view that is generally held but, if you look at the provision now, if you want to push out sig-
...als—analog, digital or whatever—to the broader market, you will see that the fastest, chea-
est way to do that is to use the existing spectrum. Some have the view that you can supplant 
that by using broadband that is fast enough.

As I indicated just before a division was called, Labor’s plan to provide fast broadband for 
Australia will certainly be revolutionary in terms of the 256 kilobits, at the very minimum,
that we currently have. Even members of parliament have just been allowed to go to 512 kilo-
bits. The bottom end of regional Australia’s utility at the moment—if they use ADSL2—is to 
have 1½ megabits, then from that point you run significantly right up to 12 megabits or so. 
That is fast, and it is fast enough to have TV delivery around Australia and to have a whole 
stack of services. It is fast enough to be able to subvert what the government has done in 
mandating HDTV with respect to only the existing players. It is also a question of whether 
you do it and whether you do it well enough, particularly in regional Australia. Part of the 
problem here is that those people who are most affected by this bill live in remote Australia, 
and you still have the problem that they are part of that two per cent that are the hardest to 
serve. But there are already faster satellite services available so that you get some breadth, 
some diversity, some slicing of the market to give people a chance to have a run.

This is an interesting bill and a useful one for people in those circumstances, but it only 
partly recognises the changing nature of delivery of digital services to Australians. In fact, it is 
indicative of the fact that the government really does not know what it is doing in this area. It 
has for so long forestalled the dramatic increase in broadband access that Australia needs not 
just in the cities but in regional, rural and remote Australia. And where this legislation goes 
some way to making it cheaper for people to provide digital services, you have to go— (Time 
expired)

Miss Jackie Kell Y (Lindsay) (11.34 am)—The member for Blaxland made a few in-
teresting points in his speech on the Broadcasting Legislation Amendment Bill (No. 1) 2006, 
but it sounds to me as though the Labor Party is trying to back the Beta technology when eve-
everyone is walking out the door with VHS. It is always very dangerous for government to man-
date technologies, and that was very evident in the report of the House of Representat- 
ives Standing Committee on Communications, Information Technology and the Arts—which was 
a bipartisan report—entitled Digital Television: who’s buying it? That committee looked into 
the uptake of digital television in Australia, which was very slow.

I was certainly in the parliament 10 years ago when we chose HD, hence the seven mega-
hertz spectrum. We seem to be talking all the time about these channels being seven mega-
hertz, whereas the member for Blaxland quite rightly pointed out that it is no longer a seven 
megahertz spectrum; it breaks down into megabits per second. So we really should be talking 
about channels and megabits per second, be it an SD channel or a HD channel or one that is 
using MPEG2 compression or, in future, MPEG4 or MPEG6 compression or Pentium— 
whatever type of compression technologies will be used in the future for broadcasting. Cer-
tainly the spectrum required gets smaller and smaller and hence the opportunities for diversity 
explode. Diversity in the media underpins the coalition’s policy in this area, but we do not 
want to mandate technologies that people can use. You want to make provision for wherever 
the market goes in the future so you can support consumer choice and give consumers what 
they want.
We have made a huge provision for HD over the last decade, in that that would be the standard that consumers would want. I disagreed with it at the time. I thought: ‘That’s a load of rubbish. No-one is going to buy digital television for a good picture, for goodness sake!’ Today I am of a slightly different point of view given the number of televisions that are being sold with large screens—I am talking massive. Just the other weekend, I was with Len Wallis, who had a three-metre screen operating on very good quality HD. People are now designing their houses—you see it in project homes and display homes—to accommodate these TVs. Instead of the old family room and lounge room and what not, they actually have cinemas.

Mr Adams—And popcorn!

Miss JACKIE KELLY—That is right. Consumers are arranging living rooms pretty much like this chamber, where you all line up in rows and watch massive screens. HD is critical. To get a good picture and good sound quality, HD is important. It is where technology is going. With the ageing population and people having eyesight issues over distance, good quality screens start to get important. So, although I disagreed with it 10 years ago, I do think HD technology is important and ought to be one of the choices that consumers have.

Given that, we need to ensure that when consumers purchase the conversion to digital they have a choice of checking out HD, checking out SD and saying, ‘Yes, I will pay the extra for that service because I like it,’ or: ‘Look, no, I am not really that much of an aficionado; SD will do me. I’m fine with 50 bucks for a set-top box. I will use all my own gear. I am not really interested in anything else the digital age has to offer.’ That choice is important; hence the government has proceeded with a multichannelling option in HD. At the moment that is a fairly limited right, because there are not too many consumers out there with HD, but it ought to be an option that consumers have in future.

I personally think that mandating an SD rollout and SD multichannelling is going to be a great driver of digital television uptake, as indicated by this bill, in allowing an extra SD channel in remote Western Australia. It is ring-fenced; it is only for remote areas. I notice that everything outside of Perth is remote: ‘regional’ has been redefined to ‘remote’ in this bill. It is a business model that has been worked out between government, Prime and WIN to provide some stimulus to the uptake of digital television in the regions and to give an option of an extra station. They cannot roll out HD across this area; it is much cheaper to roll out the SD transmitters. For consumers in the regions, it is a lot cheaper to buy the SD box.

One of the drivers of the cost of this technology is the quantity being sold. Our committee received evidence about what will happen when the cities—particularly Melbourne, Sydney and Brisbane—convert. With the analog switch-off, people must make a decision. They must purchase this technology. The competition in this market is huge. Every weekend you will notice that your letterbox is full of brochures from competitors with loss leaders from JB Hi-Fi, Domayne, Retravision, the Good Guys, Harvey Norman—you name it. They are all really pushing these electronic goods.

A switch-off in the cities will drive the price of goods down, so the more remote and regional areas will benefit from the cheaper prices. If you have switch-off in the regions before the cities, I think the regions will be paying a lot more for the equipment. That was a lot of the evidence that was presented to the committee about keeping some parity in the cost of switch-over for consumers.
Let us have a look at what consumers are purchasing. What are they looking for in the new equipment that they are purchasing? They are certainly looking for extra services. It became apparent from all the international markets we examined that it was the extra stations that drove digital take-up. It was having something extra, which this bill provides. It provides an extra SD channel, which is different from anything you will get on the analog stations. I still have some concerns and reservations about where community broadcasting will go in the conversion, particularly in remote areas. Obviously Imparja, as the member for Lingiari correctly pointed out, is a great television station, moving ahead in leaps and bounds. It has the potential to be Australia wide and it is certainly servicing large Indigenous populations in Sydney and other parts of metropolitan Australia. We have invested in this national Indigenous television concept, and I think community television has the ability to deliver diversity in media as well, as shown by channel 31 in Melbourne.

Where can these stations move to? Are they going to be a ‘must carry’ on ABC? Do they have a simultaneous channel? They do not need seven megahertz—they really only need a quarter of that—to simultaneously broadcast, so they keep their consumer while they switch over. The cost of putting together content for community television is certainly substantially reduced. Technological advances like YouTube clearly demonstrate that there is content coming from all over the world that people are quite happy to make publicly available. So there are large opportunities.

One of the things that I have identified from looking at things is the SBS channel. SBS is sitting on a large swathe of spectrum. It costs government $100 million a year and it delivers probably one program a week for some of our non-English speakers. In Australia there are currently two pay TV platforms which deliver, in some instances, up to three or four channels in the language of the non-English speaker in Australia. They have a satellite footprint across Australia. It is about $60 a month. Anyone who wants to see a non-English program can actually flick between three or four channels all in the language of their choice on pay TV. You have to wonder, in today’s environment, at the value of spending $160 million on SBS. What can be done with that spectrum?

I suggest that spectrum has a lot of opportunities in the community TV area, and that provides a lot of diversity. But, again, a lot of this tends to depend on where people are purchasing this product, what the consumer is doing and what the consumer wants. I think there are better ways of delivering it and we must always be on the move, but you cannot dictate technologies. We need to be very cognisant of the diversity required in the media to maintain our independence as politicians and to maintain consumer choice so that consumers can see what they want, when they want and how they want to watch it. That will be driven, I think, largely by them.

Mr Brendan O’Connor—Pollies on ice!

Miss Jackie Kell y—We should organise to get our own back and put it up on YouTube! This bill provides a valuable service to consumers in remote Western Australia and obviously has a few lessons in it for other areas of Australia, but they have their own problems. I think it is always dicey to drive technology. I commend the bill to the House.

Mr Adams (Lyons) (11.45 am)—This brief piece of legislation, the Broadcasting Legislation Amendment Bill (No. 1) 2006, is important for television viewers in remote areas of Australia where there are only two commercial services on the market. The bill will assist
commercial free-to-air broadcasters to deliver digital TV to Australians living in these areas. But once again the national broadcaster is not included in this, in the sense of having opportunities to broaden its footprint, yet there really are huge deficiencies in the ABC’s range in Australia.

If commercial broadcasters take up the options made available in this bill, viewers in places like Kalgoorlie, Port Hedland and Geraldton will be able to experience the superior picture, sound quality and other benefits of digital TV—yet in Tasmania we are scratching to receive the public broadcaster in a good percentage of town areas. They will also have the benefit of an additional commercial television channel—and in Tasmania we will with Channel 10.

I do not begrudge these improved services for people living in remote Australia, and I will support the passage of this legislation through the parliament. While this legislation mainly applies to remote areas, I would like to know what is happening to help the government owned broadcasting service to be screened in every home in my state. In Tasmania many areas have not received ABC television reception since the change from VHF to UHF. Now we are being asked to deal with the next change without any assistance to receive that new signal.

The member who spoke before me, the member for Lindsay, mentioned pricing, and I know that the report she did was about the price of digital TVs and about bringing down digital pricing. The thrust of her argument was quite right: the more people that take it up, the cheaper TVs will get, as I have discussed with other people. But as you start changing the delivery signal in different areas some people that are on the edge miss out while some others pick it up, so there are winners and losers when you start changing signals. My electorate has 62 per cent of the landmass of Tasmania. It has a lot of dales, hills, mountains and trees, all of which can interfere with signals, so a lot of people have great difficulty in receiving signals.

Digital TV transmissions began in metropolitan areas in 2001 and in most parts of regional Australia in 2004. The rollout of the infrastructure for digital broadcasting has proceeded very well. Free-to-air digital TV is available to 85 per cent of Australian households. The state capitals and 31 regional centres have access to all of their existing free-to-air television channels in digital form, except certain parts of Tasmania that are not considered remote, yet do not have the luxury of having a free-to-air service.

The Broadcasting Services Act does not contain any provisions which set a date for the commencement of digital broadcasting in remote licence areas. This reflects the fact that population density is low in remote licence areas and, typically, to reach the audience, many retransmission sites are required. So, if they can have them for the commercials, what is wrong with providing a similar service for the national broadcaster?

These factors make the transition to digital broadcasting very expensive for licensees in remote areas. So, while this legislation aims to help reduce those costs and to increase the incentive for incumbent commercial broadcasters to invest in digital transmission facilities, it does little to help the ABC. In remote areas where there are only two commercial television licensees servicing the market, broadcasters will be permitted, either individually or through the establishment of a joint venture company, to broadcast a new digital-only service. The new service will also broadcast the digital version of the existing analog services on the same channel. In other words, commercial broadcasters in remote licence areas will be able to multichannel.
Currently, this option is not open to commercial broadcasters in non-remote areas. In order to reduce the costs of establishing a new digital service, the bill offers broadcasters in remote areas relief from the high-definition quota. In metropolitan and regional markets, licensees are required to broadcast 1,040 hours per year in high-definition digital format. This bill allows remote licensees to elect to broadcast only in standard definition format. The ability to opt out of high-definition broadcasting will significantly reduce the costs of providing digital services in remote areas. As many people do not even get standard definition, it will be acceptable for a while until technology brings on new levels of reception. However, there is a significant policy gap because there are no details provided on what assistance will be available to ensure that the disadvantaged are not left staring at a blank screen when switch-over occurs.

My Senate colleagues have done their homework on what is available overseas. The US congress has allocated nearly $US1 billion to subsidise the purchase of set-top boxes. In Britain, up to £400,000 will be set aside from BBC licence fees to assist the disadvantaged to switch. The task of achieving digital switch-over is a huge policy challenge. In the UK, where 72.5 per cent of households have access to digital TV, it is estimated that only 40 per cent of televisions have been converted. If it can be done for the BBC, I do not see why the ABC cannot be assisted to provide service to semi-remote or difficult terrain regions.

My constituents in Glengarry, Flowery Gully, Royal George, the Tasman Peninsula, the west coast and many other places will have nothing. One of my elderly constituents, Ken Wagg, even felt tormented enough to climb a 60-foot tree on his property to improve TV reception. The reception was still no better, but he drew attention to people’s plight in that area. A member of the upper house of the Tasmanian Parliament and I persuaded Ken to come down. We persuaded him that there are safer ways of bringing this issue to the attention of the legislators. He went off with a petition and collected the signatures of nearly 4,000 people who have had difficulties with TV reception in their different areas of Tasmania.

So it is really not good enough to allow just the commercials to have access to rural and remote concessions. People in my electorate are not that rural or remote, yet they still cannot get a decent service, either from the ABC or the commercials. Some of them would laugh to hear that they are supposed to be getting at least three channels. I watched a football match in one area of my state on the only channel I could get and I could not track down where the football was—so I can forget about the cricket. The situation is that people can buy into pay TV, but they do not get local TV news bulletins from the ABC. They can pick up other news bulletins from other parts of the country, but it is not local news. This is an isolating factor as well. I believe we have to do a lot more mixing of communications technologies whereby people can share whatever is available to get television, radio and mobile phone coverage. Not everyone wants to run around with a computer under one arm and a satellite under the other to try and pick up a signal.

We also have this added complication of the change in media ownership laws, supposedly to broaden the ownership of commercial stations—purportedly giving us a greater range of programs. All it is really doing is allowing the current media moguls to cross-subsidise themselves. Those in regional areas will not only miss out more but also lose any sort of independence of view that they might have had. I am very disappointed in those changes too. They show that the minister is just not up to the task of being able to regulate media in this country. We saw members of the House gagged this morning by the Leader of the House, who proba-
bly got a phone call from Jamie early this morning saying that he wanted the bill through the House today, that he needed the money because he has to buy a part of Fairfax. So we had debate in the House of Representatives gagged, and many people who wanted to speak on that particular bill and about media ownership could not do so. It is something which is very important for the democratic processes of our country, but it was denied. So while I agree that this legislation will be helpful in areas that we all have to deal with—and some people will receive some benefits: digital TV has great advantages—it will be less than helpful for some people in my state.

A division having been called in the House of Representatives—

Sitting suspended from 11.58 am to 12.17

Ms HOARE (Charlton) (12.17 pm)—Like so much else put before this House by the government, the Broadcasting Legislation Amendment Bill (No. 1) 2006 contains a lot of small fiddly details, a few minor changes to existing policy and a glaring lack of useful change to target the things which most need fixing. Labor are not opposed to this bill, for we believe that people living in remote areas should have access to an amount and a variety of television content comparable to those who choose to live in our big cities. We cannot help but agree that any legislation to encourage faster take-up of digital television in this country is a step in the right direction. But this bill does not go anywhere near far enough in addressing the important issues surrounding digital TV, particularly as the government has refused to consider the amendment moved by Senator Conroy in the Senate which sought to address existing restrictions on the content which our two national broadcasters, ABC and SBS, are able to show on their digital channels.

Labor’s amendment would have done away with the current restrictions which prevent our national broadcasters from showing national news, current affairs, drama or comedy programming. In short, these channels are prevented from showing anything that people might actually want to watch and have to resort to screening international news, music content and other throwaway scraps to fill their airtime. Yet Australian taxpayers are paying over $300 million to enable these channels to broadcast digitally. Are they getting their money’s worth? Hardly.

It is to the government’s shame that it refused to accept Senator Conroy’s amendment. Had it been accepted and his proposals implemented, there is no doubt that this would have had a positive effect on the number of Australian households making the switch to digital TV, which is after all our goal here. At present digital TV is in a parlous state. Although the government has stated again and again its commitment to rolling out digital services across the country, we have seen no firm action to bring this about.

Obviously the current plan of action is not working, as evidenced by the fact that at present only about 10 per cent of Australian households have purchased the technology necessary to receive digital TV. That means the overwhelming majority of Australian homes are presently not even capable of receiving digital transmissions let alone worrying about what is being shown on these channels. No wonder Minister Coonan was forced to abandon the government’s original 2008 deadline for switching off analog transmission. If this had happened according to their stated schedule, nearly every home in the country would have been without a television.
What we need is an integrated plan involving incentives for people to convert and upgrade to the new digital technology, along with a relaxation of the current restrictions on digital content so that, when people do make the switch, there is actually something on television that they would want to watch. Otherwise, why would they bother spending the not insignificant amount of money necessary to upgrade?

In other countries, such as the US and the UK, governments have recognised that the take-up of digital television will have an important overall benefit for the country—not least the economic advantage to be gained from the free-up of bandwidth—so they have made a financial commitment to help people upgrade to the new digital technology. Similarly, in these countries digital TV offers more than analog, making it a much more appealing option. If the government were really committed to the rollout of digital TV in Australia, they would be wise to follow the example set by the US and UK. At present they are all talk and no action.

This government has already demonstrated its lack of vision and leadership on digital TV programming issues, specifically in relation to Fly TV and ABC Kids, the Australian Broadcasting Corporation’s youth oriented digital channels. For example, launched in 2001, Fly TV broadcast music, arts, skating and sports content between 6 pm and 6 am daily and was immensely popular with young people who were able to access it. Advertised through the main analog ABC channel, the existence of Fly TV was no doubt instrumental in some parents’ decisions to make the switch to digital, as the channel offered entertaining youth oriented and youth appropriate programming during the timeslots when young people most often watch TV, and without the inappropriate violent and sexual content which often pops up on commercial TV.

Watched by around 300,000 young people per month, Fly TV had the potential to bring young viewers to digital TV and to establish digital TV as a key element of the viewing habits of tomorrow’s adults. Yet in 2003 Fly TV was forced to cease transmission after the government rejected the ABC’s application for an extra $250 million in funding over three years to further develop the digital channel. In short, Fly TV was forced to close because this government, which is allegedly so committed to digital television, was unable to see the benefit of introducing hundreds of thousands of young people to this new technology, unable to look past its ideological mistrust of the ABC and see how they were leading the way in digital TV programming. Well done!

Of course, part of the reason for the government’s continuing support for restrictions on digital television content is that they do not wish to offend or upset the powerful media barons in this country who presently control the commercial market. They do not wish to make Mr Packer, Mr Stokes and, of course, our North American friends CanWest cranky by threatening the vast commercial television empires by allowing competitive broadcasting on digital channels. This desire to placate big business is understandable—after all, with an election coming up next year, the government can hardly afford to have these media gargantuan turned against them. But giving in to the wishes of existing television licence holders at the expense of digital TV’s proper development is just not on. It is not acceptable that the government should hamstring digital TV’s development as it has by refusing to allow digital channels to offer competitive content with analog channels simply to ensure the corporate cronies still love them when the election is finally announced.
It yet again demonstrates the lack of backbone possessed by this government that it has chosen not to stand up to the Packers of this world and, therefore, also not to implement the policy changes which are sorely needed if we are ever to see a full take-up of digital TV. Spinelessness aside, the government should at least be congratulated on taking action to bring broadcasting services in remote areas more in line with the services available in metropolitan areas, as this bill proposes to do. Any action which will increase the quantity and diversity of programming in our most poorly serviced areas will receive the support of Labor.

Country people deserve the same quality of services as anybody else. We particularly support amendment (1), which allows that, where there are only two licensees in a designated remote licence area, one or both of these licensees may broadcast a third digital channel, increasing the diversity of programming. This proposed change has already led to an announcement by Golden West Network and WIN TV that they will launch a joint digital channel in Western Australia in 2007, and we can only hope that more remote licence holders will also choose to take up the third channel option. There are many areas of Tasmania, Queensland and the Northern Territory in particular which would benefit from the availability of a third channel.

Yet again, this bill does not go far enough in addressing the issues at stake. Certainly the changes to remote broadcasting rules may lead to a greater take-up of digital technology in these remote areas, which I suppose is at least a start in getting this technology into more homes throughout the country. But the government should be doing far more. It should be making digital TV the more appealing option by offering incentives to upgrade analog technology and allowing digital broadcasters to offer competitive content with current commercial channels. It should be standing up to the bullying of Australia’s media barons and acknowledging that the success of digital TV, and by extension the advancement of Australia’s technological development, is far more important than its own electoral fortunes, more important than keeping its media-owning mates on side. It should be demonstrating leadership on this issue rather than allowing itself to be led by people who have their own interests at heart and not the country’s.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (12.26 pm)—I would like to thank honourable members for their support of this bill. Mr Deputy Speaker, you may ask why the Parliamentary Secretary to the Minister for Industry, Tourism and Resources is summing up on this bill and not the minister representing him. He is in the main chamber at the moment where they are summing up and debating the bills on other aspects of broadcasting legislation.

The members that have spoken to this bill have raised a range of issues regarding broader digital television matters, including the pace of digital take-up by consumers and the implementation of digital conversion. One thing that is quite disappointing is some of the comments from members opposite who do not seem to understand the issue at large. The general take-up of digital television in Australia has actually been quite good. The conversion to digital is the most fundamental change that the broadcasting industry has seen since the introduction of television itself some 50 years ago. This government is working hard to ensure the smooth introduction of digital television in Australia. We are committed to ensuring all Australian consumers have access to the new services that digital technology will bring into our homes.
Mr Deputy Speaker, you may be aware that over 95 per cent of Australians can now access at least one digital television service with the purchase of a set-top box or digital television. The government is encouraged by the most recent industry estimates that, at the end of June 2006, over 1.7 million digital television receivers had been supplied to retailers and installers. Around 48 per cent of these were supplied in the 12 months to June 2006, which represents a household take-up rate of around 20 per cent. These achievements are all down to the Howard government’s willingness to take the lead and to establish sound legislative frameworks to support the smooth introduction of digital television into Australia.

The claims by members opposite that the take-up is lagging behind that in other countries is not true. Let me disabuse opposition members of the view that Australia lags behind other nations in switching off the analog system. In fact, Australia’s new target for switch-over of 2010 to 2012 aligns itself with most comparable countries. As you may be aware, Germany will be completed by 2011, France is aiming for 2011 region by region, the US is looking for a nationwide switch-off in February 2009 and the United Kingdom is switching off region by region between 2008 and 2012. So claims opposite that Australia is lagging behind in this approach are without any foundation when Australia is compared to other leading nations.

But we do have a plan and, notwithstanding the considerable progress to date, the government continue to drive digital take-up. The Howard government have introduced legislation to comprehensively reform the media industry in Australia and to allow the Australian media sector to move from the old analog based regime into the dynamic new world of digital content. Under this legislation, a range of new digital services will be gradually introduced.

The legislation provides that, from royal assent, national broadcasters will be able to provide an increased range of programming on their multichannels, and I am happy to note that the opposition agrees with this approach—something new for them. Commercial broadcasters will be able to provide a high-definition television multichannel from 2007 and commercial broadcasters will be able to provide a standard-definition television multichannel from 2009, with full multichannelling from analog switch-over. The legislation will also facilitate the allocation of two unassigned digital terrestrial channels throughout Australia, as soon as practical in 2007, for the new digital services that do not resemble traditional TV. The allocation of these channels for new and innovative digital services will contribute to diversity, provide extra content and services for viewers and potentially assist with the digital take-up. As part of the new framework, the Howard government is developing a digital action plan for release later this year, to expedite digital conversion and bring the simulcast period to an end. Increased digital take-up will also be facilitated by further public education and a range of other measures to facilitate conversion to digital television under the DAP.

I note criticisms of the government over the progress of the passage of this bill. Since its introduction, unrelated amendments have been proposed to the bill by non-government parties. It is disappointing that this has resulted in delaying the framework for the introduction of new services to viewers in remote areas. I know, Mr Deputy Speaker, that in your position as the member for Page you would be aware of how hard it is sometimes for people to get access to digital TV reception. This bill works largely towards improving services, so it is interesting to note that the opposition are the main people putting up the barriers each and every step of the way.
This bill provides a framework to implement the model agreed with WIN and Prime for the conversion of their commercial television broadcasting services in remote and regional Western Australia from analog to digital. The bill facilitates, as a part of the conversion model, the joint provision by WIN and Prime of a third digital commercial service under section 38B of the Broadcasting Services Act 1992. For the first time this will provide viewers in non-metropolitan Western Australia with a choice of programming commensurate with that in Perth by allowing the broadcasters to multichannel three digital services on a single channel, with an exemption from any high-definition television requirements that might be applied to remote areas.

The Howard government is providing them with significant cost savings that will help to underpin the continued viability of the remote broadcasting services. This is in addition to the significant funding assistance of $19.36 million over eight years that the government is providing to WIN and Prime, under the regional equalisation plan, to further assist them with digital conversion in remote Western Australia. Broadcasters will have the option of commencing high-definition television services in the future should they desire to do so. The bill also extends the same benefits to the commercial broadcasters in the other remote licence area, remote Central and eastern Australia, should those broadcasters choose a similar digital conversion model for that market. REP assistance will also be made available. The debate and discussions on this bill have gone on for long enough, and therefore I commend this bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

CRIMES ACT AMENDMENT (FORENSIC PROCEDURES) BILL (NO. 1) 2006
Debate resumed from 9 October.

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (12.35 pm)—I present an explanatory memorandum to the bill and move:

That this bill be now read a second time.

I am somewhat embarrassed, which is rare, although the shadow minister might think otherwise. At some point I may have some—

Ms Roxon—Perhaps I could assist the Attorney-General by giving my speech first while he finds his speech. I must say that on this occasion I have much sympathy with the Attorney, because the times have changed so often for when this bill was going to be on that we had some significant problems ourselves. If you are now in possession of your speech, I will let—

Mr RUDDOCK—The purpose of the Crimes Amendment (Forensic Procedures) Act 2001 was to allow a national DNA database to be established. Various states and territories, however, subsequently expressed concern that under this legislation it is unclear whether they can lawfully transfer DNA profiles from their DNA databases to the Commonwealth. There is also concern about the lawfulness of the Commonwealth disclosing DNA profile information that it holds to the states and territories.

MAIN COMMITTEE
The Commonwealth never held these concerns. However, these amendments to the Crimes Act will clarify for the states and territories that the transfer of information for interjurisdictional DNA matching is lawful. These amendments will go some way to allaying the concerns of the states and territories and to encourage all corresponding law jurisdictions within Australia to commit to implementing interjurisdictional DNA profile matching. I commend the bill to the chamber.

Ms ROXON (Gellibrand) (12.36 pm)—It is nice on occasion to see that the government has the same difficulties that we in opposition do with the confusion sometimes of these matters between the houses. I rise to speak on the Crimes Act Amendment (Forensic Procedures) Bill (No. 1) 2006. This bill amends and clarifies part 1D of the Crimes Act to take account of concerns held by the state governments that they are currently not able to fully implement the NCIDD due to legal issues surrounding the sharing and transfer of data.

The bill will hopefully be one of the last planks in the creation of the national DNA database—or the National Criminal Investigation DNA Database, as NCIDD stands for—removing one of the remaining legal obstacles to the creation of the database. The bill inserts a new provision into the Crimes Act which provides for the creation of the database, as well as making a number of other amendments in order to clarify various points of law and amend drafting errors.

The database was one of several that CrimTrac was tasked with building when the agency was first established in 1998. The object was to create a new DNA database containing DNA profiles from all Australian jurisdictions and a database that could be accessed by Australian police across all jurisdictions. CrimTrac’s annual report describes the purpose of the database as providing:

... police with access to a national DNA database and the capability to conduct rapid, automated inter-jurisdiction and intra-jurisdiction DNA profile matching.

The database contains samples of DNA taken from crime scenes and samples of DNA taken from criminals. The object, very basically, was to allow a police officer in Queensland to take a DNA sample from a crime scene, perform a search on the database and then discover, for instance, that his or her profile of DNA matched a profile that had been entered onto the database in South Australia or Victoria.

The benefits of such a scheme are immediately obvious. More criminals will be caught, and that is of course a great comfort to the victims of crime and the family members who are left to support, care for and sometimes even grieve for them. Such schemes should deliver a better justice outcome as time goes by, in that fewer innocent people will be convicted of crimes they did not commit.

The Labor Party supports this scheme. We are very enthusiastic about it, as it clearly has the potential to be of enormous benefit in the fight against crime. Properly used, it can become a key tool for law enforcement. Unfortunately, as with most of CrimTrac’s databases, it has got off to a rocky start. To be fair, I will note that the ANAO report into CrimTrac from 2004-05 found that the problems were mainly legislative in nature. By virtue of the fact that it attempts to be a national DNA database, it also has to navigate a minefield of differing legislation, memorandums of understanding and other agreements.
Currently, it is used by states for varying purposes. New South Wales, the Commonwealth, the ACT and Tasmania use the database but only for intrajurisdictional matching—that is, matching only within their jurisdictions. Western Australia, the Northern Territory and Western Australia use, to various degrees, interjurisdictional matching. However, as I have already said, the vision of the database as a truly national database has not yet been realised.

The legislation before us today seeks to overcome one of the remaining legislative impediments to interjurisdictional data matching. A number of state governments currently hold reservations about the legality of the transfer of information from their databases to the national database—and vice versa—and whether information held by the states could be lawfully disclosed.

The legal question, as it was put in the Senate committee report, was based on the status of the national database. Is it a Commonwealth database? Is it an amalgam of state and territory databases? The legislation before us today seeks to answer that question and to remove, hopefully, the last or one of the last legislative impediments to cross-jurisdictional data matching. As noted above, the legislation itself makes a number of changes to the Crimes Act to clarify the legislation and to make one substantive change to allow the presence of a police officer at forensic examinations where samples are gathered.

The bill proposes to insert a new section 23YDACA—I can see a renumbering process having to be before us at some time in the future—into the Crimes Act. It is a provision which specifically allows for the creation of the national database, based on the integration of information resident on the Commonwealth DNA databases, either in whole or in part, and the state and territory DNA databases, again, either in whole or in part. The integration of the state, territory and Commonwealth databases and information contained on those databases is now specifically provided for in the legislation. The item also provides that the NCIDD may be accessed in part by state and Commonwealth oversight and by other authorities for the purpose of conducting an audit.

While Labor agrees with the sentiment of this section, a problem with it was noted in a submission from the Privacy Commissioner of New South Wales during the committee process in that the word ‘audit’ was not wide enough to encompass the full range of activities for which the NCIDD may need to be accessed. The commissioner identified that their access of the database would be for the purposes of conducting an investigation rather than an audit. This leads to some confusion about whether such entities will be able to access the database. To that end, the Senate Standing Committee on Legal and Constitutional Affairs has recommended an alteration to this section to ensure that it is clear that entities such as the privacy commissioner can access the database for reasons other than strictly to conduct audits.

The bill makes a number of alterations to existing sections. These are minor items which alter various sections of the act—for example, to alter the phrase ‘DNA database system’ to ‘Commonwealth DNA database system’ and to clarify the distinction between the Commonwealth DNA database and the state and territory DNA databases.

Finally, the bill proposes an amendment which would allow the presence of a prison officer while forensic samples are taken from a prisoner. Currently, the presence of constables, medical practitioners, dentists and, in certain cases, a legal representative is allowed. The move to allow for the presence of a prison officer during these procedures is sensible and, again, one that the Labor Party supports.
As this chamber might be aware, the bill has already been examined by the Senate Standing Committee on Legal and Constitutional Affairs, which, overall, endorsed the bill, stating in its report that the committee considered ‘the bill will successfully resolve any lingering legal impediments to the transfer of information to and from the database,’ subject of course to the enactment of complementary legislation by the state governments. Aside from supporting the bill, the legal and constitutional committee made only one further recommendation, which was to alter section 23YDACA(2). The problem with this section of the bill as it stood in the other place has already been touched upon in my speech: there was confusion as to whether or not oversight bodies could access the database for reasons other than conducting audits. Oversight bodies may have legitimate reasons to wish to access the database for oversight purposes which are not necessarily audits. As such, the committee recommended that the proposed subsection be amended to clarify the access rights for investigating agencies. This was a technical recommendation to ensure that the bill operates as it was intended rather than to alter the operation of the bill. It was agreed to and the government moved amendments in the committee stage in the other place to give effect to this recommendation.

In conclusion, as I said at the start of my speech, the national database, when fully functional, will become an invaluable tool for law enforcement agencies across Australia. The Labor Party fully supports the creation of this database and looks forward to its full operation across all state and territory jurisdictions along with the Commonwealth. As such, Labor supports the bill and commends it to the House.

Mr LINDSAY (Herbert) (12.45 pm)—I will be short in my comments. There is bipartisan support for the Crimes Act Amendment (Forensic Procedures) Bill (No. 1) 2006 and for very good reasons. The bill demonstrates the government’s ongoing commitment to the fight against crime by making this facilitation. It will provide very valuable investigative information to law enforcement agencies right across Australia. I note that Australia will probably be light years ahead of the United States in relation to the sharing of information to enable us to better fight crime.

I know that the states and territories have expressed some concerns about the sharing of this information and the legality under the current legislation. The government did not have that view, but to put the matter finally at rest we have this bill before the House today. This will ensure that interjurisdictional DNA profile matching can occur.

A couple of years ago I took the trouble to satisfy myself that the security and integrity of these DNA databases was okay. I came away absolutely satisfied that that was the case. There were some concerns in the community at the time that DNA information stored by agencies could be used for purposes other than what they were put in place for. There were suggestions that, for example, if you had a person’s DNA, you would be able to work out what their medical risks were in the future and that insurance companies would be very interested in that sort of information. But I am indeed satisfied of the integrity of the databases that are held in the country today.

I would in fact go further in relation to DNA databases. I have long been on the public record arguing for every person’s DNA in Australia to be recorded, to be available for use in relation to crime issues and also for identification. From time to time there are horrific road accidents, for example, or there are people who lose their mind and do not know who or
where they are. A national DNA database could well be used to identify those people and put their identification beyond doubt.

Australia, perhaps, is not quite ready for that yet, but the time will come. When it comes, it will be a very valuable tool for the police forces of Australia. I know the police forces would like to see it and strongly support it right now. I think the community is turning around. They are beginning to realise that these sorts of databases do not get misused. They are used for the purposes that they were designed for. I certainly wanted to add my support to this bill. I am very much in favour of our commitment to fighting crime through these modern scientific methods.

Debate interrupted.

Sitting suspended from 12.49 pm to 4.03 pm

Mr WILKIE (Swan) (4.03 pm)—I rise to speak to the Crimes Act Amendment (Forensic Procedures) Bill (No. 1) 2006. This bill, as we have heard, sets out to ensure that interjurisdictional DNA profile matching using the National Criminal Investigation DNA Database, NCIDD, may be implemented by all Australian jurisdictions.

The bill addresses specific impediments raised by states and territories which have previously delayed complete interjurisdictional DNA profile matching. The main problem is that, under current legislation, states and territories cannot transfer DNA profiles from their individual DNA databases to the Commonwealth and the Commonwealth cannot disclose DNA profile information that it holds to the states and territories. Clearly, this is a ridiculous situation and something that needs to be addressed, and I am very pleased it will be addressed in this particular bill.

Other amendments will seek to ensure that the Commonwealth DNA database is clearly distinguished from the various state and territory databases. The bill will also allow prison officers to be present if the law of the relevant state or territory allows or requires such a presence while a forensic procedure is carried out on a suspect. This will ensure the safety and security of those who carry out forensic procedures. This is a sensible measure and one that Labor obviously supports. In essence, the bill seeks to create the legislative framework for the realisation of a truly national DNA database and specifically aims to remove any outstanding barriers to a fully functional, fully integrated national DNA profiling system.

The establishment of such a national system is, sadly, long overdue. For example, the agency which will have carriage of the national database, CrimTrac, was conceived some six years ago. The National Exchange of Police Information, the NEPI, which was the predecessor of CrimTrac, was established in March 1990 during an agreement signed by Commonwealth, state and territory governments. The NEPI’s aims were to provide cost-effective services for the improvement of policing across Australia, acknowledging that our geography and federal system of governance provide significant challenges for law enforcement agencies. The NEPI’s successor, CrimTrac, built on the earlier success of this national resource and information sharing arrangement with access to DNA samples—a science which has seen such a dramatic boom in technology over the past decade or so—which are seen as a key part of its operations.

CrimTrac’s role is to support Australia’s police services through the provision of information and investigative tools that will accelerate the identification of suspects of crimes, clear
the innocent, shorten crime investigation times and result in higher clearance rates. Obviously, higher clearance rates mean that many of the crimes that are unsolved at the moment will actually be solved because we will be able to go back, use previous DNA information and nab some suspects who we thought had committed crimes that we had not actually been able to pin on them in the past. So I think this is a very positive move.

The agency is underpinned by an intergovernmental agreement signed by the Commonwealth Minister for Justice and Customs and all police ministers across Australia. The establishment of a National Criminal Investigation DNA Database as part of CrimTrac’s activities was intended to facilitate access for all police forces to DNA samples from interstate prisoners or unsolved crime scenes. Importantly, as stated in CrimTrac’s 2005-06 annual report, the NCIDD does not contain personal information as defined in the Commonwealth Privacy Act 1988. Each profile entered onto the NCIDD has a unique identifier which cannot be linked by CrimTrac to information that will identify an individual. The annual report states:

DNA person profiles are automatically removed from NCIDD when predetermined destruction dates are specified on the system. The profiles associated with an index are set out in the legislation: for example, crime scene, offender, or suspect.

Only the forensic laboratory in the police agency that supplied the identifier can identify individual names and circumstances associated with the profile. No trace of the profile or associated match results remain on the database.

Unfortunately, movement towards the provisions in this bill before the House has been stymied, I believe, because of a lack of ministerial interest at a federal level. It is well known that when the current immigration minister, Senator Vanstone, left the justice ministry, she left the portfolio in a total shambles. Apart from a fondness for the canine Customs personnel, she showed little interest in the portfolio and its affairs were left in total disarray. Unfortunately, the move towards comprehensive national DNA profiling and data sharing was a victim of Senator Vanstone’s lack of interest and failure to provide leadership to the states on these very important issues.

The sharing of DNA profiles between jurisdictions can be effective in both incriminating and, of course, exonerating suspects. When CrimTrac was officially launched, it was announced:

The technology and hardware needed to set-up the DNA database is now on-line and operational. DNA samples in most States and Territories are now being taken and will be loaded onto the database in coming weeks. The system is expected to hold about 25,000 DNA profiles in the first year.

This, of course, is yet to pass. Delays persist with implementing the National Criminal Investigation DNA Database because of the lack of uniformity throughout Australia and legislation and procedures governing DNA. It is currently used by the states for varying purposes. The Commonwealth, the ACT, New South Wales and Tasmania use the NCIDD but only for intra-jurisdictional matching. Western Australia, the Northern Territory and Queensland use inter-jurisdictional matching to various degrees. There are still differences amongst the states and territories in the categorisation of DNA samples, the powers of police to take samples and the rules for matching and retaining samples. This can cause problems in court if DNA evidence is matched across borders.

Part 1D of the Commonwealth Crimes Act 1914 deals with forensic procedures, particularly the use of DNA material for law enforcement purposes. It was inserted into the Crimes
Act in 1998 and was based on the model forensic provisions developed by the Model Criminal Code Officers Committee, the MCCOC, of the Standing Committee of Attorneys-General. The primary purpose of part 1D is to regulate the collection, storage and use of DNA samples and profiles.

An independent review of part 1D of the Commonwealth Crimes Act 1914 was conducted and published in March 2003. It was chaired by Tom Sherman AO, previously the Australian Government Solicitor and the Chairman of the National Crime Authority. The other members of the review were the federal Privacy Commissioner, the Senior Assistant Ombudsman, the General Manager of the Forensic Services Branch of the Australian Federal Police and the Deputy Director of the Office of the Commonwealth Director of Public Prosecutions. The 2003 report concluded:

The major deficiency identified by the Review is that the national system is not yet operational and only one jurisdiction (NSW) had loaded profiles onto the relevant CrimTrac database known as the National Criminal Investigation DNA Database (NCIDD). The Review calls for redoubled efforts on the part of the Commonwealth, the States and Territories to move quickly to negotiate the relevant arrangements which are necessary to make the system fully operational.

As previous speakers on this side have made clear, Labor support the scheme and we welcome it. My home state, Western Australia, has been an enthusiastic supporter of the scheme and, I am proud to say, an early pioneer of intrajurisdictional matching. Indeed, when Western Australia and Queensland linked their DNA databases on 10 June last year, DNA from 14 unsolved crimes in Queensland was matched within days to DNA from Western Australia, allowing police to review the crimes and make arrests.

Earlier this year it was reported that WA have some 55,000 DNA samples on the state database and that DNA matching within the state and with Queensland led to charges being laid for 1,213 unsolved crimes since July 2002. Yes, we caught up with those crafty Queenslanders when they snuck off home, and it was great to see that particular process in use. Those crimes were also of a very serious nature. They included rape, serious assault and offences that had remained unsolved for more than a decade.

Western Australia continues to lead the way in DNA technology. Members may be interested to know that last year the Western Australian government, in an Australian first, distributed DNA kits to Perth bus drivers to help solve crimes on Perth’s buses. Drivers are able to capture evidence to help identify and prosecute the bus louts responsible for assaults on drivers.

I know there have been some legislative hurdles in various states which have delayed the implementation of the database, but quite frankly this is a situation that required national leadership from the federal government and, as I have said, for a period at least, that was sorely lacking. I am concerned that the federal government has had the audacity to criticise various states for the delay. That really takes some front. After all, seven years after it was announced that we would have a national missing persons database, the federal government has failed to deliver on this desperately needed initiative.

I refer to an editorial in the *Age* newspaper in July about the detention of Ms Cornelia Rau. The editorial states:

It seems we have learned little from the debacle that so recently caused national shame, the detention of Cornelia Rau. Ms Rau had been placed on a missing persons register in August 2004 and in Novem-
ber that year NSW police launched an appeal to locate her. Even with all this publicity, she remained incarcerated in Baxter Detention Centre for 10 months.

The Palmer inquiry into her case recommended the establishment of a national missing persons database. There has been little progress towards implementing this. It is unforgivable that, in the 21st century when technology makes it possible to track people and events across the globe, a further 49 bodies await identification in Victoria while families are left to wonder what has become of one of their own.

I do not need to remind the House that the immigration minister and the department were hardly revealed in good light by the Rau affair.

The priorities of the federal government are really quite amazing. On one hand we are told by the industry minister that in just 10 years time some Australians could be waking up next door to a nuclear reactor. We all know that it took just a matter of months after the 2004 election for the Howard government to fundamentally alter the constitutional tradition of states rights with its incorporation of industrial relations under the Corporations Act. Yet when it comes to an issue such as the national missing persons database, implementing a national system that might actually do some good, it is too hard.

Australia’s population is highly mobile, as we see today as workers move around the country to take advantage of economic opportunities. This means that our criminals are mobile too. Even as far back as the 1880s the Kelly Gang operated across state borders, demonstrating the need for cooperation between states. Well-known criminals have operated in many states across the country. The institutional framework for forensic information as foreshadowed in this bill will ensure that police can become more effective. This bill will improve the effectiveness of policing in Australia and should be supported. I commend the bill to the House.

Mr SLIPPER (Fisher) (4.16 pm)—I am pleased to be able to join the debate on the Crimes Act Amendment (Forensic Procedures) Bill (No. 1) 2006. I think that most Australians—indeed, most people throughout the world—recognise that the world of crime fighting is moving forward at a frenetic pace. It is encouraging and also exciting to see massive steps being taken in the analysis of crime scenes and evidence that are greatly improving the ability of crime fighting organisations to accurately identify perpetrators and to prosecute them in court.

DNA profiling is one such development. As noted on the Australian government’s CrimTrac website:

DNA profiling is the single most important advance in police investigation techniques since the development of fingerprint classification systems in the late nineteenth century.

The use of DNA in criminal investigations gives investigators an additional string to their bows in being able to more accurately pinpoint and identify perpetrators and then follow through to have them found guilty in court. I was impressed by the comments made by the honourable member for Swan about the matching of the databases of Queensland and Western Australia and how a large number of offenders were apprehended as a result of the sharing of those databases.

Sharing information among the states and between the states and the Commonwealth also has obvious advantages in identifying criminals who may lead a transient lifestyle and have committed offences around the country. I suspect that for too long we have looked at the individual states and considered them to be islands, whereas, as the member for Swan pointed out, we have a highly mobile population. One could imagine that those who wished to fall foul of...
the law and those who wished to commit offences would usually not confine those offences to
one jurisdiction.

The states raise concern that current legislation may not adequately support the exchange
of the DNA data with respect to individuals. That was not a concern that the Commonwealth
had. However, we see this issue as being of national importance. If we are going to have a
proper level of DNA sharing, what ought to happen is that all jurisdictions in the country must
be happy with the law as it currently is. Consequently, the bill being discussed here today will
help to reinforce the ability to exchange the DNA data of individuals. It will also give the state
and Commonwealth authorities the confidence that the information sharing process will with-
stand any court challenge.

Commonwealth crime fighting authorities store their DNA records in the National Criminal
Investigation DNA Database, called NCIDD. Each of the states and territories also has their
own databases. The fear expressed by the states is that, under the current legislation, it is not
clear whether the data exchange is allowable. As I said, that was not a concern of the Com-
monwealth, but it would certainly be a bizarre situation if the individual states were not able
to share this information which, in many cases, will aid in the solving of crimes that were un-
solved for a very considerable period of time.

It is important to recognise the rights of individuals, and these legislative hiccups as far as
the states are concerned come hand in hand with an industry that is still in its relative infancy.
It is interesting to note that DNA fingerprinting was first used to solve a crime in 1985 in Eng-
land, just 21 years ago. I do not profess to know all the ins and outs of the science of DNA
and DNA matching but, as I understand it, it involves a process by which a human’s individ-
ual genetic blueprint is able to be extracted and analysed. I am advised that every individual is
different and in 1987, police in the United Kingdom collected DNA samples from over 5,000
men to eventually identify a 17-year-old as the perpetrator of a double rape-murder.

In Australia, it is only 17 years since DNA was first used to solve a crime. That was in
1989, when such scientific evidence was used in a court here in the Australian Capital Terri-
tory to convict a man accused of sexual assault. The defendant had changed his story several
times, first claiming he was not anywhere near the victim when the attack took place and then,
following the collection and analysis of DNA evidence, saying that the contact was consen-
sual. In that year, in Victoria, police used this technology to identify a man who raped 16
women over a four-year period. When confronted with this evidence, the perpetrator con-
fessed to these crimes.

These powerful stories are testament to the value of DNA profiling as a crime-fighting tool.
It is a tool that all police and crime-fighting authorities around Australia now have at their
disposal. It is of great assistance that the DNA information from convicted criminals is able to
be stored, with this valuable information accessed to identify those who have previously been
convicted and who may have subsequently reoffended. This, Madam Deputy Speaker Bishop,
will be of interest to you because it proved valuable in 1989 when Victorian police were able
to identify the perpetrator of an offence through the use of a DNA database. A search of the
database identified the man and helped lead to his conviction, even though he had previously
not even been a suspect with respect to that crime.

The use of DNA fingerprinting is also able to prove innocence, and I think it is important to
look at this in a balanced way. Also in 1989, in the United States of America, DNA was used
for the first time to clear a man of wrongdoing after he had already been tried and convicted in the courts for rape. He had served eight years of a 25-year sentence, but he was released and able to return to life in the community. I do not think society was actually able to give him his eight years back, but certainly it was good that he was not forced to serve the balance of the 25 years.

It would be a shame if such stories of vindication as well as of successful prosecution could be derailed on legal technicalities. That is why it is really important to make sure that all of the Australian jurisdictions are happy that the law meets their ability to exchange DNA, and the Australian government has been pleased to cooperate with the states. We did not see that the problem was there, but there is a problem if the states feel that the law does not permit them to exchange DNA. The Crimes Act Amendment (Forensic Procedures) Bill (No. 1) 2006 will redress the concerns of the states.

It is in the best interests of all concerned that legislation that governs the use of DNA information is able to keep pace with the needs of rapidly developing crime-fighting methods. This is an important piece of legislation. I am pleased that it does enjoy the support of members on both sides of the House and I am very pleased to be able to commend this bill to the Main Committee.

Mr HAYES (Werriwa) (4.24 pm)—I rise to support the Crimes Act Amendment (Forensic Procedures) Bill (No. 1) 2006. I believe it is very important to provide our police with the best and most modern tools available, because that is what the community expects of us. I say that for a number of reasons, not least for the fact that for the six or seven years prior to coming to this place I spent much of my time representing police officers from each of the states and territories, including the AFP. That work was not just in relation to industrial relations; it was in relation to ensuring that the issues of the police profession were acknowledged and in pursuing the best and most appropriate tools for our working police officers to ensure that they were in the best position possible to protect the community, as they are so charged to do.

As all members would be aware, the community expectation of our police has certainly changed. We have seen that come out of a raft of inquiries, whether in respect of integrity or whatever. Certainly the expectation that the community have of their police force to keep them safe is at an all-time high. The community, quite frankly, are not unreasonable in that expectation and it falls on government to actually make sure that their police forces are equipped with the most modern tools of the trade. I do not believe that is unreasonable. In my first speech, which I delivered in this House some 18 months ago, I made the point that, whilst law and order are ostensibly state and territory based issues, there are certainly contemporary grounds now for the Commonwealth to become more involved both in respect of coordination and in respect of providing resources. The facts are that criminals know no bounds. They do not know anything about geographical boundaries. As a matter of fact, they will move conveniently from one jurisdiction to another. Therefore, it is appropriate that the Commonwealth does have a role in coordinating and assisting state and territory jurisdictions in the administration of the respective criminal acts and in making sure that the police officers who are defending the communities across the Commonwealth are adequately provided with the resources to do the job in a contemporary society.

The purpose of this bill before the Main Committee is to amend the Crimes Act to ensure that interjurisdictional DNA profile matching, using the National Criminal Investigation DNA
Database, NCIDD, may be implemented for all corresponding jurisdictions within the Commonwealth. As you have heard from various speakers before me, Mr Deputy Speaker, forensic sampling has become a critical tool of modern policing. Many Australians watch crime shows now with some regularity and they would know only too well that solving crimes these days tends to have a fair bit to do with the collection and analysis of forensic data. While the process in real life policing throughout the country may differ slightly from what you might see on \textit{CSI} and other programs, nevertheless, from my experience and involvement with the various police forces, I know the critical nature of access to forensic data in resolving crimes.

There are some doubts about the ability of the current legislation to allow the sharing and transfer of data between state and territory databases and the Commonwealth. That is regrettable. I do not think any particular parties set out to instil these differences. But provided there is some doubt in it—and that does ensure that there is less reliance on the use of the national database—that is not good for policing and it is certainly not good for communities. Naturally, this would serve to be a particularly large impediment across jurisdictions in DNA data matching, particularly if we are talking about admissibility in terms of the way data is collected, how it is analysed and therefore stored in the database, and whether it is admissible in certain jurisdictions.

I am sure that all members are aware of CrimTrac. CrimTrac is a Commonwealth agency responsible for a number of programs designed to provide national policing information services, investigation tools and national criminal history record checks. CrimTrac is also charged to manage the National Criminal Investigation DNA Database. Along with other members of the Parliamentary Joint Statutory Committee on the Australian Crime Commission, I had the opportunity to visit CrimTrac. As I prefaced in my remarks, I have had considerable involvement with the respective policing agencies across this country and I have to say that that visit did open my eyes in terms of the resources we have in CrimTrac.

CrimTrac, under its current CEO, Ben McDevitt, provides policing with a very professional capability. It certainly has a significant and powerful computer capability, but in terms of being able to deliver on results, I have to say that this organisation is probably second to none. CrimTrac provides support to Australian law enforcement generally, regardless of jurisdictions. Through the development, delivery and maintenance of modern, high-quality rapid response, electronic policing information and investigative tools, it has achieved much, and through cooperation and collaborative partnering with the various police forces that operate as stakeholders throughout the country.

The principal system that is operated by CrimTrac is the National Criminal Investigation DNA Database, which is subject to these matters before us. In addition to that there is the National Automated Fingerprint Identification System, the CrimTrac Police Reference System and the National Criminal History Record Checking Services. These are extraordinarily powerful tools in terms of contemporary policing.

While the National Criminal Investigation DNA Database got off to a very slow start—and it will not help any of us to start pointing a finger at state or territory jurisdictions—I have to say it has been proving its worth, and we are seeing that in terms of the records that are now being collected and used. As at June 2005, there were more than 152,000 records on the database. There were more than 41,000 crime scene records, 38,000 offender or serious offender records, nearly 59,000 suspect records and more than 14,000 records offered by volunteers—
which is always very important when eliminating suspects. Believe it or not, people sometimes are persuaded to come along and volunteer DNA for the database for that very purpose.

With each additional record, the database becomes a more important tool in policing. That is why the changes before us today are so important. It is not so much that it is going to be managed by the Commonwealth—and bear in mind that the Commonwealth did fund the establishment of the DNA database to the tune of about $50 million—but to some extent this is the Commonwealth fulfilling a responsibility in terms of law and order. It is not that it is a responsibility imposed on the Commonwealth through the Constitution, of course, but, as I said earlier, the nature of criminality these days means that it does not know geographical boundaries. We do need to have the most modern tools available to our police if they are to be able to do their work, which is to protect the communities they are charged to serve.

As I mentioned earlier, in dealing with the interjurisdictional nature of collecting this forensic data, it is regrettable that it has got off to a slow start. I do not know if there are figures available about how many cases have possibly been jeopardised because of that, in terms of apprehending serious offenders, but I dare say that if the system is not working to the satisfaction of all stakeholders—and that is each of the states and territories and the Commonwealth—then the system is not working at all. This amendment bill before us today does put that beyond doubt, certainly to the satisfaction of each of the states and territories, which has to be a very good thing for criminal justice throughout this country. The bill before us today clarifies the points that have been raised by some of the states and territories, and I think it does now move to put it beyond doubt.

The object of the bill is to remove any impediment to the creation and use of the National Criminal Investigation DNA Database. I think it should be understood how this database actually works. This is not about the Commonwealth making these checks and identifying from the analysis criminals or discounting criminal activity from various people. The Commonwealth is managing a national database—a collection of state DNA databases, if you like. A state or territory police jurisdiction will be capable of accessing the database to see whether there is a match. If there is a match, they will be directed to which state or territory the match lines up with. That is where it is important.

This is not about the Commonwealth divulging information on people; it is about providing a mechanism by which information can be matched with the states. It is very important that we have some standardisation in the collection and maintenance of this data to ensure a reasonably clear passage in the matching process but, more importantly, as we travel further down the track, it is important in relation to the admissibility of evidence in courts of criminal jurisdiction. As most people would be aware, there are going to be protections for material that is collected on this database. That material is subject to the privacy provisions, but those provisions will now apply across each of the databases that feed material into the national collection system.

I have said here and in other forums that we, the Commonwealth parliament, cannot take our eyes off law enforcement simply because it is predominantly a state or territory matter. We have an obligation to provide a degree of coordination, as the Commonwealth has done in this case. I believe this serves as a good example of what we can do effectively in law enforcement. I think we have a very good track record when it comes to what is able to be achieved in respect of national fingerprinting. I think that works and serves policing through-
out Australia very well. What is being achieved through this amendment and by putting beyond doubt the impediments in the existing legislation will prove to be very good for law enforcement generally throughout Australia.

In the same way as we expect that for occupations to be able to compete in a very competitive world they need to have the best available resources, I think it falls to us to ensure that that also applies to law enforcement and policing. That should apply across jurisdictions. I am happy that the minister has joined us for this latter part of the conversation. I believe this bill serves the Commonwealth well. I think it has demonstrated that the Commonwealth does have a significant role in law enforcement. As I said earlier, the Commonwealth committed $50 million to initiate this national DNA database. Despite the fact that the development of the database has been slow and has had a long gestation period in terms of being utilised by each of the states and territories, it has nevertheless provided the police services throughout the states and the Commonwealth with a second-to-none crime fighting tool which, quite frankly, will prove to be of significant benefit to law enforcement agencies in this country.

It is important that we have consistent rules in establishing the collection of the forensic material. The way we collect material is important, and so is the way it is going to be admissible in the state or criminal jurisdictions but, more than that, this is a very solid example of what can be achieved through federal and state cooperation.

With that, I commend this piece of legislation. This amendment bill puts beyond doubt what was in the minds of those who had the foresight back in 1998, I think, to devise this as a project and who then, in 2000, moved towards the development of the model legislation. It is regrettable that the model legislation was not picked up in each of the state and territory jurisdictions in the way that the state, territory and Commonwealth ministers agreed initially, but I think this actually does now remove those impediments. This is an example of what we can do through cooperation. This is a very positive example of the Commonwealth’s role, which I think has to be seen as a growing role, in law enforcement across the country.

Mr FAWCETT (Wakefield) (4.41 pm)—I rise today to briefly speak on the Crimes Act Amendment (Forensic Procedures) Bill (No. 1) 2006. As speakers have previously outlined, the purpose of this bill is simple enough: to ensure that interjurisdictional DNA profile matching using the National Criminal Investigation DNA Database, or the NCIDD, can be implemented across all of the jurisdictions in Australia rather than having disparate systems between the Australian government and the various state and territory governments. The principal features of this will be expanding the access of the state and territory officials to the NCIDD, aligning the permissible matching of DNA profiles under the Commonwealth legislation with these other jurisdictions and clarifying that ministerial arrangements can also deal with the transmission of information to and from the database.

My teenage children tell me that DNA is a vital thing these days—they see it so much on TV. It is interesting to note that a quick search in the media shows that there is quite a bit of information in the public arena about cases that are being solved, current cases and even old cases, here in Australia. In the Glebe morgue, for example, there are literally boxes and boxes of bones from people that have been found, and they are now trying to match them with the 400 long-term missing persons in New South Wales. In Western Australia they are even using DNA to try and track down stolen sheep, which is perhaps something that was not envisaged.
More importantly in terms of the power of this tool for policing and solving crime, reports out of the UK talking about new techniques to recover quite poor quality DNA samples are predicting that they will have a 15 per cent increase in closure rates in cases with these new DNA techniques. The agencies there are dealing with some 130,000 cases every year using DNA profile testing.

I would like to move on from that, though, and talk about why this is important in the community. In almost every survey that I send out in the electorate of Wakefield or when I have community information stands in the shopping centres in Elizabeth, Craigmore and Munno Para, the consistent theme that comes back from the electors and the people of Wakefield is that they are concerned by the levels of crime in their community. They are looking for leadership and action from the government. They do not particularly care what level of government, but what they want to see is things to make them safer in their community and in their homes.

It is interesting to note that just today Adelaide’s paper, The Advertiser, has an article talking about a shortage of experienced police officers affecting the force’s ability to investigate crimes. It says that the retention of officers with experience is even more important than the recent round trying to recruit new officers from overseas.

What the public expect to see is consistency from government in their approach to policing. That is why it was disappointing earlier this year to see that the state government were starting to talk about a three per cent to four per cent cut of some $20 million to the police budget as part of their well-overdue state budget. In the end that did not eventuate, but there was a significant period of uncertainty, which is of great concern to the electors of Wakefield, particularly if we look at some of the statistics on crime rates. Despite boasts about falling crime rates, in figures that have been prepared by the Office of Crime Statistics and Research, you can see that between 2001 and 2005 in South Australia sexual offences increased by 8.8 per cent, offences against good order increased by 19.2 per cent and driving offences increased by 31.3 per cent. There has also been information around about the fact that the reporting of many of the statistics has been changed to put a more positive spin on them. But the fact that people continue to tell me that their biggest concerns are crime and safety in their home says that these are something that all levels of government need to be working together on.

In that regard, it was disappointing to see that one of the first things the state Labor government did when they came to power was scrap the Crime Prevention Program, which was a very successful program implemented by the previous government. I am glad to see that, from an Australian government perspective, we have continued and in fact expanded our National Community Crime Prevention Program. I was very pleased just recently to go to one of the local primary schools in Elizabeth, along with an organisation called Good Beginnings, to announce a $498,000 program under the Community Crime Prevention Program to look at early intervention with families to keep kids connected with families and learning so that we reduce the likelihood of people becoming involved in crime.

From a federal perspective, we have also maintained the very successful Tough on Drugs program, which has seen a large fall in hard drugs like heroin, and a large awareness program for people. Anyone that you talk to about crime will very quickly make the link between the use of drugs in our community and criminal activity. Likewise, I notice that, in our spending on police at a federal level, the Federal Police budget has gone from $192 million when we
came to office to over $816 million this year. It shows the clear leadership that this government is looking to have in providing security and safety for our people.

So there are a range of areas of concern—hoon driving, drugs, speeding and safety in the home—but prevention is probably one of the most important things. It is notable that this government is again trying to take the lead, even in things like the family relationship centres, which are trying to build stronger families and which have the flow-on effect of providing the sort of environment that our young people need to steer them away from the involvement in drugs and crime that leads to some of these statistics later in life.

I support this bill because it is yet another example of the cooperation that needs to exist between levels of government and of leadership from the Commonwealth government in making sure we have processes that give our police forces at whichever level every tool that they need to successfully prosecute crime and make communities around Australia, and particularly in the electorate of Wakefield, safer.

Mr RUDDOCK (Berowra—Attorney-General) (4.48 pm)—in reply—I first thank all those members who have participated in this debate on the Crimes Act Amendment (Forensic Procedures) Bill (No. 1) 2006, particularly the members for Gellibrand, Herbert, Swan, Fisher, Werriwa and Wakefield. Can I just say, in relation to the contribution from my friend the member for Wakefield, how much I appreciated his insightful comments about what was happening in his electorate and the relevance of these matters not only to law enforcement but also to the active role the Commonwealth is pursuing in dealing with issues of serious criminality. The commendation that he made about the work of our Australian Federal Police is something that I will pass on to the commissioner when I see him.

The primary purpose of this bill of course is to address specific impediments raised by the states and territories that have prevented the exchange of DNA profiles on a national basis. I think it is very important that we have harmonisation of laws across the Commonwealth. While these matters have relied substantially on the way in which states and territories have implemented arrangements for DNA profile matching, these amendments are designed to allay the concern that the states and territories have and to encourage all jurisdictions to commit to interjurisdictional matching.

The amendments address, amongst other things, the recommendations contained in the Senate Legal and Constitutional Legislation Committee’s report, and I wish to briefly record my own appreciation for the work of the committee and to thank them.

The intent of this bill was to always grant access to states and territories to the relevant DNA information held and to ensure that officials authorised under relevant state and territory law would have access, not just officials with an audit role. The government’s amendments have removed the word ‘audit’ from the text of the bill, giving effect to that policy objective. The government’s amendments also clarified the intent of the legislation that state and territory databases remain subject to the control of the relevant state or territory. The amendments address the issues raised by states and territories and do not make substantive changes to the way in which DNA profiles will be used, accessed or controlled.

The government’s amendments also change the situations in which DNA profile matching is allowed in order to mirror other jurisdictions’ matching tables and to remove any unnecessary restrictions on the matching of DNA of volunteers for unlimited purposes. These pur-
poses also allow for DNA from suspects to be matched against DNA obtained from suspects at other times. Therefore, these changes implement the eight recommendations of the independent review of part 1D of the Crimes Act by Tom Sherman AO in 2003.

Obviously, I am delighted at the support that has been given to the measure. I think it is a very important contribution to our continuing program of law reform in the area of criminal detection and apprehension and, as I said earlier, I thank all members for their contribution to the bill and commend the bill to the chamber.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

MINISTERIAL STATEMENTS

Skills for the Future

Debate resumed from 12 October, on motion by Mr Abbott:

That the House take note of the document.

Ms Bird (Cunningham) (4.53 pm)—I appreciate the opportunity to speak this evening in response to the Prime Ministerial statement to the parliament, Skills for the Future. It is certainly welcome that the Prime Minister has turned his attention to the issue of the skills crisis that has been affecting this country for quite a while now. Indeed, as has been indicated on a number of occasions, particular skills categories have been on the skills shortage list for nine out of the last 10 years. On top of that, ongoing warnings have been provided by the Reserve Bank almost each year for the past five years about the impact that that skills crisis was having on the economy, and in particular the role that it was playing in contributing to the increase in interest rates—indeed, three consecutive increases to date since the election and seven on the run.

It is, no doubt, one of the most important challenges facing the nation and I note that the Prime Minister, as a background to his announcement, outlined that he thought the problem was that the labour market is the strongest it has been in generations and what we were suffering is the sort of problem we want to have because the economy is going so well. The unemployment rate, as it is measured, is so low it is a predictable problem, and in fact it is not really a problem but certainly something the government had finally decided to turn its attention to.

I want to take issue with a few of the presumptions in the backgrounding that the Prime Minister provided in his statement. In particular, it is true that the overall unemployment levels have dropped, but this ignores the fact that there are within those figures categories of people who continue to experience high unemployment. For example, in the Illawarra region, which I represent, there have consistently been general unemployment figures of double the national average rate. Sadly, we have not seen a great improvement in that situation over the time that the Prime Minister has trumpeted the achievements of his government in the economy.

Even more damning and more concerning is the fact that, in the last recorded figures on youth unemployment, youth unemployment in the Illawarra region hit 40 per cent for the first time. That is an unacceptable level of unemployment amongst our young people. It is cer-
tainly something that concerns the parents of my constituents, who are concerned about the future for their young people.

It is true that the Prime Minister can point to general averaged-out improvements in unemployment, though even there we could have an argument about the changes that were made to how we measure unemployment and whether work for one hour a fortnight really constitutes employment. But putting that aside, even if we presume that the average has hit that level, the figures ignore the fact that there are significant pockets of people who are not getting the benefits of the good times of the economy. It is incumbent on the government to address that. I profoundly believe that a government experiencing good times as well as bad should not just sit back and say, ‘Well, that’s tremendous. Everyone is doing fine.’ It has the responsibility to identify those who are missing out even in those circumstances and find ways to assist those people to be part of the good economic times.

The statement that the Prime Minister made on Skills for the Future is welcome in that it addresses some of the issues for mature age people in the workforce, who may want to upskill. There is no denying that that is a useful thing to do, but it does not particularly address or target the issues in regional areas that have not experienced the sorts of growth that we might see in states such as Western Australia and Queensland and it certainly does not address the issues faced by many young people who are still locked out of those employment opportunities.

I make that point because it has been very frustrating to me personally—as I know it has been to the Labor Party generally—that the Prime Minister has consistently refused to acknowledge that there was a problem. Having been a TAFE teacher for seven years of my life, before coming into this place, and having had sons in the age group looking for work, it is certainly something that has been consistently at the front of my mind. In March 2005, when there was a debate going on about the skills crisis in the country, the Prime Minister responded to a question asked by the shadow minister for education about the skills crisis. The Prime Minister said:

... I have absolutely no intention of embracing this absurd rhetoric—which is quite false, when you actually look at the increase that has occurred—that there is some kind of skills crisis.

In March 2005, the Prime Minister was saying that it was all rhetoric, that it was absurd, that there was no problem. Was it a one-off brain snap? In March 2005 did he perhaps find himself anticipating an Easter break and perhaps not being on the ball in the game? No. He repeated it again, in September this year. He obviously continued with the view for at least 18 months. He said:

All I ask is that you not mistake boiler-plate rhetoric about a skills crisis ... with anything approaching actual policy insight.

In September this year, only a month ago, we had the Prime Minister saying that we should not mistake rhetoric and concerns on this side of the House with any real policy imperative—that there was not a crisis, that there was not anything that had to be addressed. You can imagine how gobsmacked I was when this non-problem had $800 million thrown at it! That is what we saw from the Prime Minister’s statement to the House, which we are addressing today. According to the Prime Minister’s own definition, that is $800 million to fix a non-existent crisis—probably a first for any government.
So, to me, what that reflected was that the Prime Minister well knew that the reality out there in communities was that people knew there was a skills crisis. So did businesses—indeed, I have had several representations in my local areas from the Australian Industry Group talking about exactly that problem. I look back over several surveys of small businesses, done by the Australian Chamber of Commerce and Industry, about what the key significant issues were for them and what they felt were the key blockages to business expanding, and they have consistently identified, for at least the last four years, that the major issue for them was access to a skilled workforce. Obviously all of those voices, including the voice of the Labor Party, made it clear to the Prime Minister that he could not continue to dismiss the issue as ‘boilerplate rhetoric’, but had to acknowledge that it had real bite in the community and that, in fact, people were seeing the reality of it on the ground and there had to be something done about it.

It is important to address the issue, not only because of the real human stories behind families where there is insufficient work or there are young people who are unable to access work and make a start in a career but also because it is fundamental to our economy. That has been the message of the Reserve Bank consistently—in particular, the impact that it has on productivity growth. We had a pretty amazing record under the Hawke-Keating governments of achieving really significant—and, in fact, world-leading—productivity improvements and we have seen those basically disappear over the last 10 years. We have here a challenge, in the human stories of people in communities that have not been able to access the growth that has happened in the economy. They are saying: ‘We need our young people in jobs. We need our mature age workers who were made redundant through restructuring to be able to access jobs.’

Then we have had organisations like the AiG, the ACCI and the Reserve Bank saying the biggest blockage to our future expansion is the inability to access the skilled staff that we require and to improve productivity through upskilling staff. The frustration that we felt, I have no doubt, they were feeling. You only had to look at the number of times they kept putting reports out as a signal to the government to say: ‘We think this is important. For goodness sake, do something about it. It is not good enough that you have cut the funding through TAFE significantly—in fact, quite dramatically—up until 2000 and, begrudgingly and very gradually, reinstated some of it since 2000. Your brain-snap campaign ideas, such as Australian technical colleges, are too little, too slow and unlikely to really address the problems we are facing.’

So what we had was an accumulation of all those circumstances. The Prime Minister finally had to acknowledge that there was a problem and that he had to do something about it. So he gives us $800 million to fix a crisis that he has been denying for many years.

Ms Macklin—Is still denying.

Ms BIRD—Indeed, the shadow minister is quite right—which he is still denying.

In the proposal that the Prime Minister put forward, obviously the most significantly funded item is the provision of vouchers to people over the age of 25 who have not completed a HSC to go and get themselves literacy and numeracy training. I have to say—and on this comment I hope I am wrong, but I doubt I am—if somebody is out there in a job and is over 25, I very much doubt that they are going to be rushing to the government for a voucher to go and do some literacy and numeracy training at TAFE. I think that that is a bit pie in the sky. I
think if they were going to provide a voucher they would have been better off providing a voucher that could be utilised for skills which were actually job related.

I was an English teacher and so I think it is really important and a useful thing to do to up-skill people in their literacy and numeracy. This is a pragmatic response. I think the take-up on this system is going to be very slow. And we saw bungling with the literacy voucher that this government implemented for school age children—a captive audience; it was not hard to identify who they were or how you had to access them—which dragged out to the point where there were kids who had failed the exam, were entitled to the voucher and did not get it until two years later when they were sitting the next exam.

So I think my cynicism about this particular program can be forgiven because of the track record the government has on these sorts of programs. Nonetheless, I will acknowledge that it is a worth while thing to do. I just think it is an awful lot of money for a not very well thought out process, and I suspect a lot of that money will still be sitting there at the end of the year.

The other thing that the government has done is to look at providing traineeships for mature age workers. That is a good idea. There are people in industries who do a lot of work that gives them skills and, if they had the opportunity to get the actual qualifications to become a full apprentice and then a tradesperson, they would certainly take it up.

The problem I have with this program is that, in an area like mine, the vast bulk of the apprenticeship opportunities actually sit in small businesses. If you are a small business—I am talking five to 10 people—it is highly unlikely that you are going to have the capacity to allow somebody who is working as a full worker for you now to become an apprentice. So who will be able to access these opportunities? Medium to large sized businesses. That is where the apprenticeship opportunities will happen. In my area, many small businesses utilise some programs whereby the group training companies employ the apprentices and they are then placed in small businesses to create those opportunities. The problem with this program is that it does not enable small businesses to effectively access it. I encourage the government to have a look at that, because it is worth while giving mature age people with practical skills they have got on the job the opportunity to upskill.

The biggest gap in the whole thing, in terms of $800 million, is addressing that issue that I raised about an area like mine, where you have 40 per cent youth unemployment. When my son, who is now 23, finished school, for two years there were five boys sitting at my house every day. Four of those boys would have killed for an apprenticeship opportunity. They were desperate for an apprenticeship opportunity. All four of them eventually got one when they turned old enough to have a car and be able to travel to Sydney. That was the reality for them. So they all now do that terrible commute from Wollongong to Sydney, like 20,000 people do.

Since the package was going to be this significant, I would have liked to have seen part of it target those young people, creating opportunities for them and supporting initiatives by people like the Illawarra Business Chamber, who have been targeting our chronic youth unemployment by providing expanded opportunities for young people in apprenticeships. It is a massive hole in this proposal.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (5.07 pm)—In speaking in support of the Prime Minister’s Skills for the Future package, I want to start in my own electorate of Flinders. This package comes in the context
of work done over the last 10 years which has seen unemployment drop by over four per cent, from a high in the nine per cent bracket to a low in the five per cent bracket. What that has meant in practice is thousands of jobs—over 4,000 jobs and 4,000 families who have had the benefit of work, who have had the dignity of work, who have had the economic outcomes which come from work and who have had the personal satisfaction of working. That is a profound and real outcome for people in the towns of Dromana, Rosebud, Rye, Hastings, Somerville, Koo Wee Rup, Lang Lang, Pearcedale, Cowes and Grantville—real jobs having a real impact on people’s lives. That is the local context and the human context of this package.

The national context is that we have seen over 1.9 million jobs created between 1996 and now. So the story of Flinders is the story which has been told all around Australia, of 1.9 million individuals who have new jobs and new forms of employment. There has also been an increase in the participation rate to the highest level in Australian history. That rate includes those who have jobs and those who are looking for work. You would imagine that there would be a high unemployment rate if more people than ever, a greater percentage of the population than ever, were seeking to be in the labour force. No. We actually have the lowest unemployment level, of 4.8 per cent, in 30 years.

If you want to see what is the real legacy of the last 10 years, it translates into this notion of the highest participation rate in Australian history coupled with an unemployment rate of 4.8 per cent, which is the lowest unemployment rate in 30 years. Those two things together represent more people working not just because we have got a bigger population but as a percentage of the population than at any other time in Australian history. Against that background, the consequence of having more people as a percentage of the population actually employed means that we have the challenge of trying to fill the places of more jobs by chasing fewer spare workers. That is precisely the challenge that every economy seeks to balance. It certainly beats the alternative of having more unemployed workers chasing fewer jobs. In fact, it is a tremendous challenge to have to deal with.

What are the actions that we have taken to date? There are three principal actions. Firstly, we have encouraged an increase in the number of apprentices from 154,000 in training in 1996 to 403,000 in training at present—almost three times the level of people currently passing through the apprenticeship process. Secondly, we make absolutely no apologies for the reforms which are encouraging employers to take on employees and encouraging more people to enter the workforce. They take the form of the workplace relations changes, and 205,000 jobs have been created since those reforms came into place. What that shows is that, given that this is three times greater than the long-term average for that same period, something must be happening.

I make no bones about the fact that there is undoubtedly an effect from the booms in Western Australia and Queensland, but it seems unlikely that this growth in employment just happened to occur at precisely the time that there were changes caused by the workplace relations legislation. There is a high likelihood of a real correlation. Also, we make no apology for the Welfare to Work reforms to help people to transition back into the workforce. Both of these things have added to the work for apprentices in helping to provide and create the highest participation rate ever in Australian history.

Given all of these things, there is no doubt that we have had challenges in trying to fulfil and achieve the quotas and levels that we want in relation to certain trades. So this package
that the Prime Minister puts forward, of $837 million over four years, aims to address four particular needs. Firstly, for people who in their midlife do not have the appropriate level of training or the desired level at school, there is a voucher of up to $3,000 to continue with training. This work skills voucher is a very important invitation and opportunity for all of those who want to increase their skills in whatever area.

Moving onto the second of the initiatives, for mid-career people wishing to transition into the trades, there has been a barrier: the impact of loss of income whilst they go through the early apprenticeship years. For those people seeking to transition from other careers into apprenticeships mid-career, there is a $7,800 Commonwealth subsidy for the first year of that apprenticeship and a $5,200 subsidy for the second year of that apprenticeship. What that should do is help bridge the gap between the wages which they were receiving and the consequent drop if they were to seek to go through the training process. It is an appropriate response, and I think it is a very good one.

The third area is in relation to business skills. For people who are running small businesses, especially those who are working in the trades, there is a $500 voucher to help them in preparing and understanding what is needed to effectively and efficiently run a small business.

The fourth area is in relation to the long-term skilling of engineering. Already there have been significant contributions, but this package announces 500 new university places for engineering available as of next year. I think that that combination of four initiatives is a recognition that we have achieved the highest level of participation in the economy ever, that we have the lowest level of unemployment of 4.8 per cent in the last 30 years and that there are challenges that come from that. As a result—because of the work skills voucher, the encouragement for mid-career apprenticeships, the business skills voucher and the engineering places—I think this sets forward a very important path towards (a) helping with skills and (b) helping to improve the level of participation even further and drop the level of unemployment even lower.

I am delighted to support this package, first and foremost because it will help people in Flinders. It will add to the more than 4,000 families who have received all of the benefits from new employment which they did not have in 1996. Secondly, I support the package because it will help contribute to the life and further economic development of the nation. I am proud to support the package and delighted to see it in the context of all of the changes and the jobs created over the last decade.

Ms MACKLIN (Jagajaga) (5.16 pm)—The Prime Minister has finally been forced to act on Australia’s raging skills crisis. There is no question that the skills crisis is hurting Australian families and hurting businesses, and at last we have the Prime Minister acting on this crisis. Unfortunately it seems that previous government speakers, like the Prime Minister, do not recognise that this crisis exists, but Australian businesses and Australian families certainly know that it does. We only have to go back over the last 10 years to figure out why it is that we have such a serious skills crisis. We have had a government that has seen 300,000 Australians turned away from TAFE. Unfortunately it seems to be the case that only now that this skills crisis is hurting the Prime Minister politically are we getting some action.

It is also the case that the Prime Minister is acting to desperately catch up with the range of Labor policies which have been announced over the last 18 months—policies that Labor has put forward to make sure that we do get more carpenters, plumbers, electricians, mechanics
and so the list goes on—into jobs and working. As many—most importantly, the Governor of
the Reserve Bank—have said, this is the No. 1 economic issue facing Australia. Yet in the
Prime Minister’s ministerial statement he said that we needed to put ‘the more breathless
commentary about a skills crisis into proper perspective’.

Australian families certainly have the skills crisis in proper perspective. They have the per-
spective of four consecutive interest rate rises at the same time that the Reserve Bank has
been issuing warning after warning. We have a government member over there laughing. He
is laughing at the fact that Australian families have faced four consecutive interest rate rises
since the election and, of course, this government has continued to ignore the warnings it got
from the Reserve Bank as far back as 1999. From as far back as 1999, the Reserve Bank has
been telling the government that skill shortages are putting upward pressure on interest rates.

Australian businesses, along with Australian families, have also got this skills crisis in per-
spective. The Prime Minister might not have it in perspective, but business certainly does,
because business has been delaying billions of dollars of resource projects because of the lack
of skilled workers. Business, like the Reserve Bank, has been telling the government for years
that this is a very serious problem holding business back. We need to go back and have a look
at why that it is: because of the huge cuts this government imposed a number of years ago on
the funding of our TAFEs and our universities.

It seems like it is only the Prime Minister who lacks the perspective to see the impact that
the skills crisis is having on Australia. As I said before, the lack of skilled workers is the No. 1
economic issue facing this country. It is dragging down investment, slowing economic growth
and holding back productivity. I refer government members to the statement on productivity
just last week from the new Governor of the Reserve Bank—it is pushing up inflation and
putting upward pressure on interest rates. These are all the serious economic impacts of the
skills crisis. This Prime Minister created the skills crisis; it is his responsibility to fix it.

As I said before, the skills crisis started when the government back in 1997 implemented
massive budget cuts in our TAFE system and in our universities. In fact, not only did they first
cut the funding to our TAFEs and our training system but they then abolished growth funding
altogether. So for years our TAFEs were just treading water. Instead of training young appren-
tices, funding cuts actually sent our TAFEs into a survival scramble.

In 1998, the government actually abolished the National Skills Shortages Strategy. They
also slashed university funding—the place where all these very important professionals get
trained—for example, engineers. Of course, the result of slashing the funding to universities
not only has seen a decline in the number of Australians going to university but also has seen
the government foist the funding burden onto Australian students, and now the debt carried by
Australian students and graduates is soon to reach $20 billion. That is being carried by our
students and graduates because of the extraordinarily short-sighted decisions made by this
government.

This appalling track record has most recently been highlighted by the OECD. What they
show is that Australia’s public investment in tertiary education, that is, in our TAFEs and uni-
versities—the very foundation of our skilled technical and professional workforce—has gone
backwards by seven per cent since this government was elected. We have gone backwards.
We are the only developed country in the world to have gone backwards; the average across
the rest of the developed world is an increase of 48 per cent. So everywhere else in the devel-

MAIN COMMITTEE
oped world they are investing in the future of their people, investing in training and investing in higher education. Everyone else is moving forward. Only Australia is going backwards. This year, the Howard government is spending proportionally less of the federal budget on vocational education than last year—less on this most critical area at a time when our national vocational and technical training effort needs a significant boost.

The Australian Industry Group have been out there really pressing the point on the government. They released figures last month showing the extent of the skills crisis. They said two-thirds of our jobs need a vocational education, but only one-third of the working population has a trade or vocational qualification. The Australian Industry Group said that within a decade we will need an extra 270,000 technical workers. The mature age wage subsidy that was announced by the Prime Minister will support 10,000. The measures that are in this statement go nowhere near meeting the demands of industry for skilled workers.

During the speech the Prime Minister boasted of his apprenticeship statistics. One thing he did not mention—not surprisingly, from this Prime Minister—is that today only one-third of the apprentices in training that he boasts about are actually in the traditional trades. You have to discount his figures as only one-third of them are in the traditional trades, compared to two-thirds who were in the trades 10 years ago.

But the most extraordinary omission from the Prime Minister’s statement last week is that there is nothing to help our young people—nothing. There is not one initiative to ensure we get more young people into training, into the trades. It seems as though the Prime Minister either did not know or just completely ignored the fact that two-thirds of Australian apprentices are under the age of 25. There was absolutely nothing in this package to ensure that we encourage more young people into the trades and that we do more at school to encourage them into the trades. And, most importantly, there was absolutely nothing to help them complete their training. Forty per cent of our apprentices drop out of their training before they finish. One of the critical reasons we have such a serious skills crisis is that so many young people—40 per cent of them—are dropping out of their training before they finish their trade. Was there anything in this skills package to address that massive dropout rate? Not one thing. There was no trade completion bonus, which Labor has proposed. There was nothing to address this serious dropout rate.

As the previous Labor spokesperson—the member for Cunningham—indicated, there is nothing to address the very significant levels of teenage unemployment, particularly in some parts of Australia. Her area of Wollongong has one of the most serious levels of teenage unemployment, where it is over 40 per cent, and there is absolutely nothing in this package to help those young people. There is nothing in the package to help lift training standards. One of the big criticisms of current training arrangements is the enormous number of what, in the vernacular, are called ‘tick and flick’ training practices, where we do not ensure that the training our young people are getting is really up to the mark. Once again, there was nothing in this package.

Labor welcome any efforts to help those who do not finish year 12. We certainly believe that education and training should not be a once in a lifetime opportunity, so anything that helps people who have not had the opportunity to finish school is a good thing. We also welcome this change as, hopefully, a recognition by the Prime Minister that you cannot just leave school at 15 and stop learning. You do need literacy and numeracy skills to compete in our
modern economy. Year 12, or the equivalent vocational qualification, is fast becoming the new labour market minimum requirement—and I hope this skills package is a recognition from the Prime Minister that he should not be encouraging our young people to leave school at year 10.

We do have some concerns about the workability and scope of the voucher programs that have been put forward because some international evidence certainly shows that existing workers with low-level skills are not likely to have full knowledge of what it is that they need to learn. They are often very reluctant to participate in learning and also have a lot of difficulty finding the time for training outside working hours. So these are some of the practical issues that these mature age workers will face in accessing this voucher.

Another problem with what has been announced is that the training provided by the voucher is available only up to certificate II level. One thing that of course needs to be pointed out is that this level is nowhere near what is sufficient for a trade qualification and therefore will not do anything to address the skills shortage. Nevertheless, it is certainly better than nothing. We are finally getting the government to do something to help these people who have difficulty with their very basic skills, but we will be concerned if we do not see more action from the government to get more people into the trades.

We do welcome the support for apprentices to undertake business training. We actually proposed a similar initiative as part of our skills account policy. We also, not surprisingly, welcome the extension of employer incentives at diploma and advanced diploma level. This was actually contained in the Leader of the Opposition’s skills blueprint announced a whole year ago. Obviously we are glad to see the government pick up these initiatives. It is also a good thing to see the wage subsidy for mature age apprentices. In fact it is interesting to note that this policy designed to help mature age workers is very similar to one that we had as part of Labor’s Working Nation program more than 10 years ago—a program that was, of course, trashed by the government. If they had not trashed all of those initiatives more than 10 years ago, in fact, the skills crisis would not be as bad as it is today.

It is also very important to get these extra places into engineering. I would have to say that one of the problems with engineering is that we have actually had a decline in the number of Australian students commencing an undergraduate engineering degree. I think the government needs to look far more deeply at the problem of the shortage of engineers. Providing additional places is one thing; getting young people in a position to want to do engineering and encouraging them to do engineering is a big issue that the government has yet to address.

(Time expired)

Mr HARTSUYKER (Cowper) (5.31 pm)—It gives me great pleasure to have the opportunity to talk on the Prime Minister’s statement on Skills for the Future and to comment on some of the vacuous contributions of the member for Jagajaga. It is interesting to note that the ALP have had an interesting policy on dealing with the shortage of skills—and that was to create mass unemployment, because mass unemployment ensured they never had a skills crisis. Mass unemployment not only meant that people lost their homes, and high interest rates meant they lost their businesses, but it ensured there was no real demand for skilled labour. It is an interesting policy initiative and one that I am going to focus on a little later in my contribution. As I said, I certainly welcome the Prime Minister’s statement. I believe that this package represents a very well-targeted range of assistance for individuals who want to enter or
respond to changes in the job market. It will also do much to ease the skills shortages which we are currently experiencing.

Of course the opposition is quick to criticise on the issue of skills shortages, but skills shortages are a challenge—a challenge that comes from success. They are a challenge that grows out of a vigorous, well-managed economy that is growing strongly year-on-year. They have grown out of our well-managed regime, which not only has resulted in lower interest rates, low inflation and elimination of government debt but is also delivering higher wages and better living standards. Unemployment is at 30-year lows. We have created 1.9 million jobs since 1996, and since March we have introduced Work Choices.

The Australian Labor Party said that the sky was going to fall in, that there were going to be no more barbecues and that the world was going to come to an end. But what has happened? We have created 205,000 jobs. What has happened to wages? Have they gone down? No, they have gone up. What has happened to opportunities? They have only continued to increase. So we have seen greater job creation, higher real wages and continuing improvements in the Australian economy. Work Choices has not been the end of the world as was predicted by the soothsayers in the Labor Party. They are probably spending an hour every day wiping the egg off their face. So this issue of skills shortages is really a response to the success that we have achieved in managing the economy, giving people the confidence to go out and grow their businesses and employ more people. The package that the Prime Minister introduced into the House is part of a range of measures to meet that challenge.

Before considering in detail the assistance offered under Skills for the Future, I would like to spend a moment looking at the measures that are currently under way for Australians, particularly young Australians—the types of measures that we have put in place to ensure that people have access to skills training. Let us look at the figures for apprenticeships, which are the foundation of skills provision. We heard the member for Jagajaga whingeing, moaning and groaning, but the figures show that there are some 403,600 apprentices—and that is compared to how many in 1996? Was it 300,000? No, it was not. Was it 200,000? No. In 1996, there were only 154,800 apprentices. In my electorate of Cowper, back in 1996, there were 710 apprenticeships. How many are there now? There are 2,100—three times the number.

More than 90 per cent of those who complete a new apprenticeship find employment within three months. It is a very different employment scenario from that which existed under Labor. Rather than young people being cast on the scrap heap—young people with no opportunities—under this government apprentices are finding a job within three months. That is a fantastic outcome.

One of the other measures that the government introduced was the $800 tool kit initiative. There is also $1,000 in scholarships for apprentices who complete the first and second year of their training in trade skills in areas of need with a small or medium sized business. Disadvantaged job seekers can benefit from access to a program which equips them to start the apprenticeship itself. There are also incentives for employers to take on apprentices with commencement payments which are higher in regional and rural areas and also higher for school based new apprentices. Five hundred new apprenticeship centres have been opened to make it easier for employers to comply with the requirements of taking on an apprentice. I am pleased to say that 300 of those are in regional and rural Australia. More than $10 billion has been committed over four years for vocational and technical education. Between 1997 and 2004,
we saw a 125 per cent increase in the number of students in this area of study. Twenty-five Australian technical colleges are being established for the tuition of some 7,200 students in years 11 and 12 in areas of skills shortage.

With measures like these, we have already gone a significant way towards addressing the issue of skill shortages—as I said, a shortage which is born out of the successful economy driving up demand for labour. Our current economic success was built on reform, but we need to continue to reform in order to compete with other thriving economies in the world market. This government has always focused on ways of making our economy more efficient and, in particular, making the labour market more efficient and more effective.

I am greatly encouraged by the decision to set up two pilot programs offering financial incentives for unemployed people to move to areas of labour shortage. Those seeking to move to areas of labour shortage will be assisted to find jobs in Western Australia, Queensland and the Northern Territory, with up to $5,000 in assistance. I am pleased to say that my electorate of Cowper is one of the areas that is going to participate in the pilot program which is looking at getting labour from where it is available to where it is very much needed—working towards improving labour market flexibility and creating opportunities. There has been a very favourable reaction to this initiative in my electorate. I have been approached by quite a number of people who are keen to take up the sorts of opportunities that this program will provide. Innovative measures like these do much to improve our labour market effectiveness, reduce the shortage of labour and provide opportunities.

I now turn to the measures included in the Skills for the Future package. I remind the Main Committee that it involves measures worth $837 million, in addition to the $10 billion in funding that I have already mentioned. Earlier, I mentioned disadvantaged job seekers. Clearly, those who do not have year 12 or equivalent qualifications are disadvantaged in today’s workforce. So this package provides work skill vouchers worth up to $3,000 for tuition in TAFEs or private or community colleges. The tuition can cover the most basic skills of literacy and numeracy and all certificate II courses, and will be available to unskilled workers wanting to acquire the sorts of qualifications which will make them more employable and create more opportunities for them. I think it is a great program.

Understandably, measures to date have tended to concentrate on young people, those currently out of work or those who have never been employed, but this program aims to look at what we can do to upskill some of the mature age workers. In terms of the cost of youth and long-term unemployment to the individuals concerned and to the community, it makes good sense to look at a range of ways in which we can upskill all of our workers to provide a total workforce that has a much higher skill level.

A division having been called in the House of Representatives—

Sitting suspended from 5.40 pm to 5.52 pm

Mr HARTSUYKER—We tend to overlook those who have already acquired a skill and are well accustomed to the demands of the workplace, particularly later in their working lives. Yet we have a pool of well-motivated, experienced people. The fact that they have successfully held down a job under their own steam should surely not preclude them from assistance, particularly when they have so much to offer. Therefore, I welcome the support for mid-career apprenticeships, which should help those aged over 30 move from their current work into an
apprenticeship by providing a subsidy to bridge the gap between apprentice wage levels and what they might have been earning elsewhere. The benefit would be paid at the rate of $150 a week in the first year and $100 a week in the second year as the apprenticeship wage rises.

This practical assistance to those who wish to acquire a trade later in life is something I think we should very much welcome. I know many employers in my community welcome the opportunity of taking on people at an apprenticeship level at a mature age, as well as younger apprentices. There is also the fact that many skilled workers and tradespeople have an opportunity to grow their business or to make the move from being self-employed to being an employer. Again, there is a problem in acquiring the necessary skills in moving from, say, being a plumber working on his own to running a business perhaps employing a number of people, with the responsibility that that entails.

Under the Skills for the Future package, the business skills voucher for apprentices will provide up to $500 a year for apprentices taking an accredited small business skills training course. The package also includes 500 Commonwealth supported engineering places at university from 2008, in addition to the 510 places announced by the Minister for Education, Science and Training in July—a very important measure increasing the number of these high-demand engineering positions. Finally, for those seeking diploma and advanced diploma level qualifications, employers will receive incentive payments of $1,500 for each employee starting a diploma program and a further $2,500 on completion of the course. The current restriction on those who already possess qualifications from attracting incentives will be removed and existing employees will be covered, not just new employees.

This recognises the fact that, in a rapidly changing world, we are likely to need more than one qualification in our working life. The Skills for the Future package provides targeted assistance across a range of skills to get more people into the workforce and to upskill those people who are already in the workforce in light of the changing economic circumstances we have. It covers adult literacy, higher technical qualifications and the improvement in the number of engineers—as the Prime Minister said, ‘from reading to rocket science’. It is a very well-targeted, broad package that will substantially improve the skills outlook in this country.

This package will help people who need to upgrade or modify their qualifications and it will also give people a very basic start on improving their qualifications. It is a great package. I know that it will be welcomed by Express Coaches, in my electorate, which has grown from only six employees in 1985 to 85 employees today. They are keen to grow their business with another 35 workers, but they need to upskill them. This package will be of great assistance to them.

Just before I conclude my remarks, I would like to reflect for a moment on the record of the Leader of the Opposition when he was the federal minister for training between 1991 and 1993. It is interesting to note that we not only had a policy of mass unemployment as a way of controlling skills shortages; under the stewardship of the Leader of the Opposition as minister for training, the number of apprentices actually declined—from 151,000 to 122,700. It is hardly a proud record for a man who claims that he has what it takes to run this country. During his time as the responsible minister, he contributed to the skills shortage by actually presiding over a reduction, not an increase, in the number of apprentices.
I commend this package. I think it is a great package. It is going to greatly enhance the skills base of this nation. It is going to provide opportunities and create a more efficient economy. I commend the package indeed.

Mr GEORGANAS (Hindmarsh) (5.56 pm)—I will just make a few comments about some points the member for Cowper made about the sky falling in, as the opposition has supposedly been saying. I would like to know if the member for Cowper would like to speak to some of the young people in my electorate who are unemployed. With a youth unemployment rate of over 25 per cent in my electorate, I have mums and dads coming into my electorate office every day to ask if I can assist their children to access apprenticeships. I tell them that this government’s only way of dealing with skilling the Australian workforce is to bring in apprentices from countries like India, Indonesia and China and to train them up under apprenticeship visas. I would like the member for Cowper to tell those people how rosy the sky is when kids in my electorate are looking for apprenticeships and cannot find one.

As I said, the only solution this government has is to bring in apprentices from overseas on apprenticeship visas and to train them up here in this country—certainly on lower wages than what an apprentice would get if they were employed here. Of course, one of the conditions of those visas is to sign a contract of employment, an AWA. If you do not sign that employment contract, you do not get the visa. So do you think those people are going to sign the contract? They will all sign the contract, regardless of what the conditions are. That goes to the heart of this government’s policy and the sole purpose of not skilling people. The sole purpose of bringing these apprentices over is to drive wages down. That is the only reason. That is the reason they brought in Work Choices, and that is the reason they are bringing in overseas workers: to drive wages down and to ensure that conditions for the working people here in this country are far lower than they have ever been at any time in this great country of ours—where we once had a proud record and we were very proud of paying a fair day’s pay for a fair day’s work.

It is a very sad day for Australian democracy when we see the results of a whole decade of budget cuts, underinvestment and reliance on a tertiary education system where degrees cost $200,000 and people who pay up front get priority at university. This is what this government have done. They have ignored their responsibility for planning and managing the national workforce, and they have spent 10 years undermining Australia’s education and skills outcomes. The government take 20 minutes of everybody’s time, as they did the other day, to get up and state: ‘We’re going to put in $800 million to help people get a year 12 equivalency certificate. Aren’t we a great nation-building government?’ The government have had 10 whole years, an entire Public Service at their disposal and all the think tanks under the sun, and all they can come up with is a proposal to help middle-aged people in employment to revisit high school.

Five billion dollars has been taken out of universities since the government were elected. And they want to talk to us about higher education and training. There was also $250 million cut from TAFE in the first two budgets of this government. The Howard government have been in power for the last 10 years, and for 10 whole years they have torn down TAFE. TAFE was the skilling school of our nation. The government have not given two hoots about skilling. All of a sudden, they are doing a backflip and showing some sort of concern. But how do the government expect Australian industry to cope when they rip money out of the higher
education system, which includes TAFE training for trades and skills? They ripped $250 million from TAFE in their first two budgets, not forgetting the $5 billion they have ripped from universities. How does the government expect Australia to make use of the opportunities we currently enjoy, such as we do, and make preparation for an increasingly dependent population over the decades to come?

Here is a small chronology of the government’s record since it has been in power. I have already mentioned the $250 million that was cut from TAFE in the first two budgets and the $5 billion cut from universities over the last 10 years. The first cuts that I mentioned were in 1996-97. In 1998-2000 there was a Commonwealth funding freeze. In 2001-03 the limited growth funding was restored very slightly, but the states were required to match $460 million over three years. In 2004 there was a rollover of the 2003 funding, with no indexation of the 2003 growth funds. In 2005 the Australian National Training Authority was abolished. This was the authority that had the responsibility for a centralised national training system and it was the advisory body to the government on training. It was a shame that it was abolished. How can this government talk about training when that is its record for the last 10 years? All we have seen is slashing and cutting. How can the Australian public trust this government on skills when it has an abysmal record like that?

The member for Cowper earlier spoke about apprenticeships, and I would like to make some points on apprenticeships as well. The government’s New Apprenticeships scheme has been in operation now for some time. The government count it as one of their greatest successes, but many would argue that it has failed young Australians and failed our workforce requirements. The National Centre for Vocational Education Research report Australian qualifications framework lower-level qualifications: pathways to where for young people? shows that only 33 per cent of people enrolled in a certificate I qualification and 43 per cent of people enrolled in a certificate II qualification complete their courses. Of the few who do complete, over a third of participants said they saw no real job related benefits in the training they received.

This government pays out over $76 million to employers as incentives to take on certificate II trainees, including $18 million for retail courses and $6 million for hospitality. Research
shows young people in these courses have been used as cheap labour and have not been given
the skills they need for future full-time employment. It may well be that the government has
identified a stale smell coming from the New Apprenticeships scheme, as it has reportedly
started spending $24 million on giving it a facelift, renaming it Australian Apprenticeships—
that is according to an article in the Adelaide Advertiser.

Labour shortages and businesses having to import tradesmen from interstate at top dollar
just to keep the companies’ production ticking over is not going to help to keep prices low.
Fobbing off opportunity after opportunity for developing our own Australian-made energy
industries is not balanced by subsidising a few thousand out-of-date LPG kits. Bringing in
wave after wave of overseas workers is in itself not the primary solution to Australia’s work-
force problems. I spoke earlier about apprenticeship visas. We also see 457 visas, under which
we are bringing in people on lower conditions and less pay. The only objective of this particu-
lar policy is to drive down wages. Fear not, that is the only objective of this policy. As soon as
we see a downturn in the economy, there will be a definite drop in wages. This is all part of
the government’s scheme to ensure that wages will remain at levels lower than what they cur-
rently are.

Let us take a look at health for instance, particularly at GPs. Everyone knows that we have
national shortages of GPs in hospitals and in the community, but not everyone knows that the
government’s own bureaucratic bungling has caused a queue of 1,200 doctors waiting for
Medicare provider numbers. That is 1,200 doctors who do not have Medicare provider num-
bers and cannot start up waiting in a queue. That is 1,200 doctors on the bench itching to get
into the game, frustrated by this government, when it is plain to see we are only fielding half a
team. In response to this bottleneck, which is probably quite representative of much of Austra-
lia’s trade orientated infrastructure, the government again simply diverts its eyes to, in this
case, the 457 visas.

The number of doctors recruited from overseas last year included 980 GPs, virtually 1,000
for the year. The overall number has risen in the last 10 years by some 30-plus per cent. Now
some 25 per cent of the medical workforce comprises doctors trained overseas. But what does
this government do? It has slashed university funding by $5 billion since it has been in. The
Australian Medical Association has found goodness-knows-how-many doctors and surgeons
brought in from overseas and working in our hospitals without—believe it or not—even hav-
ing had their competencies checked—and we hear stories every day. Still shortages remain
and this government’s failure to adequately plan, invest in and support its own health industry
remains evident. It is similarly evident in the industries and professions. It does not stop there
by a long shot.

The government’s 20-minute plan—as we saw the other day—for tackling the skills crisis
also consists of vouchers to assist one in 10—that is right, only one in 10—of the people it
has turned away from TAFE over the last 10 years. We all know that 300,000 people have
been turned away from TAFE. As I said earlier, TAFE was the skilling school of our nation
and the place where people did learn trades, and this is the best that the Howard government
can do: turn away 300,000 people from TAFE and then give one in 10 the opportunity for a
callback however many years later—a bit of tokenism, I say.

Mrs Bronwyn Bishop—Mr Deputy Speaker, I wonder if I could intervene under the rele-
vant standing order and ask the member if he would like to answer a question.
The DEPUTY SPEAKER (Hon. IR Causley)—Would the member for Hindmarsh accept an intervention?

Mr GEORGANAS—No. The Australian industrial landscape has been changing for decades. Industries like textiles and footwear have all but gone. Many of these industries used to train and take on many apprentices. The national challenge has been to orientate the Australian workforce towards industries with a much brighter future; that has been the idea anyway. But as we have seen old industries close down, has Australia invested enough in the education of the workforce so that people are able to invest themselves in industries and produce goods and services that will take up a greater share of the nation’s GDP as we work our way through this century? The record is clear and the conclusions are obvious. Australia is the only country in the OECD where public investment in tertiary education, universities and TAFEs fell in the last decade by seven per cent. The rest of the OECD countries increased their investment by an average of 48 per cent in the same period.

The record is abysmal. It is a national embarrassment. Worse than that, it is almost as if the government has already decided that our next generation—or at least those from places other than Kings College and similar places—are just as likely to be in the ship-breaking industry, no doubt soon to come to the outskirts of Australia’s major cities. Again, we get back to the reality: 300,000 people turned away from TAFE and only one in 10 getting a call back. Australia is crying out for much more than this, and I hope that next year’s Labor government will deliver much more than this.

Mr HATTON (Blaxland) (6.10 pm)—I have spoken on the question of skills and skilling Australia a number of times in the past 10 years. It has taken a good 10 years for the Prime Minister of Australia to finally make some comments and put a program together in the order of $830 million entitled Skills for the Future. What is not here? Skills for the past 10 years, skilling Australia through a full decade in which the demand for skilled labour and the necessity to train that skilled labour have been evident for at least the last decade.

Why has it been evident? All you have to do is look at two particular indicators. As you would know, Mr Deputy Speaker Causley, if you look at the average age of farmers in Australia you can tell that there is a significant problem not just with the age of the community as a whole but with the age of people who are managing and working on farms Australia-wide. Likewise, there is a significant problem in the trade skills area. The average age of skilled tradesmen in Australia is now 54 years of age.

People who work in the trades know in 2006 what they knew in 1996—that is, that the group of people coming behind them is narrow and thin. They know that, as they age, there is that band of people who trained in a period when there was still a very strong, full apprenticeship system—not a combined system where traineeships took the place of full apprenticeships and where concentration on the traditional trades was downgraded for quicker, cheaper traineeships that the government has lauded for the past 10 years. But they also understood then, as they understand now, that the great training institutions of the past—not just the technical and further education colleges of Australia but the institutions that train people internally—used our technical and further education system to bolster, improve and extend that training. We are dealing here with the modern Telstra in particular, and we are also dealing with entities such as State Rail. What we have seen for more than 10 years now—in fact in Telstra’s case and certainly in State Rail’s case I suppose it is more in the order of 15 to 20 years—is
that there has been a complete walking away from their traditional place as the key trainers for Australia.

I know that whilst we were in government—and, indeed, prior to that—one of the key reasons for what effectively has been four, almost five, decades of declining apprenticeship numbers across Australia was that those who were the engine room of providing those trained people pulled out of the game. One of the reasons they did that was that they thought that they were expending a lot of money in training people and it was not really good that a lot of those people were pinched by outside companies. The private companies would come and take the fully trained Telstra employees—or Telecom employees as they were then, or PMG employees as they were previously—take advantage of all of the work and the skilling that had been put into those people, and offer them higher money to come and use those skills outside. Some took it; some did not. Some remained loyal to the institution that had helped train them.

If you look at the period of the late 1960s through to the early 1970s, you see that much of our training was in fact bonded training. There was bonded training at Telstra. That training occurred at the Telstra facility at Redfern. I know about it because my elder brother, Kerry, did his training there. He went to De La Salle Ashfield as part of the old system, did fourth year at De La Salle Ashfield and instead of going on to the leaving certificate went into a full apprenticeship with the original PMG, which transformed into Telecom. What was available to him was an extremely high-class, totally dedicated system of training that turned out a fully trained telecommunications technician, someone who could have later chosen to go on and take that through to an engineer level. He chose not to but he spent most of his working life productively in that organisation. Over a period of time he saw others take jobs outside and take their training elsewhere in the community.

If you look at it not from the point of view of the Post-master General, Telecom or Telstra but from the point of view of the community as a whole, these great engines of training and skilling for the future of Australia provided skilled people for the whole community at virtually no cost to the private employers. They grabbed those people who were trained here. Similarly, State Rail provided fundamental training across a broad range of skills for tens of thousands of people. They did that in the Chullora railway yards for boilermakers—for Paul Keating’s father who worked as a boilermaker; he helped train other people as boilermakers—and for Jimmy Doherty, his mate who worked with him up there. Those people passed on their skills in significant trades to the next generation. They did that in Blaxland in the Chullora railway yards.

But with the change in philosophy, Telstra decided that it wanted to keep more money unto itself and State Rail decided to get with the action that was in not only the rail area but also a range of other state utilities such as the electricity commission and so on. Instead of maintaining their equipment in the way they used to, instead of reinvesting by training new people for the future, they effectively pulled out of the game. That means that those skilled people are not available in large numbers to those enterprises and they have to catch as catch can. They have done that now for a couple of decades by finding people who were trained by someone else, and that has largely fallen directly on the technical and further education system, which depends for its operation on the states. But that system fundamentally depends on support from the Commonwealth government—the money provided to the states—in order to run effectively.
Prior to us losing government in 1996, I think it would have been in 1994 or 1995, I went through the Bankstown Technical and Further Education premises with the then federal member for Blaxland, who had actually trained in the electrical section at Bankstown. In going through with him, what became apparent was something very strong and very real. Here was someone who had trained in a practical trade and then gone on to do the first part of his work in the electrical industry, as Laurie Brereton, the previous member for Kingsford Smith, who was a fully trained electrician, did. Kids who left school seven years before me did not go through to uni; they went out, sought trades and went into an area that was traditionally a working class area.

What Paul Keating understood and what he wanted to do in government was to rebuild the technical and further education sector. That job has still not been done, a good decade since then—and more. Why not, even though it is staring them absolutely in the face? We get to 10 years on, 12 October 2006, with the Prime Minister finally in panic and crisis mode because the problem is so evident that it is staring everyone in Australia in the face. What do we get? We get $837 million thrown at the problem. Who is it thrown to? Guess what? It is thrown to people 25 years and over who might need to retrain or it is thrown to people who come within a particular set of parameters—those people on disability support pensions, those people on income support in some other way or those people on carer pensions. It is those people who have been given training assistance in the past in order to get themselves into the workforce.

When we were in government we saw full well how much derision there was from the current government when it came to our training efforts to try to give people a chance to get through the period of recession that we had. That fantastic program, Working Nation, reignited this country and reignited its skills base. There was very little for people when Labor came into government in 1983, coming out of a recession. I have been waiting 10 long years for this Prime Minister to say:

The contrast with previous episodes of commodity boom-related labour market tightness is very stark. For example, in the mid-1970s demand pressures in some sectors led to a surge in wages and inflation across the whole economy.

His memory must be deficient—we know it has been deficient at other times—because that wage pressure was not just in the mid-1970s. Phil Lynch was Treasurer in the mid-1970s. When did the wage pressure really come on? It came on in the late-1970s—1979, 1980, 1981—under the Fraser government, with John Howard as Treasurer.

That wages pressure came out of a resources boom that never happened—a resources boom touted by that government. They said that there was going to be $29 billion worth of investment in that resources boom, and not one single person in the country saw that become evident. But what did happen? Because that resources boom was pushed and touted so heavily by that government, the strongest unions in the country, the metal workers, went out for 20 and 30 per cent increases.

What has conditioned this Prime Minister in his responses ever since then? Wage push inflation and cost push inflation—the two keys when he was Treasurer. What dominates him now—dominates him to this very day, dominates the whole structure of his approach in industrial relations and dominates his view of the Australian workforce—is that you have to have a Thailandisation of the work conditions for Australians and that the fundamental problem in Australia is the cost of labour. Get real! It is not 1979, 1980 or 1981 and there are not the con-
ditions under which he operated unsuccessfully as Treasurer. We have a situation where there is a deficit of skills Australia-wide because the reinvestment into Australia’s people has not been put there by the federal government of Australia. They have not pushed the agenda. They have not forced this, even though the evidence was there and stark.

Why have we gone into crisis mode? There must be a skills crisis, if the member for Benelong is going to come out with a major package—scant as it is. The package is $837 million over five full years. What is in the package for young people under 25 needing training? Not a zack out of this package is directed towards them. What do we have in this package to completely reshape our education system in terms of driving skills? What we have got is 25 technical education colleges. How many are actually operating now? I am not sure. I think there might be one.

Mr Crean—Four.

Mr Hatton—Four all up? So four out of 25 are operating. That is not a really good score—but, if you are going to start from the ground up, I suppose you can say that four out of 25 is a start. We know that a whole series of them has problems. Why? One of the reasons is the demand that Australian workplace agreements be the only agreements in place in those technical colleges. Even if you take the total number of people who go through a technical college, it is a drop in the bucket in terms of the need that Australia has for skilling its workforce.

Ten years ago we were in a position where, with determination, effort and a sensible approach to this, we could have built Australia’s trade and skill capacity and skilled our tradespeople, where we could have not only provided for our own needs in Australia—and filled the gap that is there and evident, where 54 or 55 is the average age of trained and professional tradespeople in Australia—but also exported those skills to Asia. The great opportunity that was lost then was the capacity to build Australian companies, based on skilled Australian tradesmen, and to export those skills into the Asian market.

Instead of that, what have we got? I was down at the Landmark in Barton—where group after group seemed to be involved in construction of that building—and the penny dropped for me in terms of what was happening and the fact that there was something rotten with 457 visas when, at quarter to five in the afternoon, a troop of Chinese plasterers, plastered head to foot with dust, came out of there. They had no work boots and no safety shirts or safety helmets—none of the sorts of things that other people had to have. Everybody else had knocked off at 3.30 pm or quarter to four, and I thought: ‘Here is an entire tranche of people brought in because what should have been done for young Australian people’—the people who needed to be trained as skilled work people—‘has not been done.’ All this government has done until now is substitute foreign workers for Australians. We should train Australians. (Time expired)

Mr Crean (Hotham) (6.25 pm)—Skills development is one of the key drivers of an economy. It not only boosts opportunity for the individuals concerned but also boosts productivity. It is a win-win outcome. I have said before in this place that education is the great enabler of a society and skills development is the means by which we become smarter, more innovative and more adaptive and compete at the higher wage end of the job opportunity scale. It is a means by which we become more productive and provide more diverse and rewarding opportunities for our people, not just young people. It is true that there are individual benefits that come from skills development, but there is also a national benefit. That is why it
is always important in these debates to remind people that education and skills development is a public good. (Quorum formed) So investing in our capacity to advance education and skills is one of the essential investments a government must make—not just that it can make but that it must make—but it is an investment that this government has failed to make.

Labor have been arguing for a decade that this government is letting the country down and letting its individuals down by failing to invest properly in skills development. Belatedly, not only has the government acknowledged the problem but it has understood it has had to act; hence, this injection of $837 million over five years to address the problem. It is an investment made too late and still too narrow in its focus.

This is a skills crisis that we have been warning of for years and, particularly in the context of the resources boom and the capacity constraints, what that failure to invest in skills has produced. We have heard the government rabbit on about infrastructure bottlenecks, but only now has it admitted the problem of the skills shortage. Over the years under this government, we have seen a crisis resulting from the underfunding of our universities and TAFE sectors, where the government has shifted heavily the cost of funding these sectors to the individual and the states—a government vacating the field and expecting others to pick up the cost. In 10 years, 300,000 people have been turned away from TAFE—300,000 Australians turned away from acquiring skills that would have benefited them and the nation.

It is interesting—and the member for Blaxland made reference to this—that, whilst this is an important but belated statement, Labor are aware of the government’s commitment in the lead-up to the last election to establish the Australian technical colleges. It was a program that was deliberately designed to circumvent the states’ TAFE programs—a program that the government had underinvested in—but I think it is pretty instructive to look at what has been achieved.

The government promised two years ago that it would establish 25 colleges. Only four of them have been established to date—I think there might have been an additional one established just recently which would take it to five; let us give them the benefit of the doubt—with just 320 students. Is this a serious response to the skills crisis? That is the fundamental question that I think has to be posed. No wonder we have still got the problem that has resulted in this sort of statement.

So we have again been proven right, just as in the last term the government belatedly realised it had to do something with another one of those important public good areas—health—and reinvest to save our Medicare system because Labor had identified the problem and posed costed alternatives to address it. At the end of the last parliamentary term we went to the election proposing an initiative, fully costed and funded, which would have seen an additional 20,000 places in our TAFEs and our universities. Just imagine the opportunities that that would have provided—the opportunities not just for individuals but for the nation.

My point in saying that is that it is easy for oppositions to just be critical of the government but Labor have had a consistent track record of putting forward constructive alternatives to address this problem. When we were in office—the 13 years that we were in office—we saw a real commitment to lifting the skills and educational ability of our people. We increased skills funding by 55 per cent in real terms. We increased TAFE funding by 56 per cent in real terms and we increased university funding by 60 per cent in real terms. This government comes nowhere near that sort of commitment.
We recognised the importance of addressing the problem from a national perspective and established the Australian National Training Authority. We developed the Working Nation program, which I had the privilege to not only develop but implement. It is a tragedy that it was not able to continue, because it was making huge headway. One of the mechanisms under the Working Nation program to complement the jobs compact and the subsidy arrangements in terms of getting long-term unemployed back into work was Netforce. This mechanism recognised the importance of driving skills development not just in the traditional trades but also in the new economy jobs, jobs not traditionally known as trades but jobs that nevertheless needed skills development for which there was no accredited training. It was Labor that established that mechanism. I think it is very interesting when the government gets up and talks about its record on unemployment. We should not forget that when the Prime Minister was Treasurer in the Fraser government that was the record unemployment that was created in this economy. It is also true that under Working Nation—

Mrs Bronwyn Bishop—I would like to ask the honourable member a question under the standing orders, if he wishes to accept it.

The DEPUTY SPEAKER (Hon. IR Causley)—Does the member for Hotham wish to accept the question?

Mr CREAN—Yes, of course.

Mrs Bronwyn Bishop—I wonder if the member for Hotham could tell us what year it was under the Keating government that there were one million unemployed.

Mr CREAN—I can certainly tell the member for Mackellar that the number of unemployed exceeded one million under the Fraser government, and that was one million unemployed in a lesser workforce so there was a higher proportion of unemployed under the government that John Howard was Treasurer in. That is what I can tell her. What I can also tell her is that we do not hide from the fact there was an unemployment problem under us, but we were prepared to do something about it. We were prepared to invest in getting people back into work—but not just in menial jobs; we were prepared to link them to effective accredited training.

I said before that under Working Nation I established the traineeship program and Netforce. It is very interesting to note that in Labor’s last year in office, in 1996, traditional apprentices—and I got these figures out of the library today—numbered in excess of 126,000. That was the figure just for traditional apprenticeships. They did not reach that figure again under this government until 2004. Almost eight years later, this government had stagnated. Despite the fact that there had been increasing prosperity and increasing economic growth, this government dumbed down the training system and did not produce one extra traditional apprenticeship training place. The government talks about the numbers, close to 400,000—

Mrs Bronwyn Bishop interjecting—

The DEPUTY SPEAKER—Order!

Mr CREAN—Mr Deputy Speaker, just calm her down. She has asked a question, which was—

The DEPUTY SPEAKER—I think I can do my job without any help, thank you.
Mr CREAN—I would appreciate that, because I think these figures are important to remind people of. What the government did was to scrap the measure—

Mrs Bronwyn Bishop interjecting—

Mr CREAN—Please, I am not answering your question; I am making my contribution. What the government did was to scrap—

The DEPUTY SPEAKER—Was the member for Mackellar wishing to ask a question?

Mrs Bronwyn Bishop—Yes, I was wishing to ask a question.

The DEPUTY SPEAKER—Will the member for Hotham accept it?

Mr CREAN—No. What the government did was roll the traditional apprenticeships into our traineeship system. I introduced the trainee system in 1995. In 1995, there were only 12,000 in the trainee system. Within two years, that had quadrupled to 48,000. The government benefited from the system that I put in place. It was a good system. They retained it, even though they scrapped Netforce, and the numbers that they now claim credit for are the direct result of the boom in traineeships, not traditional trades. The same figures from the library show that, in the latest year recorded, traditional trades accounted for only 148,000 out of a total of close to 400,000, but 60 per cent of what they call new apprenticeships in fact are our traineeships. So let us have none of this nonsense about their set of figures.

I will just make this point in terms of comparisons, because it is also pretty revealing from these statistics. In 1990, under the Labor government, when Kim Beazley, I think, may have been employment minister, traditional trades were at their peak: 161,000, a figure that this government has never been able to achieve in its term despite a resources boom. So there you have it: a Labor government that had a commitment to skills development and employment growth, showing what can happen when you start to invest in the skill development of a nation.

We hear of this government in terms of the need to address skills shortages. Nowhere is it a greater problem or issue than in the regions. You would know it, Mr Deputy Speaker Causley, from your electorate—the inability of regions to go forward because this government has failed to invest in the skills development of its people. I again remind people of what Labor did when it was in office. When the skills shortage problem faced us back in the Working Nation days, I set up the area consultative committees under the Working Nation program to ensure that local training programs matched local industry needs, taking the supply with the demand. The area consultative committees were resourced to undertake skills audits to identify the skills and deficiencies within particular regions. We involved the local chambers of commerce and industry in identifying their skills needs. We encouraged local bodies to establish what the demand for their labour was. I remember coming up to your own electorate, Mr Deputy Speaker, and working with the area consultative committee to address its needs. That network of area consultative committees, which still exists today but is not resourced in the same way as we did it, was responsible for placing 300,000 jobs in six months—and then we lost office.

The point I am making is that local empowerment works when you use government as a facilitator and to resource the capacity to address the skills needs of a particular region. We want to go back to developing and tapping that sort of mechanism because we have shown that it works. But it will not work unless a government is prepared to make the investment in
the drivers of economic growth, the investment in the skills and the innovation of the nation. That is what Labor has shown a preparedness to do. It is what we keep putting forward the policies to do, and it is what this government eventually is forced, kicking and screaming, to embrace.

We say: yes, we welcome this money, but more needs to be done in terms of not just giving people the opportunity but empowering regions to identify their needs to develop the training programs that suit their particular needs, to get back to doing what we demonstrated they were capable of delivering on—a government prepared to work with communities, not dud them and disinvest in the means by which people obtain their skills and the nation its productivity growth. (Time expired)

Ms HALL (Shortland) (6.40 pm)—I welcome the Prime Minister’s Skills for the Future statement. In doing so, I have to say I am very disappointed that it took so long for the government even to acknowledge that we have such a chronic skills shortage here in Australia. The promises and commitments that the Prime Minister made when he made his statement are a start, but they are nowhere near enough.

Before I get to the actual substance of my speech, I would like to pick up on one thing that the member for Mackellar spoke about. It is in relation to the programs that have been put in place to address unemployment. I go back to the early eighties, when unemployment under the Fraser government peaked and it sought to introduce a program to address that unemployment. The program that they introduced was a program called wage pause. Wage pause necessitated all people employed by the Commonwealth having their wages frozen, and the difference between what they would have received and what they were actually paid was used in job creation programs. When the government lost power in 1983 and the Hawke government came to power, there was CEP and the other programs that have already been spoken about. Unemployment was not just a child of the Hawke era or the Keating era. Unemployment had been simmering for a very long time. Its seeds were to be found in the time of the Fraser government.

Turning to the matter that we have before us today, I would like to state, as have previous speakers before me, that Australia is facing a chronic skills shortage. The Howard government’s solution has been to import workers from overseas, and we have been the only OECD country to reduce investment in universities and TAFE—and I will be concentrating quite a bit on TAFE. Australia’s investment has fallen by eight per cent since 1995 whilst that of OECD countries has increased by 38 per cent.

I think it is an absolute disgrace that 16 per cent of young Australians aged between 15 and 19 are looking for work—and it is higher in areas like the area that I represent in this parliament. The area that I represent has traditionally supported the trades. When young people left school, they aspired to be tradespeople. I think the member for Blaxland touched on the fact that businesses and industry no longer employ people in traditional apprenticeships. The tradespeople that we have still working in industry were skilled in the seventies and eighties. I think the change in the way businesses operate and the change in the way governments and government departments employ and make a commitment to training apprentices have also impacted, the simple fact being that we do not have enough tradespeople.

BHP in Newcastle used to employ a massive number of apprentices each year. Its demise has also seen the end of those apprenticeships. Whilst young people coming through the
schools in the Hunter aspire to become tradespeople, opportunities for them to undertake trade training are very limited. There are limited opportunities for them to access training through TAFE colleges and limited opportunities to access training with employers.

One of the good things that has happened in recent times has been the expansion of the group training scheme. In a letter I sent out to my constituents recently, I highlighted the stories of a number of young people in my electorate who had chosen to train as apprentices through a group training scheme with Delta Electricity. Delta Electricity previously employed a massive number of apprentices. Now they take only a few through the group training scheme. That is one area, removed from government to some extent, that has caused problems with our skills shortage.

But I am afraid that the Howard government cannot escape the blame for where we are today. We on this side of the parliament have raised issues time and time again with respect to industry, the traditional trades, the doctor shortage, the nurse shortage and the shortage of allied health professionals that exists in all of our electorates to some extent. The government have, up until very recently, ignored the fact that there were problems.

Even when you recognise that a problem exists, there is always a lag time. The government have adopted the cheap approach of bringing people in from overseas, and I would have to say that that was very much a stopgap approach. What they should have been doing was investing in young Australians and also in a group that I think is an untapped resource within Australia—mature workers. I think that if we had programs, particularly in the area of technology, that were structured around targeting and upskilling older and more mature workers, it would be a great benefit to our nation. I have heard Professor Saunders, from the right-wing think tank, say in this parliament that mature age blue-collar workers would never work again. I object to that. I think that if you give them the proper training, if you give them the skills they need to work in industry today, they will be a worthwhile asset in our workforce.

Earlier this week, teachers from TAFE came to visit me, and I am sure that they visited a number of members in this parliament. They highlighted to me how vocational education had suffered under the Howard government. There were the funding cuts in 1996 and 1997, which reduced the funding base for the 1998 ANTA agreements. That really had an impact and that was the first slash into the TAFE system. I could see how that was having an impact within my local area. From 1998 to 2000, there was the Commonwealth funding freeze, growth through efficiency and deregulation of the training market. I think that the quality trainer of our young people is TAFE. In our TAFE colleges we have experienced people in trades and highly educated, professional people who teach courses in our TAFE colleges. I think that the fact that this government has absolutely ripped money out of our TAFE colleges throughout Australia is unforgivable. What it has done is rip apart the infrastructure that provides the basis for quality training for all our young people.

Once you deregulate to the extent where a number of the new apprenticeship courses that are not in the traditional trades, that are very soft courses, are taken up and counted as part of the training and the skilling of the nation, that is a real distortion of fact. I share with the House an example of one young person in one of those new apprenticeship schemes who came to see me. He was employed to do floor sanding. He did part of the certificate III course—when his employer would actually allow him to leave his employer’s home, which was where the young new apprentice worked. The jobs that the person did while he was doing
this new apprenticeship scheme were cleaning his employer’s car, sweeping the floors and tidying up around his employer’s home. He went to TAFE. He did part of the certificate III course and, once the employer received the payment, he sacked the young new apprentice.

His father was able to negotiate a real apprenticeship for him in the area of plumbing, and he had his trial period. The new employer was very happy with him but, when he went to sign him up, he found that he could obtain no benefits, simply because the apprentice had done this mickey mouse certificate III course that had led nowhere, where he had been exploited and where he had learnt nothing. There he had an opportunity to do a real apprenticeship where he would be setting himself up for the future, and he could not do it because he had done this mickey mouse course. They are the kinds of apprenticeships that the Howard government talks about when they talk about how they are training all these young Australians. I would argue very strongly that the training that they are providing is second class.

Between 2001 and 2003 there has been limited growth funding restored to TAFE colleges. In 2004 there was a rollover from 2003. When ANTA was abolished in 2005, I believe that really impacted on the nation’s ability to assess what skills it needs for the future and to determine the direction and the needs in the area of training. In TAFE it has led to larger classes and a reduction in courses. I know that it is very difficult for young people to do pre-apprenticeship schemes. There is definitely concern about the quality of some of the VET courses and it has been very detrimental to young Australians. It makes me quite upset when I hear that something like 40 per cent of the people who start the new apprenticeship schemes do not even complete their training.

Labor’s skills blueprint, which I am sure most members of this House have looked at and appreciate the benefit of, addresses this issue and looks at ways to prevent this dropout that occurs with the new apprenticeship schemes. We want to give traditional apprentices $2,000 on completion—a $2,000 trade completion bonus. In addition, we believe that we should not be bringing 2,700 skilled workers in from overseas. We should not be bringing apprentices in from overseas; we should be training Australians for those positions. We should certainly be creating opportunities for all those young people in my area and in other areas throughout the country who would desperately love to train as a tradesperson and would desperately love to obtain an apprenticeship.

We need as a nation to really address this issue properly—not in a half-baked way, like the Prime Minister did. We need to recognise the issue and make a real investment in the training of our young people and a real investment in upskilling our mature workers who would be only too willing to obtain the skills that are needed—skills that have been identified by industry as lacking in our economy. Once we have done that, we will take our economy into the 21st century and we will be able to compete much more effectively in the global market. The Prime Minister should look at the Labor Party’s blueprint and adopt the recommendations and the programs that are set out in it.

Debate (on motion by Mrs Bronwyn Bishop) adjourned.

Main Committee adjourned at 6.56 pm
QUESTIONS IN WRITING

Service Trusts
(Question No. 2225)

Mr Fitzgibbon asked the Minister for Revenue and Assistant Treasurer, in writing, on 5 September 2005:

(1) Is the use of service trusts by doctors a legitimate means of asset protection.

(2) Do the draft ruling TR 2005/D5 and the associated booklet distributed by the Australian Taxation Office (ATO) provide specific advice to private medical practitioners on the tax consequences of the use of service trusts.

(3) Does the approach by the ATO to this issue require doctors to restructure their business affairs and encourage doctors to leave the medical workforce prematurely, exacerbating existing workforce shortages.

(4) Is the intended target of compliance activities in relation to service trusts accounting and legal firms as distinct from medical practitioners.

(5) Will he ask the ATO to prepare, in consultation with stakeholders, specific guidelines covering service arrangements in private medical practice to ensure that the guidelines match the circumstances of the profession in order to avoid the early exit of doctors from the medical workforce.

(6) Without identifying individuals, can he provide details of private rulings and agreements reached with taxpayers by the ATO in settlement of disputes in respect to the use of service arrangements.

(7) What percentage mark-ups on salaries and other expenses does the ATO accept as part of these rulings and agreements.

(8) How many service arrangements have been audited since 1990 and how many of these audits have resulted in an adjustment to the service entity arrangement.

(9) Can he provide information demonstrating that the interpretation adopted by the ATO in these audits matches the interpretation outlined in TR 2005/D5 and the accompanying draft booklet, “Service Arrangements”.

(10) What were the percentage mark-ups on salaries and expenses that the ATO found to be inappropriate as part of these audits.

(11) Has any work been done to analyse the impact of TR2005/5 on the supply of medical practitioners, the services of general practitioners and the profitability of their enterprises; if so, can he say what impact the changes to these arrangements will have on the medical workforce.

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

(1) The Commissioner is aware that service arrangements have become an established part of ordinary business practice and can serve commercial purposes.

(2) Draft taxation ruling TR 2005/D5 has now been issued in final form as TR 2006/2. It explains the ATO view of the legal considerations involved in determining the deductibility of fees and charges paid to service entities. These legal principles, which are based on decisions of the courts, apply to service arrangements generally. These common principles apply to all professions, including medical practitioners. There is no basis on which to distinguish between professions in terms of the application of these legal principles.

The draft booklet on service arrangements has now also been issued in final form. It provides practical guidance to help taxpayers decide whether payments made under their service arrangements are commercially realistic and reasonably connected to the main business. The booklet has been
prepared around the common types of services that are provided by service entities. The guidance relevant to these services is considered common across professions. The booklet also provides two case studies that deal with medical practice arrangements that differ from conventional service arrangements. The ATO has worked with the Australian Medical Association to develop this specific guidance.

(3) There is no requirement for any taxpayer to restructure their business affairs because of the Commissioner’s approach. Taxpayers can continue to use service arrangements, and continue to claim expenses that can be reasonably connected with services and benefits provided to the main business.

(4) Taxpayers across all professions are required to comply with taxation laws. Members of all professions should conduct their service arrangements in a manner compliant with relevant taxation laws.

(5) The Commissioner has and will continue to work with the medical profession to minimise any adverse individual and community effects that are associated with obligations on taxpayers to comply with tax laws. The ATO has worked with the Australian Medical Association to develop specific guidance for the medical profession already contained in the guide.

(6) Legal restrictions exist on divulging and communicating information on the affairs of taxpayers. Further, settlements reached with taxpayers contain standard confidentiality clauses that prevent the disclosure of details about the settlement.

When settling disputes with taxpayers, the ATO operates pursuant to guidelines set out in the Commissioner’s Code of Settlement Practice. Under these guidelines, regard is had to a range of factors in settling disputes.

(7) The Commissioner’s booklet on service arrangements provides guidance on rates that the Commissioner accepts as commercially realistic. These rates are described as comparable market rates and are based on work undertaken during earlier audit and other compliance, risk and intelligence activities.

There are also rates included as specific guidance for the medical profession in terms of medical practice arrangements that differ from conventional service arrangements, following consultation with the Australian Medical Association and a degree of independent verification. These rates are based on a fixed percentage of gross practice fees to calculate service fees, as opposed to a mark-up on costs approach. These rates can only be relied upon by general practitioners who operate under those unconventional arrangements. The risk of being audited will increase according to the degree of divergence above those rates.

(8) In 1996, work began to scope the risks associated with the use of service arrangements in the accounting and legal professions. In his 2000-01 Annual Report, the Commissioner identified concerns over the use of service arrangements in the accounting and legal professions. Prior to these concerns emerging, service arrangements were not the subject of systemic audit activity.

ATO records at 30 June 2006 indicate the following information about audits and reviews of service arrangements:

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<th>No. of audits</th>
<th>No. adjusted</th>
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</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Small Business</td>
<td>3 cases finalised without further action</td>
<td>Nill</td>
</tr>
<tr>
<td>Small to Medium Enterprises (SME) ($2m-100m turnover)</td>
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<td>1</td>
</tr>
<tr>
<td>Micro Businesses (up to $2m turnover)</td>
<td>2 cases finalised without further action</td>
<td>Nill</td>
</tr>
<tr>
<td></td>
<td>13 cases finalised without further action</td>
<td>Nill</td>
</tr>
</tbody>
</table>

QUESTIONS IN WRITING
1 Audits undertaken since 1994. Records prior to 1994 may not specifically capture details about audit issues involved.

2 Cases are being finalised without further action on service arrangement issues pursuant to the Commissioner’s announcement giving taxpayers whose claims fall below a threshold 12 months to review their arrangements or for other administrative reasons.

In addition to these audits, the ATO undertakes Client Risk Review processes that may or may not proceed to audits. ATO records indicate the following information about these reviews involving service arrangements:

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<thead>
<tr>
<th>ATO Business Line</th>
<th>No. of client risk reviews</th>
<th>No. adjusted</th>
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</thead>
<tbody>
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<td>SME ($2m-100m turnover)</td>
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<td>2 completed</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>7 cases finalised without further action</td>
<td>Nil</td>
</tr>
<tr>
<td>Micro (up to $2m turnover)</td>
<td>17 completed</td>
<td>Nil</td>
</tr>
<tr>
<td></td>
<td>3 in progress</td>
<td></td>
</tr>
</tbody>
</table>

1 Cases are being finalised without further action on service arrangement issues pursuant to the Commissioner’s announcement giving taxpayers whose claims fall below a threshold 12 months to review their arrangements or for other administrative reasons.

2 Cases were initially identified as potential shams. The majority of those cases were finalised on the basis that services were genuinely being provided by the service entity, however many of the reviews identified an issue as to whether the service fees had been correctly calculated. Accordingly, the ATO has recommended that fees and charges be reviewed by 30 April 2007 and has indicated that there is little risk of future audit if the service arrangement is generally in line with the guidance provided in the ruling and companion guide.

(9) The audits completed were finalised using the same principles and measures contained in the draft and final versions of the ruling and booklet. The Commissioner has assured me that the interpretation adopted in these finalised audits is consistent with his published views in the draft and final versions of the ruling and booklet.

(10) Net profit margins considered to be inappropriate have been associated with the following gross mark-ups on costs charged to professional firms:

- 50% on salaries and 15% on non-salary expenses,
- 30% on all expenses.

A gross mark-up is considered inappropriate where it cannot be reasonably associated with net profit margins comparable to arm’s length arrangements as set out in the Commissioner’s booklet. The same gross mark-up figure can be acceptable in one arrangement and not be acceptable in another. This depends on the nature and extent of the business activity of the service entity and the expenses that it meets or expects to meet out of these mark-ups in carrying on these business activities.

(11) Taxation ruling TR 2006/2 (previously released in draft as TR 2005/D5) supplements existing Ruling IT 276 and is not a departure from the existing law or from the Commissioner’s administration in relation to service arrangements. Accordingly, the release of the ruling is not expected to have an appreciable or systemic impact on the supply or profitability of medical services.

The Commissioner has given taxpayers 12 months to review their service arrangements. During this time, only the highest risk cases will be subject to audit activity. For this purpose, the Commissioner has announced that he will be looking at cases where the service fees paid are over $1 million, represent over 50% of the gross fees earned by the professional practice, and the net profit of the service entity is over 50% of the combined net profit of the entities involved.

QUESTIONS IN WRITING
The Commissioner will also look at cases where there are serious doubts as to whether the services were actually provided by the service entity.

Any changes made to existing arrangements to support their compliance with tax laws are not expected to affect adversely the profitability of medical enterprises.

**Commonwealth Funded Programs**

(Question No. 2255)

Ms Grierson asked the Attorney-General, in writing, on 6 September 2005:

1. Does the department or any agency in the Minister’s portfolio administer any Commonwealth funded programs for which community organisations, businesses or individuals in the electoral division of Newcastle can apply for funding; if so, what are the details.

2. Are the programs identified in part (1) advertised; if so, in respect of each program (a) what print and other media outlets have been used to advertise it and (b) were these paid advertisements.

3. In respect of each of the Commonwealth funded programs referred to in part (1), (a) what is its purpose and (b) who is responsible for allocating funds.

4. With respect to each of the Commonwealth funded programs referred to in part (1), how many (a) community organisations, (b) businesses and (c) individuals in the electoral division of Newcastle received funding in (i) 2003-2004 and (ii) 2004-2005.

5. What sum of Commonwealth funding did each recipient receive in (a) 2003-2004 and (b) 2004-2005 and what are their names and addresses.

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

**Grants to Australian Organisations Program**

1. My Department administers grant funding under the Grants to Australian Organisations Program (GAOP).

2. The GAOP is not advertised.

3. (a) The GAOP is a discretionary grants program. The purpose of the GAOP is to assist Australian organisations with projects or activities focussed on the pursuit of an equitable and accessible system of federal civil justice.

   (b) As Attorney-General, I approve grants under the GAOP.

4. and (5) No funding was received by any community organisation, business or individual within the electoral division of Newcastle under the GAOP in either 2003–04 or 2004–05.

**The Family Relationship Services Program**

1. My Department funds services under the Family Relationship Services Program (FRSP). The names of the sub-programs funded by my Department under the FRSP are Family Relationship Counselling (funded jointly with the Department of Families, Community Services and Indigenous Affairs), Family Relationship Mediation, Children’s Contact Services, conciliation services, Contact Orders Program and Regional Primary Dispute Resolution.

2. (a) Requests for applications for FRSP funding are advertised in national, State-wide and regional newspapers and on Commonwealth websites.

   (b) FRSP newspaper advertisements are paid advertisements.

3. (a) The purpose of the FRSP programs is to contribute to the development of an Australia in which:

   • children, young people and adults in all their diversity are enabled to develop and sustain safe, supportive and nurturing family relationships; and
the emotional, social and economic costs associated with disruption to family relationships are minimised.

(b) The Minister for Families, Community Services and Indigenous Affairs and myself as Attorney-General are jointly responsible for allocating funds for family relationship counselling under the FRSP. I am responsible for the remainder of FRSP programs referred to in part (1).

(4) There were four community organisations within the electoral division of Newcastle that received funding under the FRSP in both 2003–04 and 2004–05. No businesses or individuals in the electoral division of Newcastle received funding under the FRSP in either 2003–04 or 2004–05.

(5) The amount of Commonwealth funding provided to the four community organisations mentioned in answer to part (4) is as follows:


(ii) Interrelate (Family Life Movement of Australia) – NSW of 5 Lambton Road Broadmeadows NSW 2292 received $577,895 in 2003-04 and $763,385 in 2004-05.

(iii) Lifecare: Counselling and Family Services (NSW) of Cowper Street Wallsend NSW 2287 received $91,906 in 2003-04 and $121,403 in 2004-05.

(iv) Relationships Australia, NSW of 4-6 Heddon Road Broadmeadows NSW 2303 received $1,695,042 in 2003-04 and $2,239,999 in 2004-05.

Legal Aid Program

(1) My Department administers the Commonwealth Legal Aid Program through which the Legal Aid Commission of New South Wales is funded to provide legal assistance for matters arising under Commonwealth laws. The Legal Aid Commission of New South Wales has regional offices located at 51–55 Bolton Street, Newcastle NSW 2300.

(2) My Department does not advertise the Commonwealth Legal Aid Program. The Legal Aid Commission of New South Wales may advertise its services from time to time.

(3) (a) The purpose of the Commonwealth Legal Aid Program is to ensure disadvantaged persons are able to access legal services for matters arising under Commonwealth laws.

(b) The Legal Aid Commission of New South Wales is responsible for providing legal assistance services for matters arising under Commonwealth laws under an agreement with the Commonwealth. The agreement provides for the provision of a range of services including grants of aid for legal representation.

(4) and (5) Some individuals or organisations located in the electorate of Newcastle may have received grants of legal assistance for matters arising under Commonwealth laws. However privacy guidelines prevent the disclosure of information in relation to the recipients of legal aid grants and statistical information on the provision of grants of legal assistance is not collected on the basis of electoral divisions.

Financial Assistance Program

My Department administers schemes for the provision of financial assistance for legal and associated costs. These schemes exist to provide legal or financial assistance in cases where legal aid is not generally available from legal aid commissions and where the circumstances give rise to a special Commonwealth interest. People and organisations in the electoral division of Newcastle can apply for assistance directly from the Australian Government under these schemes. It has been a long-standing practice, endorsed by successive Attorneys-General, to treat applications for financial assistance in confidence and not to provide information in relation to individual applications.
Community Legal Services Program

1. The Hunter District Community Legal Centre receives funding under the Commonwealth Community Legal Services Program, a national program which provides funding to community organisations for the provision of legal and related services to those in need. However, funding under the program is currently fully committed on a recurrent basis.

2. When new funding becomes available, the allocation of funds to any new community legal services is undertaken through a competitive tendering process following a needs-based assessment of possible locations. When such funding opportunities arise, paid advertisements are placed in the primary State newspapers and relevant local newspapers.

3. (a) The purpose of the Commonwealth Community Legal Services Program is to provide free and accessible legal information and/or advice to disadvantaged members of the community who are not eligible for legal aid and who cannot afford a private solicitor.

(b) My Department administers funding to community legal centres under the Commonwealth Community Legal Services Program. The Department provides recommendations to me on the allocation of any new funding under the program.

4 and 5. Under the Commonwealth Community Legal Services Program, the Hunter District Community Legal Centre received $182,375 in 2003–04 and $186,022 in 2004–05. The Hunter District Community Legal Centre is located at Suite 76, Market Square, Hunter Street Mall, Newcastle NSW 2300.

Indigenous Law and Justice Advocacy Program

1. My Department administers grant funding under the Indigenous Law and Justice Advocacy Program. These funds are available for advocacy projects and legal test cases that would have a significant impact on the rights of Indigenous Australians.

2. (a) Public advertisements are placed by the Office of Indigenous Policy Coordination towards the end of each calendar year for all Commonwealth grant-funded programs for Indigenous Australians. Such advertisements appear in national, State-wide, and Indigenous-specific newspapers.

(b) Yes these were paid advertisements.

3. (a) The purpose of the Indigenous Law and Justice Advocacy Program is to support Aboriginal Justice Advisory Committees, Deaths in Custody Watch Committees and relevant research and education projects.

(b) My delegate is responsible for allocating funds in accordance with program guidelines, which are available on the Department’s website.

4 and 5. No community organisation, business or individual in the electoral division of Newcastle received funding under the Indigenous Law and Justice Advocacy Program in 2003–04 or 2004–05.

Indigenous Prevention, Diversion, Rehabilitation and Restorative Justice Program

1. My Department administers grant funding under the Indigenous Prevention, Diversion, Rehabilitation and Restorative Justice Program. Funding supports diversion, prevention, education and rehabilitation projects to help reduce Indigenous people’s adverse contact with the justice system.

2. (a) Public advertisements are placed by the Office of Indigenous Policy Coordination towards the end of each calendar year for all Commonwealth grant-funded programs for Indigenous Australians. Such advertisements appear in national, State-wide and Indigenous-specific newspapers.

(b) Yes these were paid advertisements.
(3) (a) The Indigenous Prevention, Diversion, Rehabilitation and Restorative Justice Program supports prevention, diversion, rehabilitation and restorative justice related projects designed to help reduce Indigenous people’s adverse contact with the justice system with emphasis placed upon needs of children and young people, so that any cycles of offending can be disrupted as early as possible given the rapid growth of the young Indigenous population.

(b) My delegate is responsible for allocating funds in accordance with program guidelines, which are available on the Department’s website.

(4) and (5) The Hunter Aboriginal Children’s Services Incorporated received funding under the Indigenous Prevention, Diversion, Rehabilitation and Restorative Justice program of $50,000 in 2003–04 and $40,000 in 2004–05. The Hunter Aboriginal Children’s Services Incorporated is located at Suite 3, 292 Maitland Road, Mayfield NSW 2304.

Legal Aid for Indigenous Australians
(1) My Department administers the Indigenous Legal Aid Program. Services in the electoral division of Newcastle are currently provided under a grant arrangement with Many Rivers Administrative and Legal Services Limited, based in Grafton and operating out of its Newcastle office. From 1 July 2006, a provider selected through an open tender process will provide legal aid services to Indigenous people in the electoral division of Newcastle.

(2) The request for tender to provide Indigenous legal aid services for New South Wales, the Australian Capital Territory and the Jervis Bay Territory was advertised in late January 2006 in the Australian, the Sydney Morning Herald, the National Indigenous Times and the Canberra Times newspapers through paid advertisements.

(3) (a) The Indigenous Legal Aid Program funds the provision of culturally appropriate legal aid services for Indigenous Australians in accordance with the priorities and requirements contained in the policy directions.

(b) Tenders are assessed in accordance with the tender assessment criteria contained in the request for tender. The decision on the successful tenderer is made by the Secretary of my Department.

(4) and (5) Individuals or organisations in the electoral division of Newcastle may receive legal assistance from an Indigenous legal aid service provider if they meet the eligibility requirements for that assistance. Privacy guidelines prevent the disclosure of information in relation to the recipients of legal aid grants and statistical information on the provision of grants of legal assistance is not collected on the basis of electoral divisions.

National Community Crime Prevention Programme
(1) My Department administers funding for grants under the National Community Crime Prevention Programme for which eligible community organisations can apply for funding in the electoral division of Newcastle.

(2) The National Community Crime Prevention Programme is advertised in national, metropolitan regional and Indigenous-specific newspapers and a variety of electronic government publications through paid advertisements.

(3) (a) The purpose of the National Community Crime Prevention Programme is to identify and promote innovative ways of reducing and preventing crime and the fear of crime.

(b) The Minister for Justice and Customs is responsible for allocating funds.

(4) (i) No funding was received by any community organisation, business or individual within the electoral division of Newcastle in 2003-04.

(ii) There were two community organisations that received funding in 2004-05.
(5) The Migrant Resource Centre of Newcastle and Hunter Region of 8 Chaucer Street, Hamilton NSW 2303, was awarded a total of $92,992 in 2005, to be paid over 2 years. Of this total, $30,000 was paid in November 2005.

St John of God Family Services of 58 Gipps Street, Carrington NSW 2292, was awarded a total of $130,935 in 2004 to be paid over 3 years. Of this total, $39,300 was paid in December 2005 and $27,925 was paid in June 2005 (Note: the funding agreement for this project has been novated to Mercy Community Services of 32 Union Street, Tighes Hill NSW 2297).

Emergency Management Australia

(1) Through Emergency Management Australia (EMA), my Department administers three funded programs for which community organisations, businesses or individuals in the electoral division of Newcastle can apply for funding. The programs are:

- the Local Grants Scheme (LGS) (eligibility: local government areas)
- the National Emergency Volunteer Support Fund (NEVSF) (eligibility: emergency service organisations with a high volunteer component – for example, the Rural Fire Service, State Emergency Service, Royal Volunteer Coastal Patrol, and recovery agencies including the Salvation Army and Anglicare)
- the Research and Innovation Program (R&I Program) (eligibility: community organisations, individuals and businesses with an interest in emergency management matters).

(2) The LGS and NEVSF are advertised extensively across Australia in national, metropolitan, regional and local newspapers through paid advertisements. The R&I Program is advertised:

- in the Australian Journal of Emergency Management in the November issue
- on the EMA website at www.ema.gov.au
- on the Grantslink website maintained by the Department of Transport and Regional Services
- in all training materials used at the EMA Institute at Mount Macedon.

In addition, email advice of the R&I Program is provided to State and Territory Emergency Management Executive Officers for dissemination within their jurisdictions, to peak emergency management agencies, universities and to previous applicants. A list of interested people and agencies is also maintained following direct inquiries and they are also advised by email when applications open. These sources do not require payment for advertising and no advertising budget is included in the program.

(3) (a) The LGS provides funding to local councils, non-incorporated local government areas and remote and Indigenous communities to assist communities to develop and implement emergency risk management initiatives, enhance protective measures for critical infrastructure and provide emergency management and security awareness training for local government staff.

The NEVSF provides funding to member agencies of the Australian Emergency Management Volunteer Forum and any agency that has a defined role in State or Territory Response or Recovery Plans. The NEVSF provides grants for projects that boost the recruitment, retention and training of volunteer organisations at the frontline of emergency management.

The R&I Program is intended to fund projects that enhance community safety. The four priority areas for research are currently:

1. Building individual and community resilience
2. Risk perception, including warnings and community action
3. Innovations in disaster mitigation

QUESTIONS IN WRITING
(b) Responsibility for deciding the priority of applications made under the LGS and NEVSF is taken by a State/Territory Selection Committee formed within each jurisdiction and comprising a representative of the State/Territory’s emergency management organisation, local government (for LGS), emergency volunteer organisations (NEVSF), and EMA. The Committees assess and rank applications based on that State or Territory’s priorities. A composite priority list, comprising the individual State and Territory priority lists are submitted to me for approval. The Community Development Branch within EMA is responsible for the preparation and management of funding agreements between the Commonwealth and grant recipients.

Applications for the R&I Program are assessed by a panel of independent experts with expertise in both emergency management and the priority areas identified. The final decision on which projects are to be funded is taken by the Director General EMA, based on the recommendations made by the assessment panel.

(4) and (5) The first full year of operation of both the LGS and NEVSF was 2005-06 and accordingly, no community organisations, businesses or individuals in the Newcastle electoral division received funding for projects through either program in the 2003-04 or 2004-05 financial years. No community organisations, businesses or individuals in the Newcastle electoral division received funding for projects through the R&I program in either the 2003-04 or 2004-05 financial years.

Chifley Electorate: Programs and Services

Mr Price asked the Attorney-General, in writing, on 27 March 2006:

(1) What programs and services do the department and each agency in the Minister’s portfolio provide for indigenous communities and individuals in the electoral division of Chifley.

(2) In respect of each program, (a) what sum is spent annually (i) nationally and (ii) in the electoral division of Chifley and (b) how many people is it intended to assist (i) nationally and (ii) in the electoral division of Chifley.

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

Family Relationship Services Program

(1) My Department jointly funds the Family Relationship Services Program (FRSP) with the Department of Families, Community Services and Indigenous Affairs. The program is administered by the Department of Families, Community Services and Indigenous Affairs (FCSIA). FRSP funding is provided to support individuals within the electoral division of Chifley.

The names of the FRSP sub-programs funded in the electoral division of Chifley are family relationships counselling (funded jointly with FCSIA) and the Contact Orders Program. These services are not specifically targeted at the Indigenous community but do provide services for Indigenous clients.

(2) (a) In respect of each sub-program referred to in (1) the family relationship counselling is a jointly funded program with FCSIA. In 2005-06 my Department funded $25.911 million for this service nationally. My Department also provided $2.868 million nationally for the Contact Orders Program.

(ii) Through the FRSP, the Attorney-General’s Department provided $634,326.46 to Anglicare NSW to provide those services referred to in (1) in New South Wales. There is no information available to determine what funding is allocated directly to the services located in the Electoral Division of Chifley as this is the responsibility of Anglicare NSW.
(b) (i) and (ii) Services funded through the FRSP operate on the basis of universal access, that is to say they provide services to all individuals for whom the program is suitable.

Legal Aid Program

(1) The Attorney-General’s Department administers the Legal Aid Program through which the Legal Aid Commission of New South Wales is funded to provide legal assistance for individuals (both Indigenous and non-Indigenous) for matters arising under Commonwealth law. The services provided under the legal aid agreement with the Legal Aid Commission of New South Wales include the provision of information, community legal education and publications, legal advice and minor assistance, duty lawyer services and grants of aid for legal representation.

(2) (a) (i) $148.591 million was appropriated by the Australian Government for Commonwealth legal aid in 2005–06.

(ii) The Australian Government provided to the Legal Aid Commission of New South Wales $45.053 million in 2005–06.

(b) Legal aid commissions dealt with 52,566 applications for a grant of legal assistance in 2004–05, of which 2,371 (4.5%) were from people who identified themselves as Indigenous. 13,699 of these applications were dealt with by the Legal Aid Commission of New South Wales, of which 746 (5.4%) identified themselves as being Indigenous. Information is not collected on an electorate basis; however some of the New South Wales applications may have been made by Indigenous people living in the electorate of Chifley.

The Legal Aid Commission of New South Wales has a regional office located at Level 3, 85 Flushcombe Road, Blacktown 2148, through which individuals and organisations in the Federal Electorate of Chifley can make an application for legal aid.

Community Legal Services Program

(1) The Commonwealth Community Legal Services Program is a national program which provides funding to community organisations for the provision of legal and related services to those in need. The Department provides funding to the Mt Druitt and Area Community Legal Centre to assist people living in the Federal Electorate of Chifley.

In addition to the Mt Druitt and Area Community Legal Centre, the NSW Women’s Legal Service, including its Indigenous Women’s Program provides services to Indigenous women across NSW, including the electorate of Chifley.

(2) (a) (i) Funding of $23.704 million has been provided for the Commonwealth Community Legal Services Program in 2005–06.

(ii) Mt Druitt and Area Community Legal Centre in the electorate of Chifley received $177,864 from the Commonwealth Community Legal Services Program in 2005–06.

The NSW Women’s Legal Service received $770,881 from the Commonwealth Community Legal Services Program in 2005–06.

(b) The Mt Druitt Community Legal Centre assists people in its catchment area who are in need of legal and related services on the basis of universal access, that is to say they provide services to all individuals for whom the program is suitable.

The NSW Women’s Legal Service, including its Indigenous Women’s Program provides services to Indigenous women across NSW, including the electorate of Chifley.

Legal Aid for Indigenous Australians Programs

(1) The Attorney General’s Department administers the Legal Aid for Indigenous Australians Program and funds the Sydney Regional Aboriginal Corporation Legal Service (SRACLS) to provide Indigenous legal aid services throughout the Sydney metropolitan region. SRACLS has sub-offices in the electoral division of Chifley in St Marys and Blacktown. The services provided include:
1. information, initial advice, minor assistance and referrals; 2. duty lawyer assistance; and 3. legal casework services covering criminal, civil and family law matters.

In January 2006, a request for tender was released for the provision of legal aid services to Indigenous Australians in New South Wales. The Aboriginal Legal Service (NSW/ACT) Limited was the successful tenderer and will commence providing legal aid services from 1 July 2006.

(2) (a) (i) Funding of $48.319 million is available nationally under the Legal Aid for Indigenous Australians Program in 2005–06.

(ii) SCRACLS has received $3.292 million to provide legal aid services to Indigenous Australians in the Sydney metropolitan region in 2005–06.

(b) (i) The services provided under the Legal Aid for Indigenous Australians Program are available nationally to all Indigenous Australians who meet the priority categories set out in the Department’s Policy Framework.

(ii) The services provided by SCRACLS are available to all Indigenous Australians within the area they service, which includes the electoral division of Chifley, who meet the priority categories set out in the Policy Framework.

Financial Assistance Program

The Attorney-General’s Department administers schemes for the provision of financial assistance for legal and associated costs. These schemes exist to provide legal or financial assistance in cases where legal aid is not generally available from legal aid commissions and where the circumstances give rise to a special Commonwealth interest. People and organisations in the electoral division of Chifley can apply for assistance directly from the Australian Government under these schemes. It has been a long-standing practice, endorsed by successive Attorneys-General, to treat applications for financial assistance in confidence and not to provide information in relation to individual applications. The practice developed in order to protect information supplied by applicants which would be covered by solicitor-client confidentiality and in order to comply with obligations imposed by the Privacy Act 1988.

The National Community Crime Prevention Programme

(1) The National Community Crime Prevention Programme (NCCPP) is a $64 million community grants programme that funds local projects designed to enhance community safety and crime prevention. Grant funding is available to non-profit incorporated community organisations and local governments. Funding is non-recurrent and is available for projects of up to three years duration. There are three funding streams:

• Community Partnership Stream – up to $500,000 per project to support innovative and collaborative projects in high-need areas;
• Community Safety Stream – up to $150,000 per project; and
• Indigenous Community Safety Stream – up to $150,000 per project.

(2) In respect of projects for Indigenous communities, there have been no Indigenous-specific projects funded in Chifley under the NCCPP to date, but eligible organisations are welcome to apply. The next round of funding will be opening shortly. Details will be advertised on the Department’s website at: www.crimeprevention.gov.au. Alternatively, interested organisations can email the Department and be placed on a register of interest and be notified as soon as the next funding round opens. The email address is nccppinfo@ag.gov.au.

Emergency Management Australia

(1) The Australian Government’s Working Together to Manage Emergencies (WTTME) initiative, which comprises the Local Grants Scheme and the National Emergency Volunteer Support Fund, offers grants to local governments and volunteer emergency response and recovery agencies na-
tionally. The Local Grants Scheme is aimed at local governments to assist them in enhancing community safety, including that of indigenous communities and, by extension, of individuals.

(2) The four year initiative was announced in 2004 in recognition of the need to develop self-reliance at both the community and local government level to enhance community safety.

(a) For the 2005-06 financial year $14.4 million was appropriated for these grants nationally however, no funding has been provided for the people of the electoral division of Chifley since the program’s inception in financial year 2004-05.

(b) The program has a national focus and is intended to benefit all eligible communities including indigenous communities. Local government agencies within the electorate of Chifley are eligible to apply for grants to assist in enhancement of community safety.

Medicare: Bulk-Billing

(Question No. 3879)

Ms Annette Ellis asked the Minister for Health and Ageing, in writing, on 10 August 2006:

Can he provide an update on the latest GP bulk-billing figures across Australia, including the federal electorate of Adelaide.

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

Bulk billing statistics for non-referred GP attendances by electorate are published on an annual calendar year basis, in February/March each year.

The bulk billing rates for non-referred GP attendances for the electorate of Adelaide (based on patient enrolment postcode) and for Australia in calendar year 2005 (year of processing) are as follows:

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Region</th>
<th>Per cent of services bulk billed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>Adelaide</td>
<td>68.4</td>
</tr>
<tr>
<td>2005</td>
<td>Australia</td>
<td>74.7</td>
</tr>
</tbody>
</table>

Note: Excludes practice nurse items

Notes to the statistics

Medicare data is based on year of processing by Medicare Australia and may not be the same as the year in which the patient received the service.

Electorate level data should be considered as estimates only. Allocations of services are based on the reported postal address postcodes of patients. Therefore some data will not accurately reflect the address where the patient actually resides.

Additional information and explanatory notes for these statistics are available on the Department’s website at www.health.gov.au/electoratereports.

Tourism Australia

(Question No. 3947)

Mr Martin Ferguson asked the Minister for Small Business and Tourism, in writing, on 16 August 2006:

In respect of her visit to London in March 2006 concerning Britain’s Broadcast Advertising Clearance Centre’s difficulties with a Tourism Australia advertising campaign:

(a) Was the trip undertaken on the recommendation of Tourism Australia; if not, which members of the board of Tourism Australia were consulted about the trip;

(b) What was the itemised cost of the trip, including any stop-overs to or from the United Kingdom;

(c) If any stopovers took place, what was their purpose;
Fran Bailey—The answer to the honourable member’s question is as follows:

(a) No. The Chairman of Tourism Australia was consulted.

(b) Itemised costs for myself and my Chief of Staff, Daniel Tehan, to travel to the UK were:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost (AUD ex GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airfares</td>
<td>31,102.94</td>
</tr>
<tr>
<td>Travel Advances</td>
<td>506.24</td>
</tr>
<tr>
<td>Accommodation</td>
<td>8,618.40</td>
</tr>
<tr>
<td>Ground Transport</td>
<td>6,872.16</td>
</tr>
<tr>
<td>Incidentals</td>
<td>205.11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47,304.85</strong></td>
</tr>
</tbody>
</table>

There were no stopovers on this trip.

(c) Not applicable.

(d) Yes. There was significant UK media interest in my visit.

(e) The Government made the decision to include Lara Bingle on the trip.

(f) This information is commercial-in-confidence.

(g) Tourism Australia was consulted.

Apprenticeships

(Received through Hansard)

Ms Macklin asked the Minister for Vocational and Technical Education, in writing, on 6 September 2006:

(1) For the financial years (a) 1996-97 (b) 1997-98 (c) 1999-2000 (d) 2000-01 (e) 2001-02 (f) 2002-03 (g) 2003-04 (h) 2004-06 and (i) 2005-06, what proportion of Australian Apprenticeships commencements were existing employees?

(2) For each of the financial years referred to in Part (1), what was the total value of incentive payments made to (a) existing employees and (b) in total, to all new apprentices?

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

(1) The proportion of Australian Apprenticeships commencements of existing employees, compared to total Australian Apprenticeships commencements, follows.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Commencements</th>
<th>Proportion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Existing Employees</td>
<td>Totals</td>
</tr>
<tr>
<td>1996-97</td>
<td>(a) 96,000</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>1997-98</td>
<td>840</td>
<td>1%</td>
</tr>
<tr>
<td>1998-99</td>
<td>35,100</td>
<td>18%</td>
</tr>
<tr>
<td>1999-00</td>
<td>32,500</td>
<td>16%</td>
</tr>
<tr>
<td>2000-01</td>
<td>44,600</td>
<td>21%</td>
</tr>
<tr>
<td>2001-02</td>
<td>60,300</td>
<td>25%</td>
</tr>
<tr>
<td>2002-03</td>
<td>86,000</td>
<td>30%</td>
</tr>
<tr>
<td>2003-04</td>
<td>63,300</td>
<td>25%</td>
</tr>
</tbody>
</table>

QUESTIONS IN WRITING
Wednesday, 18 October 2006  

QUESTIONS IN WRITING

Commencements  
Existing Employees  
Financial Year  
2004-05  67,700  260,500  26%  
2005-06  Not available  Not available  n/a  

Source: National Centre for Vocational Education Research March 2006 estimates figures may not sum due to rounding

(a) represents figures in the range of 1-9

(2) The total incentive payments made to existing employees, compared to total Australian Apprenticeships follows. The financial data for employer incentives prior to 1999-00 is unavailable.

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Existing Employees</th>
<th>New Starters</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of Claims</td>
<td>GST Exclusive Amount</td>
<td>Number of Claims</td>
</tr>
<tr>
<td>1996-97</td>
<td>48,253</td>
<td>$61,669,619</td>
<td>159,544</td>
</tr>
<tr>
<td>1998-99</td>
<td>72,813</td>
<td>$92,885,902</td>
<td>217,722</td>
</tr>
<tr>
<td>2000-01</td>
<td>97,932</td>
<td>$124,650,292</td>
<td>243,877</td>
</tr>
<tr>
<td>2001-02</td>
<td>120,414</td>
<td>$159,782,393</td>
<td>277,258</td>
</tr>
<tr>
<td>2002-03</td>
<td>106,828</td>
<td>$157,956,749</td>
<td>282,380</td>
</tr>
<tr>
<td>2003-04</td>
<td>88,163</td>
<td>$150,338,382</td>
<td>264,163</td>
</tr>
</tbody>
</table>

Ansett Australia  
(Question No. 4167)

Mr Kerr asked the Minister for Employment and Workplace Relations, in writing, on 7 September 2006:

(1) Can he confirm that the federal Government has received a surplus from the Ansett ticket levy, but that former Ansett workers have not yet received their full legal entitlements.

(2) Can he confirm that a private company, Sees Pty Ltd, and the Commonwealth Bank, have made a profit from an 'off-budget financing' arrangement in the recovery scheme.

(3) Can he explain why the federal Government used private sector finance to help fund the recovery scheme, when the Government could have provided the cheapest source of funding.

(4) As the federal Government and private companies have received more than they outlaid before Ansett workers have been paid back in full, does he intend to propose any changes to the way schemes such as the Special Employment Entitlements Scheme for Ansett (SEESA) are administered, so that they better ensure a fair and just outcome for workers.

(5) Can he confirm that ticket-levy collections to fund the Ansett recovery scheme have been redirected to non-Ansett recipients; if so, will he identify those recipients.

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

(1) All terminated Ansett employees have received 100% of their outstanding SEESA entitlements. Where former employees have entitlements in excess of the assistance already provided by the Australian Government under SEESA, their entitlements remain the responsibility of the Ansett Administrators.
The Air Passenger Ticket Levy was administered by the Department of Transport and Regional Services. The distribution of the ticket levy is a matter for the Minister for Transport and Regional Services.

(2) This is a matter for SEES Pty Ltd and the Commonwealth Bank to answer.

(3) The Australian Government’s primary objective was to put in place a mechanism to ensure that Ansett employees received their entitlements under SEESA in a timely and efficient manner. A further objective was that this mechanism should be designed in a way that would minimise its impact on the budget.

(4) No. SEESA has met the objectives set by the Australian Government.

(5) See answer to Question (1).

**Asia-Pacific Region: Death Penalty**

(Question No. 4174)

Mr Melham asked the Minister for Foreign Affairs, in writing, on 11 September 2006:

Further to his response to question No. 3906 (Hansard, 6 September 2006, page 144), in which countries, in what circumstances and on what dates was the death penalty commuted.

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

Australia’s opposition to the death penalty is well known. In addition to co-sponsorship of an annual resolution on the death penalty at the former UN Commission on Human Rights, Australia has raised this issue with many of the countries we reported on in our answer to No. 3906 since August of last year.

Regarding the conditions and results of our interventions, while we do not have information available that directly links a death penalty commutation to our efforts in every case, we do know that in some instances, our efforts have been successful.

For example, we have made representations on four cases in Vietnam in recent years

- An Australian citizen was arrested on 16 June 2003 and charged with illegally trading in narcotics and sentenced to death. An application for Presidential clemency, supported by a letter from myself, was made in August 2005. Senator Ellison also wrote to his counterpart in Vietnam, and personal representations were made by Prime Minister Howard to the Prime Minister of Vietnam. Mr Billson also raised the issue with the Vietnamese Government during a visit to Vietnam in 2005. His application for clemency was granted on 30 December 2005.

- A Vietnamese citizen and Australian permanent resident was arrested in December 2002 for illegally trading narcotics and sentenced to death. An appeal for clemency to the President, supported by myself, was submitted in August 2005. Senator Ellison also wrote to his counterpart in Vietnam, and personal representations were made by Prime Minister Howard to the Prime Minister of Vietnam. Mr Billson also raised the issue with the Vietnamese Government during a visit to Vietnam in 2005. His death sentence was commuted to life imprisonment early in January 2006.

- An Australian citizen received a death sentence in 2002 for drug trafficking. She made a request for clemency on 27 December 2002. The Prime Minister and I made representations to the Vietnamese authorities on her case. Her death sentence was reduced to life imprisonment on 8 July 2003.

- An Australian citizen arrested on 2 July 2003 in Ho Chi Minh City for illegal trading of a narcotic received a death sentence. His appeal for clemency was supported by the Prime Minister and myself. In August 2005 the President of Vietnam commuted his sentence to life imprisonment.

The Australian Government will continue to encourage those countries that impose the death penalty to commit to the principles espoused in the Second Optional Protocol to the International Covenant on Civil and Political Rights.
Oil for Food Program  
(Question No. 4679)

Mr Kelvin Thomson asked the Minister for Foreign Affairs, in writing, on 14 September 2006:

For the 2005-06 financial year, what has been the total cost to his department for external legal advice related to (a) the Australian Wheat Board (AWB), (b) the Cole Inquiry and (c) freedom of information requests related to the AWB and the Cole Inquiry.

Mr Downer—The answer to the honourable member’s question is as follows:
In relation to (a) and (c), it is long standing practice of successive governments generally not to disclose whether legal advice has been sought. As it is public knowledge that my department has engaged solicitors and counsel for the purposes of the Cole Inquiry, I am prepared to disclose that the total cost of external legal services to my department in financial year 2005-06 in relation to the Cole Inquiry was $1,289,143 (including GST).