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SITTING DAYS—2006

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- **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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<td>Vasta, Ross Xavier</td>
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<td>Wakelin, Barry Hugh</td>
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<td>Windsor, Antony Harold Curties</td>
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<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
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### PARTY ABBREVIATIONS

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

### Heads of Parliamentary Departments

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

Prime Minister
Minister for 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)
| 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 | The Hon. John Kenneth Cobb MP |
| Minister for Revenue and Assistant Treasurer | The Hon. Peter Craig Dutton MP |
| Special Minister of State | The Hon. Gary Roy Nairn MP |
| Minister for Vocational and Technical Education and Minister Assisting the Prime Minister | The Hon. Gary Douglas Hardgrave MP |
| Minister for Ageing | Senator the Hon. Santo Santoro |
| Minister for Small Business and Tourism | The Hon. Frances Esther Bailey MP |
| Minister for Local Government, Territories and Roads | The Hon. James Eric Lloyd MP |
| Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence | The Hon. Bruce Frederick Billson MP |
| Parliamentary Secretary to the Minister for Finance and Administration | The Hon. Dr Sharman Nancy Stone MP |
| Parliamentary Secretary to the Minister for Industry, Tourism and Resources | Senator the Hon. Richard Mansell Colbeck |
| Parliamentary Secretary to the Minister for Health and Ageing | The Hon. Robert Charles Baldwin MP |
| Parliamentary Secretary to the Minister for Defence | The Hon. Christopher Maurice Pyne MP |
| Parliamentary Secretary to the Minister for Transport and Regional Services | Senator the Hon. John Alexander Lindsay (Sandy) Macdonald |
| Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs | The Hon. De-Anne Margaret Kelly MP |
| Parliamentary Secretary to the Prime Minister | The Hon. Andrew John Robb MP |
| Parliamentary Secretary to the Treasurer | The Hon. Malcolm Bligh Turnbull MP |
| Parliamentary Secretary to the Minister for the Environment and Heritage | The Hon. Christopher John Pearce MP |
| Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry | The Hon. Gregory Andrew Hunt MP |
| Parliamentary Secretary to the Minister for Education, Science and Training | The Hon. Sussan Penelope Ley MP |
| Parliamentary Secretary (Foreign Affairs) | 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

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

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

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

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

Shadow Minister for Transport
Senator Kerry Williams Kelso O’Brien

Shadow Minister for Sport and Recreation
Senator Kate Alexandra Lundy

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

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

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

Shadow Minister for Immigration
Anthony Stephen Burke MP

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

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

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

Shadow Minister for Citizenship and Multicultural Affairs
Senator Annette Hurley

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

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

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

Shadow Parliamentary Secretary for Education
Kirsten Fiona Livermore MP

Shadow Parliamentary Secretary for Environment and Heritage
Jennie George MP

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

Shadow Parliamentary Secretary for Immigration
Ann Kathleen Corcoran MP

Shadow Parliamentary Secretary for Treasury
Catherine Fiona King MP

Shadow Parliamentary Secretary for Science and Water
Senator Ursula Mary Stephens

Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs
The Hon. Warren Edward Snowdon MP
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The purpose of this bill is to amend the Commonwealth Radioactive Waste Management Act 2005 to provide for the return of a volunteer site to its traditional owners should such a site be forthcoming and ultimately selected for the Commonwealth radioactive waste management facility.

Existing provisions of the act allow a land council to nominate Aboriginal land within the area of the land council as a potential site for the facility. Australian regulatory requirements require radioactive waste facilities not be sited where land ownership rights or control could compromise retention of long-term secure management of the facility.

It is for this reason that the act allows the Commonwealth to acquire all rights and interests in a volunteer site.

However, the Australian government also recognises that Aboriginal people in the Northern Territory fought hard for the right to own their land. Honourable members will know that the original Northern Territory land rights legislation was passed in this parliament under a coalition government.

Through this bill, the Australian government seeks to ensure, should a volunteer site be selected for the facility, that there is a mechanism for the land to be returned to its original owners or successors when the site is no longer required for the facility.

We will not be returning a dirty or polluted site. The bill provides that the return may not be effected unless the independent regulator, the Australian Radiation Protection and Nuclear Safety Agency, has released the facility from regulatory control. Further, the traditional owners must consent to the return of the site.

However, in the extremely unlikely event that contamination occurs as the result of use of the land for the facility, the traditional owners will be indemnified by the Commonwealth against any resultant claims.

A related purpose of this bill is to amend both the act and the Administrative Decisions (Judicial Review) Act 1977 to prevent politically motivated challenges to a land council nomination.

Honourable members may have seen speculation in the media that Aboriginal land in the Northern Territory may be nominated for the facility. It is no secret that the Northern Land Council has been supportive of provisions in the current act that allow Aboriginal landholders to consider nominating their land.

I welcome the Northern Land Council’s positive and constructive assistance in providing factual information and facilitating discussions with Aboriginal groups about the government’s plans for a Commonwealth radioactive waste management facility. It is an indication of the strength and relevance of the council that, in the face of ideologically driven opposition, it is prepared to actively support communities in their wish to im-
prove the opportunities for themselves and their children. The bill addresses issues that the Northern Land Council has indicated are of particular sensitivity for Aboriginal groups that may be considering putting forward their land for nomination.

After claiming that the Australian government was imposing a radioactive waste facility on the Northern Territory against community wishes, I assumed that opponents of such a facility would welcome the construction of the facility on a site volunteered by the local landholders. Instead, opponents of the facility have indicated that they are prepared to oppose the facility on a volunteer site as well.

Current provisions of the act set down a number of criteria that should be met if a land council decides to make a nomination. Importantly, these criteria include that the owners of the land in question have understood the proposal and have consented to the nomination, and that other Aboriginal communities with an interest in the land have also been consulted.

I can assure the House that, should a nomination be made, I will only accept it if satisfied that these criteria have been met. What the government will not accept is speculative legal challenges against the land council or me, as minister, that are designed not to ensure that Aboriginal people have given informed consent to a land nomination but to frustrate and delay establishment of the facility.

Those members who are in favour of safe and responsible management of radioactive waste, and those members who are in favour of Aboriginal people being able to make their own decisions about infrastructure developments on their own land, should support these amendments. I commend the bill to the House.
take the opportunity to acknowledge the wonderful work by each of them.

Schedule 2 makes a number of technical corrections, amendments and general improvements to the taxation laws.

These amendments include fixing duplicated definitions, missing asterisks from defined terms and incorrect numbering. The most significant of the amendments formalises the transfer of the power to appoint acting commissioners of taxation during periods of absence from office, from the Prime Minister to the Treasurer.

While not implementing any new policy, these amendments are part of the government’s ongoing commitment to improve the quality of the taxation laws.

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

Debate (on motion by Mr Bevis) adjourned.

PARLIAMENTARY ZONE
Approval of Proposal

Mr BILLSON (Dunkley—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (9.09 am)—On behalf of the Minister for Local Government, Territories and Roads, I 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 30 October 2006, namely: Reconciliation Place artworks.

The National Capital Authority, in consultation with the Office of Indigenous Coordination, has developed a design proposal for three new artworks at Reconciliation Place.

The proposed artworks focus on the themes of the Torres Strait Islands, fire and water, and art within the context of reconciliation. The proposed artworks are to be located on the western promenade of Reconciliation Place adjacent to Questacon. The placement and configuration of the artwork allows for a variety of interpretive experiences and all artworks will incorporate in-ground lighting.

The proposed artworks will complement existing art located on the western promenade of Reconciliation Place, including the separation, strength, service and sacrifice and Ngunnawal artworks. The National Capital Authority also proposes to install a single post with a top mounted light to the north-west existing Gatjil Djerrkura stone artwork.

The National Capital Authority has advised that it is prepared to grant works approval to the proposal pursuant to section 12(1)(b) of the Australian Capital Territory Planning and Land Management Act 1988. The approval of both houses is sought under section 5(1) of the Parliament Act 1974 for the three proposed Reconciliation Place artworks and the post light. I commend the motion to the House.

Question agreed to.

COMMITTEES

Public Works Committee
Reference

Mr BILLSON (Dunkley—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (9.11 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Redevelopment of the propellant manufacturing facility at Mulwala, NSW.

The Department of Defence proposes to redevelop the gun propellant capability of the Mulwala Propellant and High Explosives Production Facility at Mulwala, New South Wales. The works now proposed are needed to overcome plant obsolescence, improve safety and meet environmental regulations. The main components comprise new nitrocellulose, propellant and solvent production
facilities, a new ballistics laboratory and a confined burn facility to eliminate open burning of energetic waste. The estimated out-turn cost of the proposal is $338.7 million. Subject to parliamentary approval, the works will be committed by mid-2007 with the objective of having them completed by the end of 2011. I commend the motion to the House.

Question agreed to.

MAIN COMMITTEE

Procedure Committee

Mr BARTLETT (Macquarie) (9.13 am)—by leave—I move:

That the following order of the day, committee and delegation reports, be referred to the Main Committee for debate: Procedure—Standing Committee—Report—Maintenance of the standing and sessional orders: Second report—Review of sessional orders adopted on 17 March 2005 and 9 February 2006; and other matters—Motion to take note of document: Resumption of debate.

Question agreed to.

COMMITTEES

Publications Committee

Mrs DRAPER (Makin) (9.14 am)—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report are being placed on the table.


MEDIBANK PRIVATE SALE BILL 2006

Second Reading

Debate resumed from 1 November, on motion by Mr Nairn:

That this bill be now read a second time.

Mrs ELLIOT (Richmond) (9.14 am)—I continue speaking today about my very strong opposition to the Medibank Private Sale Bill 2006 and the sale of Medibank Private. I very strongly oppose the sale for a variety of reasons, but my main concern is that premiums will undoubtedly rise once the sale goes through. That is a concern that many locals have expressed to me, particularly the many pensioners who live in the electorate of Richmond.

As I have already said, as a precursor to the sale of Medibank Private we saw the closure of the Medibank Private office at the Centro Tweed Shopping Centre, Tweed Heads, just before Christmas. The distress that caused throughout the community was quite extreme. I would like to give just one example: Mr Derek Andrews, who is 77 years old and is a local from Kingscliff, was doubly disappointed when he tried to pay his Medibank Private premium at the Tweed Heads office. He went there and found that not only had the health fund office closed down but the nearest office was on the Gold Coast and that that office does not accept cash. So Mr Andrews, a pensioner, had to battle through the traffic to get to the Medibank Private office at the Centro Tweed Shopping Centre, Tweed Heads, just before Christmas. He went there and found that not only had the health fund office closed down but the nearest office was on the Gold Coast and that that office does not accept cash. So Mr Andrews, a pensioner, had to battle through the traffic to get to the Medibank Private office at the Pines Shopping Centre, Elanora, in Queensland. He was then forced to convert his annual premium of $1,575.60, which is a lot of money, from cash to two money orders. So there we have it: Mr Andrews goes to the Medibank Private office at Tweed Heads, finds that it is closed, battles through the traffic to get to the Gold Coast and is then told that it is a cashless office. He then had to get money orders, which meant he had to find the nearest post office and then had to spend another $6 on top of the premium to get the money orders. This has caused huge distress to Mr Andrews and to many other people who were not aware that this office was to be closed.

What is most annoying is that, between the Gold Coast and Lismore, there is no Medibank Private office, and we are certainly going to see a lot more closures right across Australia when it is sold. The closure
of the Tweed Heads office was certainly an indication that Medibank Private was going to be up for sale. It is unfair, particularly to the people in the electorate of Richmond, because we now have four Medibank Private offices on the Gold Coast and one down in Lismore. But for a very large number of pensioners it will be very difficult, particularly for Mr Andrews.

It is not just this side of the House that is opposed to the sale of Medibank Private; it is not just the Labor Party. We are hearing from the Independents, the Greens and the Democrats as well. But there are many others in the community who have declared their opposition to the sale, and the list includes the Doctors Reform Society, the Community and Public Sector Union, the Health Services Union and the Save Medibank Alliance, a group that includes Professor John Deeble, one of the founders of the original Medibank, and Ray Williams, a former general manager of Medibank Private. Even the Australian Medical Association is opposed to the sale. So all these different groups are telling the government that it should not proceed with the sale of Medibank Private.

The Australian Medical Association made a submission to the Australian Competition and Consumer Commission on the proposed sale of Medibank Private. They raised serious concerns about higher premiums for Medibank Private customers and reduced competition in the private insurance sector. The President of the AMA said that higher premiums would be inevitable as the new owners sought to maximise returns to shareholders. He went on to say:

There is also a chance of flow-on higher premiums across the whole private health sector because of reduced competition. But the extent of the rises would depend on whether the new owner is a new or an existing player in the sector.

Of course, the AMA is looking at this from the proper perspective—that is, the health care interests of the people of this nation, and the health care interests of the members of Medibank Private particularly. Even Mr Russell Schneider, from the Australian Health Insurance Association, who represents private health insurance funds other than Medibank Private, has raised concerns about the proposed sale. He does not accept this government’s view that the sale will be good for the private health insurance sector. He said:

Health funds need to be concerned for the well-being of their members, not their shareholders.

And that is the change we will see when Medibank Private is sold: the focus will be on the shareholders. He further said:

It is certainly not in the interests of the members, nor is it in the interests of health care for the people of this nation to sell Medibank Private.

Two main arguments in favour of the sale have been put forward by the government. The first relates to competition and the second relates to a conflict of interest from being an owner and a regulator. I will look firstly at the competition argument put forth by the government. The Parliamentary Library research brief examining the government’s competition based arguments for the sale found that there was:

... little evidence to support assertions that a privatised Medibank Private would be more efficient, competitive and less expensive for consumers.

So a publicly listed Medibank Private would not have any more freedom under the act and regulations than it has under its current ownership arrangements. In its 1996 submission to the Productivity Commission’s inquiry into private health insurance, Medibank Private said:

A situation where a for-profit ‘middleman’ (health insurers) is also involved [in addition to private for-profit healthcare providers] will unnecessarily escalate the premium (price) for private health insurance.
The government says that a privately owned Medibank Private would have lower management expenses than it achieves under the current ownership arrangements. The thing is, there is nothing that a privatised Medibank Private could do to achieve such efficiencies that it cannot do under its current ownership status. In any case, if we are looking at a reduction in management expenses, whether that be rent, staff, salaries or marketing costs, that will ultimately mean a reduction in the number of offices and the number of staff. So we will see services fall as premiums rise. This is undoubtedly what everyone is aware of. As I say, locals whom I speak to are aware of that and we are hearing from many different medical associations and other bodies that are aware of that—it seems that everyone in the community is aware of what the reality of the sale of Medibank Private will mean except for those in the Howard government who are not prepared to listen to what people are saying about this.

The other argument made by the government is that selling Medibank Private will remove the government’s conflict of interest in being both industry regulator and owner of the main health fund. Medibank Private receives no obvious regulatory advantage over other health benefits organisations. Indeed Medibank Private was separated off from the Health Insurance Commission by this government in 1997. The health minister at that time said in his second reading speech:

... the separation of Medibank Private from the Health Insurance Commission, HIC, and the creation of a new Medibank Private corporation. Through the separation, the government will ensure that Medibank Private cannot be perceived to have any competitive advantage over other private health funds through its association with Medicare or other government program functions of the HIC. It reinforces the government’s commitment to the principle of competitive neutrality.

Yet, we have heard from the government that Medibank Private has to be sold because it has an unfair competitive advantage. In 2003, the government sufficiently addressed the conflict of interest issue when it decided to make the Minister for Finance and Administration the sole Commonwealth shareholder of Medibank Private. This, according to a joint press release issued by the Minister for Health and Ageing and the Minister for Finance and Administration on 17 June 2003, was to ‘provide a clear distinction between the Commonwealth’s roles as industry regulator and business owner’.

There is also a question of legality. No doubt the House is very aware that the Parliamentary Library has produced a research brief which has raised serious issues about the proposed sale of Medibank Private. The government got some legal advice but, to the absolute credit of the Parliamentary Library team, the Bills Digest did not shy away from their research findings and raised some very serious concerns about the accuracy of the legal advice the government has received on this matter. As expressed in the research brief, it is arguable that members of Medibank Private would be entitled to compensation if the terms of the sale do not adequately account for their right to the benefit of fund assets. Whilst denying that the warnings contained in the research brief were credible in respect of compensation to members of Medibank Private, the government simultaneously took steps to protect itself against just such an event occurring.

The bill contains a provision to ensure that the fund, not the Commonwealth, is liable for any compensation claims that arise from the sale. The bill allows for pre-privatisation profits ‘surpluses’ to be re-distributed to shareholders following privatisation. It also acknowledges the prospect of a legal challenge to the sale and has included a clause which makes Medibank Private rather than
the Commonwealth liable for any compensation which might arise from such action. It seems that law and justice are not always the same thing and, indeed, nor are legality and morality on many occasions. It seems absurd that the government is moving the onus onto Medibank Private, obviously aware that some major legal issues will come about from the sale of Medibank Private.

The last issue I want to raise concerning this ideologically driven legislation—and I believe it is a very important issue to raise—is that the bill now contains safeguards directed at securing the Australian character of Medibank Private and at ensuring diversified ownership. It should be noted, however, that these provisions will expire five years after Medibank Private is sold. In five years time, there will be no limit on how much of Medibank Private can be owned, controlled and operated by one person or company. Further, after five years there will be no restrictions on foreign ownership of Medibank Private. After five years there will be no requirement that central management and control is exercised in Australia, no requirement that there is a substantial business and operational presence in Australia and no requirement that directors are Australian or that Medibank Private remains incorporated in Australia. This means, yet again, that one more of Australia’s national companies can be owned and controlled by foreign investors.

This part of the legislation distresses people. Everyone can see exactly where the sale is leading. We will see premiums rise, services fall and, after five years, Medibank Private being taken over by a foreign company. It is of particular concern to many locals in my area that this is a foregone conclusion, that this will be the end result should the sale of Medibank Private go through.

The government decision to sell Medibank Private is based upon an ideologically driven privatisation agenda and without regard for the implications of this sale on the affordability of private health insurance for Medibank members right across the nation. The government is totally disregarding the arguments put forward about the sale. The government has not provided any evidence that members of Medibank Private or, indeed, private health insurance holders generally will be any better off as a result of this sale. The reality is that they will not be better off; they will be worse off.

The government obviously does not care about the thousands of people in the Richmond electorate who will be adversely affected, particularly many elderly residents—those on pensions and fixed incomes—who are very distressed about this. They will not be able to afford the increases in premiums. This sale does not just affect people in Richmond; it affects people right across Australia. Three million members of Medibank Private will be adversely affected.

The reality will be that premiums will rise and services will fall. We will see more closures of Medibank Private offices. We saw the closure of an office in Tweed Heads as a precursor to this proposed sale. Obviously the government do not care about that either because they are hell-bent on flogging off our national assets. The stark reality of doing that is to make things harder for Australian families and workers who are already under huge pressure. We have seen a massive increase in the cost of living, with increases in interest rates and speculation about further interest rate rises. In my electorate this causes great distress to families, particularly pensioners who are on fixed incomes. On top of all of this, we are going to see increases in premiums for private health insurance.

This government just walks away from Australian families and the demands placed upon them, because it does not care. It is not
interested in helping them out. Everyday it seems that there is another struggle. As I said, we are seeing the cost of living going up and prices going through the roof. This is causing great concern to people. But the government is hell-bent on flogging off whatever it can and on driving its own ideological agenda. It is doing its own thing and not listening to the concerns of anyone who is struggling. *(Time expired)*

**Mr KELVIN THOMSON** (Wills) *(9.28 am)*—It was Norman Lindsay who popularised the expression ‘the magic pudding’ with his book of the same name. Medibank Private is a magic pudding which would make Norman Lindsay proud. The government says: ‘We’ll sell it. It would be a fine thing to buy it.’ In the next few years it intends to spend $52 million of taxpayers’ money to increase consumer awareness of the incentives and benefits associated with private health insurance. This will include a general marketing campaign, jointly funded with industry, to provide consumers with relevant information about private health care and its associated insurance products. So, again, we have more taxpayers’ dollars in the form of government advertising to suggest that it will be a fine thing for shareholders to be buying into Medibank Private. But then it says, ‘But premiums won’t go up, so the fund members will be okay.’ Let us see: premiums will not go up, but it will be a good buy for investors—truly a magic pudding. Norman Lindsay would be mightily impressed.

Senator Minchin says the government is not doing this for the money. He says that a privatised Medibank Private will perform better. It will be more efficient. Freed of the constraints of government ownership, public ownership, it will be a better outfit. If the government is not doing it for the money, why doesn’t it just hand it over to the fund members? Frankly, it is all about the money. They are about this government—or, if you want to take the broader view, this generation—getting its hands on the money. It is a bit like kids who ask their parents for their inheritance in advance. Frankly, it is a fraud on the work of previous generations, in this case those who built up Medibank Private, and it is a fraud on future generations, as this generation grabs the inheritance and effectively spends it now. Those opposite in the Liberal Party talk a lot about debt as a fraud on future generations, placing burdens on our children and grandchildren, but asset sales and privatisations are exactly of the same character: taking the money, taking the asset, and spending it now.

Medibank Private was created in 1976 by the Fraser government. It was said to contribute to an efficient, competitive and viable private health insurance industry. There are three million Medibank Private members, which is almost 30 per cent of the entire private health insurance market—a very large slice indeed. Labor oppose the sale of Medibank Private. We do not accept the primary argument from the Howard government that selling Medibank Private will increase competition in the private health insurance sector and therefore put, as Senator Minchin said, less upward pressure on premiums. The day after Medibank Private is sold, there will be exactly the same number of private health insurers in Australia. There will be no increase in competition.

The AMA, the Australian Medical Association, has warned that premiums will increase if Medibank Private is sold. The economic commentator Terry McCrann, no fan of this side of politics, has said that premiums will go up because Medibank Private shareholders will expect a dividend on their investment. Indeed. And we have a Minister for Health and Ageing who has expressed a predisposition to rubber-stamp premium increase requests from the private health insur-
merce industry. As recently as 9 September this year, he said, ‘I certainly won’t hesitate to approve increases.’

The government has raised expectations that it will give Medibank Private members some special rights in the float, but there is no clear commitment as to how they are going to be treated. So, in debating the Medibank Private Sale Bill 2006, we in this House are in the dark on a fundamental matter: how the existing fund members of Medibank Private are going to be treated. I would not support the legislation in any event, because I have a clear view about the virtue of having a government player in this private health insurance field. But other members, who might not necessarily share that view, are nevertheless put in the invidious position that they are expected to vote on this bill without knowing what the government has in mind in relation to the treatment of existing Medibank Private fund members.

Quite a lot of reference has been made to the work of the Parliamentary Library in commenting on some of the legal aspects of the proposed sale, and I intend to also draw extensively from their material in some of my remarks on this bill. On 1 September, the Parliamentary Library released the research brief titled The proposed sale of Medibank Private: historical, legal and policy perspectives. One of the issues that that paper canvassed was of members’ rights in the Medibank Private fund. One conclusion the paper reached was that it was arguable that members had the right to the benefit of the existing surplus assets of the fund and that a sale of Medibank Private, if it were to adversely affect those rights, could give rise to a claim against the Commonwealth for compensation. The research brief did not suggest that the members owned the fund or that they could in some way block the sale, but it suggested that members might be able to mount an action in the form of a claim for compensation.

This of course raised questions about whether the Commonwealth was the sole owner or Medibank Private’s 2.8 million members also had ownership rights. From a moral rather than a legal perspective, concerns were also expressed by the Australian Medical Association, which called for the fund to be mutualised. The AMA said it doubted:

... the morality of the sale given that much of the value of Medibank Private is in its financial reserves which were not contributed by the government but rather, extracted from the members in compliance with regulatory requirements.

The AMA said it was not implying any criticism of the regulatory requirements: it is the case that reserves are necessary for proper prudential management of private health funds. It said that, if the government does not wish to be involved any longer as the operator of a private health fund, ‘there is a strong case for mutualising Medibank Private and retaining the equity with those who have contributed to it, namely the members’.

In response to this, the government said, ‘We have advice from the law firm Blake Dawson Waldron which contradicts the conclusions of the Parliamentary Library paper.’ The Blake Dawson Waldron advice rejected any suggestion that the members of Medibank Private could be entitled to compensation on sale or that the members have rights in excess of those of, for instance, purchasers of car or house insurance. Notwithstanding that position, the government has now committed itself to including some entitlements for existing members in the eventual sale plan. This may be in the form of a special entitlement to or discount on shares in the initial public offering. The government appears to recognise that these expressed legal conclusions may not be absolute, and it has also put in the bill a number of safety net
clauses, including one which allows an express right to compensation for members in the event that, effectively, the Blake Dawson Waldron advice is wrong. So the issue of members’ rights remains a live one.

In essence, the problem with the position that has been adopted by the government is that it is conceptualising the issues narrowly. It characterises the status of members of Medibank Private as equivalent to those of purchasers of contracts of insurance. This approach overlooks aspects of the legislative regime which support a different view. Successive parliaments have fostered a regime for private health insurance in Australia that gives to members of private health insurance funds a status higher than that acknowledged by the Blake Dawson Waldron advice. According to their advice, membership of Medibank Private gives a member a contractual relationship which can be terminated on two months notice at the discretion of Medibank Private Ltd.

It is worth thinking about exactly what this proposition means. If you have been a member of Medibank Private for many years, paid your contributions as they became due and acted within the rules of Medibank Private, according to the Blake Dawson Waldron advice you could have your membership terminated arbitrarily on a couple of months notice, provided they give a reason for doing so. This proposition is alarming for members of Medibank Private, and it certainly calls up the issue of the integrity of the government’s Lifetime Health Cover program. Medibank Private’s own website says:

This Federal Government initiative rewards those who take out hospital cover early in life and maintain it, by allowing them to pay lower premiums throughout their life compared with others who take out hospital cover when they’re older, or who allow their cover to lapse for long periods.

If what Blake Dawson Waldron is saying is true then Medibank Private members could effectively have their membership terminated on a whim. They would have no continuity of membership, and lifetime health cover would be rendered meaningless.

The fact is that, as a condition of their registration, private health insurers are subject to a number of requirements. Included amongst those is the principle of community rating. That principle has been described by many people, including coalition health ministers, as a keystone of the Australian private health insurance system. It means that an organisation must ensure that its constitution, rules and actions are at all times consistent with the principles of community rating. That means that you cannot discriminate against any fund member or applicant for fund membership on the basis that they are suffering from a chronic disease, illness or other medical condition or from a disease, illness or medical condition of a particular kind and that you cannot discriminate on the basis of gender, race, sexual orientation, religious belief and so on.

The clear intent of community rating is to ensure free, fair and continuing access to health insurance. It is difficult to conceive of a situation in which a private health insurance company like Medibank Private, purporting to terminate membership without good reason, could convince an arbiter that it was not in breach of the community rating principle. So, far from being liable to have their memberships terminated on two months notice at Medibank Private’s discretion, members of this fund are entitled to retain their status as long as they pay their dues and comply with the law and the lawful fund rules. As the Parliamentary Library suggests, the Medibank Private rule concerning two months notice would be likely to be read down to mean that members who were not
financial be given two months to remedy the situation, as is required under the act.

As to Medibank Private’s present not-for-profit status, the Blake Dawson Waldron advice suggests that all you need to do is to have Medibank Private Ltd change the provisions in its constitution and everything would be fine: it could move from being a not-for-profit company to being a for-profit company. Again, the idea that a not-for-profit company which is being managed in the interests of members and which establishes reserves on that basis over a period of years can, without reference to members, unilaterally change its status and freely distribute its reserves as profit, in my book undermines the purposes of the act. To say the least, I think the position is far more complex than the Blake Dawson Waldron advice contends.

On the current wording of the act it is arguable that an organisation established as a not-for-profit organisation could alter that status by changing its constitution, but it would be in breach of the act if it distributed profits. A change of status could only come about by winding up the organisation and establishing a new organisation that was for profit—and that would hardly be a surprising result, given the ethical considerations involved.

Another area of the Blake Dawson Waldron advice which the Parliamentary Library has contested is the idea that the rights of members are not enforceable, apart from the right to be paid health benefits under the rules. Blake Dawson Waldron suggested that there is no procedure under which a member could compel Medibank Private to apply any fund assets in a particular way and that therefore they could simply sit on any surplus and contributors would have no recourse. The library says:

These conclusions are, to say the least, debatable. If Medibank Private Limited indefinitely ‘sat on’ surplus profits, it would almost certainly be in breach of the requirement in section 73AAC of the National Health Act that priority be given to the members’ interests in the management of fund assets.

So it cannot be said with any certainty that members could not enforce their rights under this section of the act. These are very significant conclusions and they certainly cast a great deal of doubt over the Blake Dawson Waldron advice and over the government’s belief that, legally, it is entitled to do a deal with Medibank Private however it pleases.

It is worth pointing out to the House as well that the plans of the government for Medibank Private are sharply at odds with the way in which it dealt with the privatisation of the Australian Wheat Board—AWB. After the election of the Howard government in 1996, it decided that AWB needed to be privatised, but it came up with a new twist to privatisation, which was effectively handing it over to wheat growers. In the case of the Wheat Board, they gave grain growers power over the public utility and effectively gave them that public utility. In July 1999, they gave the 67,500 grain grower members of the wheat industry fund A-class and B-class shares. The 67,500 members were given 241 million shares, which represented 90 per cent of the control of AWB, and they were given shares in a government authority on the basis of the size of their holdings. This turned out to be worth some $800 million to them. So Medibank Private fund members ought to be taking note of this. If the Howard government really believes that a privatised Medibank Private will perform better, and is not doing it for the money, why does it not hand over Medibank Private to the fund members the way it did with AWB?

Labor’s position on this is clear. Our position is that we do not want Medibank Private sold. This is something we will be campaigning on up to the next election. We think the
government’s claims to be a friend of Medibank Private and a friend of the health interests of Australians are laughable. They make this claim in the parliament but they laugh behind their hands when they are doing it. We know that Medibank Private is a dominant force in Australia’s private health insurance market and that the risks are that this sale will lead to increased premiums and be to the disadvantage of Medibank Private fund members and to the disadvantage of Australians generally. We will be campaigning strongly on this issue.

Senator Minchin claims he has a new study on the legalities. He does not trust it enough to put it out in the public domain. We note that premiums have gone up almost 40 per cent since 2001 when the government said it was going to crack down on premiums. We are concerned that this legislation will not be in the best interests of Australians and we will vote against it. (Time expired)

Mr HATTON (Blaxland) (9.48 am)—I have got a question for you, Mr Deputy Speaker. Do you trust the advice of the Parliamentary Library or do you trust the advice bought by the federal government from a private legal firm? That is the fundamental question with regard to the Medibank Private Sale Bill 2006. The answer to the first part of the question is probably yes, and the commonality among other members of this House would be to trust the advice given by the library on an independent basis rather than to trust advice that was sought for a particular end and therefore tailored to that direct end, like the advice from Blake Dawson Waldron. Why would they have been asked to do it otherwise? The government want to sell off Medibank Private. They have asked for this particular advice. They have gone off to ask for some more now that the Parliamentary Library has strongly rebutted that advice. It is a simple question: do you trust? Do you trust an independent library source or do you trust the federal government of Australia in the guise of John Howard, the member for Bennelong, given their past sorry record for more than 10 long drab years?

My answer to that would have to be that I trust the Parliamentary Library. I trust it today, as I trusted it yesterday. It is not without sin. It is not the case that it is impossible for it to make mistakes, but the fundamental driving force of the Parliamentary Library from its inception has been its independence. Despite the fact that this government has attempted to trammel that independence, to ride it and smash it into the ground, we still have an independent library, thankfully, for all members—members of the government as well as members of the opposition; members of the major parties as well as members of the smaller parties—and it is a resource for the Australian people as a whole.

I congratulate the people who gave this advice, who stood up for the advice that they gave in the legislative brief and who then had the courage to back it up after the full weight of the government was backing the private lawyers. Jerome Davidson in the Laws and Bills Digest Section and Luke Buckmaster in the Social Policy Section had the courage to back their independent advice. I am interested in the fact that they were willing to do that because it often does take courage to do these things against a government that will willingly crush institutions that it has control of, as it has fundamentally changed the approach in the Australian Public Service, where people are extremely wary of the arguments that they put forward.

We know the disgraceful way in which the government have dealt in the past with the members of the Australian defence forces and the way in which they compromise them in undertaking their role and the damage done to the relationship between government
and those forces. We know the damage that has been done in a variety of government departments because the government have acted in a way that no other government of the Commonwealth of Australia has had the hide to do. The government demand partisanship of the Australian Public Service and silence of our library. Thankfully, these two officers of the Parliamentary Library have stood up for their original advice. They stood up for it not only for all those people in this parliament who would want to defend Medibank Private but also for all the owners of Medibank Private. And they have stood up for something else: the principle that it is right to fight for a truthful position come what may.

As a member of the Australian Labor in this parliament and as a fund member, I am utterly opposed to the sale of Medibank Private. I am a member of Medibank Private for one single fundamental reason: it has the name ‘Medibank’ at the start of it. And guess what? The vast majority of Australians in our biggest private health fund are in that fund because it has ‘Medibank’ in front of it. The reason they are still there relates fundamentally to an attachment to the fact that a Labor government had the courage to bring in the original Medibank to provide medical services and medical insurance to the Australian people as a whole to cover what had not been covered before. There is still an absolute guarantee within the word ‘Medibank’ in the hearts and minds of the Australian people that this is about being given a fair go in access to health. Given that it is a private health fund, it is still controlled by the government at this point in time. A lot of people maintain their position, firstly, because of an emotional attachment to it and, secondly, because of a recognition of the fact that it is the institution that started out as the full Medibank before it was split into Medicare and Medibank Private. There is another fundamental thing: they know that health insurance undergirded by government regulation and government ownership is not about to do them down, or should not be about to do them down. But with this heinous government running the show you know that you have to be extremely careful about such feelings.

What are we facing here? As a member of Medibank Private and also as a member of this parliament, I know that we are facing one of the greatest betrayals in Australia’s history, because this fund serves an absolute purpose. This is not about flogging off a bank, and it is not about flogging off an airline; this is about health, which is one of the core concerns of the Commonwealth government of Australia. Our health insurance system is the underpinning of certainty for Australians in terms of their access to our hospitals beyond free access to Medicare. In terms of private access—paying more yourself for particular referrals—this is the guarantee. The larger guarantee is this: Medibank Private is the greatest and most popular of the funds because of its association in the past with Medibank and also because of its continuing government ownership and the guarantee thereby that it is the ballast in the system. If you have a ship at sea and you want it to be seaworthy, you fill it full of ballast so that it will be able to run on those seas and not be blown over by the merest gale or the merest whiff of wind. It can survive difficult times and circumstances, high seas and high winds. If Medibank Private is sold, that ballast gets completely washed out of the Australian health system.

We have a bit of an idea of what might have happened here. The first thing is that people in the library originally provided the legislative brief about this matter—and they did it well, to the best of their ability. The government have deliberately gone out and bought advice to try to undermine that and to
try to scurrilously put them in a position of having to argue not just about their capacity but about their whole view of this matter. The rebuttal here is a case of great courage; it is also a case of being absolutely right. In terms of this part of the argument, I conclude by referring to the question I asked you at the beginning, Mr Deputy Speaker, which was: would you trust the library or would you trust the advice given by a paid group of legal informants, where the government set out the parameters of what they wanted? I think it is conclusive, at least for those members on our side, and I think it should be conclusive for everyone who has access to the Parliamentary Library, given the fact that it has acted in an independent manner and can still do so. You would trust the library before you would ever trust the government or the advice they had bought on condition that it served their purposes. That is item 1.

I now turn to item 2. Let us look at the argument that the government have put about the benefits arising from this potential sale. What we have here in this sale bill is how to set up Medibank Private in order for it to be sold in the future. How do you take a government owned entity and transpose it into something that is not as it is now but something that could be structured in such a way that down the track you can flog it off? There are a range of measures in this bill to achieve that: the foreign ownership and Australian identity restrictions on directors and the national office for a period of five years, the change of the fund from not-for-profit to for-profit and allowing preprivatisation profits to be redistributed to shareholders following the privatisation, and ensuring the fund is liable for any compensation claims that arise from the sale, not the Commonwealth. What are the last two points in this bill about? They are about the government trying to cover themselves for the fact that they have so pilloried the Parliamentary Library in terms of the advice they have given—they actually know the library is right. With whatever advice Senator Minchin has come up with, the bill tries to cover off the legal advice given by the Parliamentary Library.

I will move on to the transition from a not-for-profit organisation to a for-profit organisation. Given the beneficial interest that members have in Medibank Private—because they have continued to contribute; they have forgone getting a dividend because it is a not-for-profit organisation—the core of the Blake Dawson Waldron advice was that they did not have continuing membership because it could be terminated at two months notice. The library has quite brilliantly dealt with this and the fact that this is completely wrong. The members do have a continuing interest in it. And that continuing interest goes to what happens if the government is successful in changing the way in which this is constructed—and then, after they have done that, whether or not people could benefit in a particular way. The library argued—and they have been largely pilloried by the government, which has quite deliberately misinterpreted what was said—that members could not stop the sale. The library also said that members cannot just extract a beneficial interest directly, but the likelihood is that there could be action for compensation with regard to it.

The best example I can think of, in my practical experience, given that I was a member of the NRMA, is the NRMA and their move to demutualisation. The government is not dealing here with a mutualised entity. There has been an argument—and I think it is quite right—about the move out of government control and ownership of Medibank Private: that there is a way of doing it without flogging it off in a private sale and taking a partial monopoly situation and turning that into a completely private monopoly with other companies being able to buy it up.
and incorporate it, which would then result in losing the ballast in the system.

There is a fundamental proposition here in terms of what the members face. There is no proposal from the government to mutualise the fund and say that the existing members, who have contributed to it voluntarily, should then become effective part-owners of it. There is a danger, even if you took that approach, that the government could then say, ‘We’ll now do what the NRMA did—demutualise and make it a private company.’ In either case, going for a direct sale or through the mutualisation route, the end product is pretty simple.

NRMA members were made a series of promises over a significant period that, if they gave up the nature of the NRMA as a mutual fund and if they allowed the executive of the organisation to change its mutual character and turn the company into something else, their effective investment would be protected; they would still get the services they had enjoyed and they would be protected from increases in costs. There would be a division between the insurance group and the road services group but both would be able to continue to run—and continue to run effectively.

When the shares were distributed, based on how long people had been members, some people kept their shares and other people sold them. Some of those who sold them—including me—did so on the basis of a simple proposition: they knew that the cost of the road service was going to increase dramatically. And it has increased well beyond the level of inflation. The cost to direct members has skyrocketed. Every single person in the NRMA in New South Wales knows that the demutualisation led to dramatically increased costs. Yet, what is the government arguing about the sale of Medibank Private? Against all of the evidence, it has the absolute temerity to say, ‘If we sell this we’ll be able to ensure that there’ll be a downward pressure on costs.’ Where have you heard this before? Where has the government come up with the argument that there would be downward pressure on costs? It has come up with that argument in just about every step it has taken in the medical insurance area.

When the government introduced a 30 per cent rebate it said there would be downward pressure on medical costs. What has happened in the interim? Anyone who is paying the premiums for Medibank Private or other funds knows that the cost of premiums has continued to rise, despite the fact that the 30 per cent kickback to people has been put into place. It has not properly addressed the aspect of cost. If you take Medibank Private—the great government ballast, regulated and controlled by government—out of this system then there will be no effective control in private health insurance in Australia, and the experience of the NRMA will be the experience of everybody who is a member of Medibank Private.

So as a federal member of parliament and member of the Labor Party, and as a member of Medibank Private—on those two grounds—I strongly oppose this bill and the fact that this rotten government would go and dud every single one of those members without compensation. Members of this government are without the merest recourse to a partial sense of conscience about what they are doing. It is an ideologically driven show and they are driven for their own private purposes.

The government will achieve one other great single goal that they announced in 1996 in their National Commission of Audit. The National Commission of Audit, like Black Dawson Waldron, was commissioned by the government to produce a document to par-
ticular effect. It was given a set of riding instructions and told to produce some results. The results produced by the National Commission of Audit were very simple. The fundamental line was that the Commonwealth government of Australia should not provide a single direct service to any Australian person. The only activity that was valid was that the Commonwealth government should audit and benchmark programs provided by others.

Guess what: if they flog off Medibank Private, they will not have a government service delivered to millions of Australians to worry about anymore. They will not only get the money for it but also achieve one of their other fundamental goals: to get out of the job of being in government at all. If that is the case, and I think it is true, why don’t they just get out of the way and let us take over and run the place? What they have done is run away from their responsibilities for more than 10 full years.

The rejoinders that we have had from members of the government are that Labor sold the Commonwealth Bank, Labor sold Qantas and Labor did all of these things. There have only been two areas that Labor has said are not insignificant areas but significant ones in terms of the good of the Commonwealth that Labor not only draws a line in the sand on but actually digs an extraordinarily deep trench around. There are only two. One is Telstra, which this government has successfully flogged 49 per cent of and is now in the process of selling off the other 51 per cent of, part of it into a holding pattern until it can flog the rest and part of it already in the T3 sale. This is a complete and utter disgrace. It turns a government monopoly into a completely private monopoly and destroys our capacity to deliver to the Australian people the infrastructure we need.

The other thing we have dug a giant ditch on is the sale of Medibank Private, because we will not betray all of those members who have invested in that organisation and who trust that a Commonwealth government owned, run and regulated private insurer will ensure that there is a fundamental ballast in this system, that the ship of state will continue to ride the seas whether they are low or high and that the ship of state will guide them to their safe harbour in health affairs. This government would scuttle that ship of state by scuttling Medibank Private. I am utterly opposed to the effect of this bill.

(Time expired)

Mr BEAZLEY (Brand—Leader of the Opposition) (10.09 am)—I rise to oppose the Medibank Private Sale Bill 2006 and I declare immediately an interest: I am a policyholder with Medibank Private and, like every other one of us 3½ million, I stand to lose a very great deal by the passage of this bill and the subsequent sale. So, given that all 3½ million of us, me being one, stand to lose a very great deal, we had better make absolutely clear our personal interest in this as well as our policy interest in seeing this bill and this sale defeated.

There is no doubt at all that this government will proceed after the next election, if they win it, to sell Medibank Private. That is their intention. They have made it clear, and this is one of those rare occasions when you can actually believe it. They have given this undertaking and it will be a core promise. It will be done. And that will be very much to the detriment of people like me, who happen to be policyholders, but more particularly to all Australians who benefit from the fact that with Medibank Private in its current situation there is at least a degree of downward pressure on premiums. We do know this: that the majority of the Australian people are against the sale of Medibank Private—and with very good reason. They know that morally Medibank Private belongs to its members and they...
know that, as sure as night follows day, premiums will rise.

Who are the Medibank Private members? They are not an elite club of Australians. They are Middle Australia. Medibank Private members represent Middle Australia, the working mums and dads of Australia who take out private health insurance for peace of mind, to make sure they can provide for and protect themselves and their children when illness strikes or accidents happen; Middle Australia, who year after year fork out ever-increasing amounts to make sure they are covered in the hope that they never actually have to spend time in hospital.

But Middle Australia has had enough of this out-of-touch government. The thing making Middle Australia sick is premium increase after premium increase, ever-widening gaps and an out-of-touch health minister who has no understanding of their health needs, who sits and nods when private health insurers annually propose a premium increase. That is why Australians are now taking a stand and saying no to the privatisation of Medibank Private—because the privatisation of Medibank Private will push up premiums and place more pressure on Middle Australia.

Following the Telstra sale debacle, we should not be forced to endure another incompetent sell-off from the Howard government. The Howard government is out of touch and hell-bent on selling Medibank Private, whatever the consequences for policy-holders, the health system and Middle Australia. So here is a rolled gold promise that you can take to the bank after the next election, when we win it: we will not sell Medibank Private. I know that there is nothing more important to Australian families than their health care. I understand the struggle of families that are trying to make ends meet, juggling the bills, accommodating interest rate rise after interest rate rise, and in the back of their mind they are wondering if their jobs and incomes are secure.

You have to ask yourself: with a majority of Australians opposed to the sale of Medibank Private and the government claiming that our economy is stronger than ever before, why is the Prime Minister trying to sell off this Australian asset? The float of Medibank Private will not commence until 2008. This government has its foot on the accelerator, ramming this legislation through the parliament in the face of controversy, in the face of conflicting legal advice, hidden scoping studies, concern expressed by the majority of Australians and concern from the Australian Medical Association.

Why the rush? The answer is ideology. It is ideology getting in the way of the national and the public interest yet again. This ideologically driven government have attempted to argue the case for the privatisation of Medibank Private on three fronts, but on each they have failed dismally. They have argued that privatisation will result in greater competition in the industry, thereby putting downward pressure on premiums; that it will enable Medibank Private to operate more efficiently; and that it will remove the government’s perceived conflict of interest by being both the regulator and the owner. They are wrong on every count.

On the first line of argument, this government has form. No-one can forget the 2001 promise by the Prime Minister that his election policies would ‘lead to reduced premiums’. No-one can forget that, since this promise was made, premiums have increased by almost 40 per cent. It is not rocket science. Floating Medibank Private on the share market will not introduce a single new health insurer in Australia—not one. There will be zero increase in competition. The only pressure that Medibank Private will be feeling is
pressure to make a profit for its shareholders and, if anything, that will put upward pressure on premiums. The Australian Medical Association agrees with us. On 5 September this year, AMA President Dr Mukesh Haikerwal said:

"... higher premiums would be inevitable as the new owner sought to maximise returns to shareholders."

"There is also a chance of flow-on higher premiums across the whole private health sector because of reduced competition..."

Let me now turn to the government’s argument on efficiency. Currently, Medibank Private is the biggest private health insurer in this country, with some three million members. According to the government, publicly owned companies are inefficient, but where is the evidence for that? The government insists that a scoping study undertaken by Carnegie Wylie shows that privatisation will enable Medibank Private to improve efficiency by lowering management expenses and allowing diversification of their business. The truth is this: the details of the Carnegie Wylie scoping study are yet to see the light of day. One would think that, if it came out with those sorts of conclusions, there would be no problem at all in this government producing at least an expurgated version of it, but it does not. Under current arrangements, Medibank Private has lower administrative costs than its major competitors. Privatisation will have no impact on the fund’s current ability to expand into other insurance markets. For example, the fund already offers Medibank Private travel insurance. If you want to look at the other services, just go and have a look at their website.

On the subject of a conflict of interest, we hear the same tired line from a tired政府— the claim that there is a conflict of interest on the government’s behalf by being both the regulator and owner of Medibank Private. This, I might say, would also permit the government to sell the ABC, CSIRO and Australia Post. One cannot see any particular differential in any argument on conflict of interest as you look at those three bodies; perhaps that is what the government has in mind if it wins the next election. The truth is—and this is different from the situation that applies at least to Australia Post—that the government does not currently receive dividends from Medibank Private, so there is no direct financial incentive for the government as the regulator to provide itself with any advantage over other health insurers. It has it the wrong way around. The conflict of interest arises in the event of the sale of Medibank Private. The government is currently in a position to regulate the sector so as to maximise the share price for Medibank Private at the time of sale. Make no mistake—the only driver for this privatisation is extreme Howard government ideology. The government is so obsessed with privatisation that it is fast becoming a national joke. What next—Australia Post, the CSIRO or the ABC?

Australians with private health insurance cannot afford for this government to make decisions about their health fund based on ideology. They require reform, but the truth is that this government has failed to deliver where it counts. It has failed to deal with the real cost pressures in the private health insurance sector. Private health insurers regularly report that one of the greatest pressures on insurance premiums is the increasing cost of new medical technologies. The Productivity Commission recommends a systematic assessment of cost and clinical effectiveness of new technologies to ensure we get the right technologies at the best price.

But such changes would spell reform. We know that these Liberals do not do reform. They do not do benchmarking. They do not do target setting. They do not do accountabil-
ity. They govern for themselves and their ideology—they do not govern for the national interest. The longer they are in office, the more and more obvious their basic tendencies become. They do not care at all for health outcomes and lower premiums for Australian families who depend on private health insurance for peace of mind. If they did, then in the last 10 years they would have reformed the health system to ease upward pressure on health insurance premiums. But not this government—they have no eye for reform, no vision for Australia and no regard for the little guy and his family. They are just governing for themselves and not for the country. The sale of Medibank Private is bad news for Medibank Private policy holders and bad news for Middle Australia.

I would like to address one other important aspect of this debate, which highlights the arrogance of the Howard government. It is a government that is willing to push ahead with this legislation despite conflicting legal advice on an issue as fundamental as the rights of Medibank Private members—the rights of Middle Australia. The bill seeks to ensure that profits surpluses gained prior to privatisation are redistributed to the shareholders following privatisation. According to Medibank Private’s 2005 annual report, these profits are worth $653 million. Government lawyers insist that the privatisation of Medibank Private does not confer any rights to members. The government accepts this legal advice, but it will take all care and no responsibility. Should there be the prospect of a legal challenge to the sale, a clause has been included which makes Medibank Private rather than the government liable for any compensation.

Contemplate this: the government are recklessly—against at least some advice being given to them—taking advantage of the opportunity to stock their coffers with the product of this sale. If, however, the advice on which they have operated is found to be faulty, they will not carry the penalty of it, according to this legislation; Medibank Private will. In other words, Medibank Private, if they are to carry a penalty, will find that not only will they be obliged, in the way in which they charge their premiums, to make a return for the shareholders to justify that particular sale; they will also have to make sufficient to ensure that they are invulnerable financially to a successful class action against them as the result of the deprivation of members arising from this sale. It is quite an extraordinarily irresponsible position. It will be one of the major reasons why this government will need to be defeated at the next election. They are giving us plenty of ice to skate on in the arguments that we will be able to raise on that. It is all care and no responsibility, and the rights of three million policyholders simply become a distant memory—myself, as I said, among them.

Experts in the Australian Parliamentary Library have a different opinion to that of the government’s lawyers. Quite frankly, I am not concerned about who has the finer legal mind; I am concerned about Middle Australia. Middle Australia is not sitting around the kitchen table and wondering whether Blake Dawson Waldron is providing accurate legal advice. Middle Australians who are Medibank Private policyholders just expect that they come first, not ideology. Over three million Australians chose the publicly owned Medibank Private as their provider of health insurance because they thought they could trust the government to look after their interests rather than their own political interests. I suggest this is a tease for the government, which hate government: they hate the theory of government; they hate the idea of acting responsibly or accountably; they think it is all wrong that there ought to be government at all. They are natural anarchists.
The simple fact of the matter is that a large number of people had an expectation when they went into Medibank Private that they were being protected by their willingness both to take out private health insurance and to go with a government based provider. They joined with the knowledge that Medibank Private was a not-for-profit organisation, operated by the government to serve the interests of its members—millions of Aussies, not just a few at the top. Sadly, they were wrong. Three million policyholders will be bitterly disappointed with an out-of-touch Howard government that has used its majority in this parliament to pursue its extreme ideology. The sale of Medibank Private is a massive breach of trust.

Not-for-profit status means that all funds that are not immediately required for payment to members are credited to the fund and not distributed as profits. A not-for-profit model means that members come first in dealings with fund assets. This bill will change that conduct to a for-profit basis. Make no mistake: the sale will be all about profit.

Just how far does the ideological obsession extend? The bill seeks to amend the National Health Act so that Medibank Private can change its status with no obstruction—no questions, no checks, no balances. The bill proposes to exclude the requirement for a notification process to be undertaken when Medibank Private chooses to change to for-profit status. It also seeks to do away with a review by the minister for health that would otherwise assess the impact of such a change on the members of the fund, including the impact on premiums and a public interest test. If you have clauses like that in the bill, how can you have the hide to stand up and say that you are going to effect downward pressure on premiums? This undermines the effect of restrictions on not-for-profits and undermines the rights of members.

John Howard has changed. He no longer governs for the people who put him in the Lodge. For John Howard it is profits that come first, members last. The sale of Medibank Private is a massive breach of trust. The Prime Minister might be hoping that this debacle, once it has passed through this parliament, will be fixed and forgotten by next year. It will not be forgotten—we will make dead certain of that. Middle Australia will remember the upward pressure John Howard has placed on health insurance premiums. They will remember the day that another public asset went private and they were slugged with greater fees for less service.

Health is about the future, and we are all about the future. That is why there are so many differences between our two parties on health. We will make a fair dinkum commitment to Indigenous health; they will not. We will set great national goals for the health of our kids; they will not. We will reform the complex and inefficient funding of the health system related to our hospitals; they will not. We will keep Medibank Private in public hands, because we are the party of middle Australia. We are the party of Middle Australia and we are the party of the future for Middle Australia.

John Howard has changed. He has forgotten all about that. The longer he has been in office, the more that hubris has grown, the more he has decided that he and his ministers have entitlements—they can do what they like, whenever they like and they can thumb their noses at the electorate. There is a certain amount of arrogance about the way this has been presented. They know the three million members hate it. They are not going to privatise it before the election; they are going to do it afterwards. It is as though they are mocking and laughing at the Medibank Private policyholders. The Medibank Private policyholders are going to have the last laugh here. They are going to inflict some truly
awful punishment on this government, and we will be overjoyed at the opportunity of seeing this legislation repealed.

Ms ANNETTE ELLIS (Canberra) (10.29 am)—I begin my comments by noting with some irony the arrogance of this government and the level of importance that it puts on this debate. There is not one government speaker listed to participate in this debate today—not one government member’s name appears on the speakers list. We think this is a pretty important debate—in fact, we think it has a high level of importance. We have had the Leader of the Opposition come in and join in this debate, and we have not one name of a government member on the speakers list. That in itself says a lot about the arrogance of this government in terms of its attitude towards its proposed sale of Medibank Private.

It is my privilege to rise today to speak on the Medibank Private Sale Bill 2006. Medibank Private is the biggest private health insurer in Australia, with almost three million members and a market share of almost 30 per cent. The bill will amend the National Health Act to allow the government to sell its shares in Medibank Private. The bill puts in place foreign ownership and Australian identity restrictions on directors and its national office, but only for a period of five years. After five years Medibank Private could go offshore. That would be a sad day indeed. The bill changes the status of Medibank Private from not-for-profit to for-profit. It allows the preprivatisation profits to be redistributed to shareholders following that privatisation. That means the profits it has accumulated as a not-for-profit organisation will suddenly become real profits for shareholders. It is extremely interesting that this bill includes provisions for compensation for which the fund might be liable in the event that any legal action is taken against the sale. I will come back to this issue during the course of my speech in this debate.

The one thing we need to keep in mind when debating this issue is that the Prime Minister has always wanted to sell Medibank Private. When the government came into office, one of the first things it did was to remove Medibank Private offices from their collocation with Medicare offices. What justification was there for that? We never heard any. It could only be to put financial pressure on Medibank Private and start preparing for its eventual sale. The government has been commissioning scoping studies on the potential sale of Medibank Private since it came into office. The Prime Minister has always wanted to sell Medibank Private and, frankly, I truly believe he has always wanted to dismantle Medicare. Let us not forget that the Prime Minister voted against the creation of Medibank, the first universal health insurance system in Australia, and he voted against the creation of Medicare. No matter what he says about the government being the best friend Medicare has ever had, we the Australian community have everything to fear from the attitude of this government and the Prime Minister to health insurance in this country and the Prime Minister’s history on it.

Now the government has come clean and announced that it will sell Medibank Private if it wins the next election. The government is trying to convince the public that there are good reasons for selling Medibank Private. There is little evidence to back up any of those arguments—and I would like to discuss those now. The government argues that the sale will reduce premiums. There is absolutely no evidence of this. Premiums are principally driven by health costs. The government claims that the sale will make Medibank Private more competitive. Again, there is no evidence for this. In fact, expert advice from the Parliamentary Library,
through its *Bills Digest*, highlights the lack of evidence. It states:

The Government argues that the sale of Medibank Private will lead to reduced management costs and allow the fund to pursue new areas of business but it is unclear how these improvements will be realised. The proposition is based on the conclusions of a scoping study undertaken by Carnegie Wiley, however detailed information from the study has not been provided. This means that there is very little publicly available information to support such claims.

There would appear to be nothing, from a regulatory point of view (apart from being able to distribute profits to shareholders), to show that the ‘new’ Medibank Private will be able to do to improve its operations that the current organisation cannot. A privatised Medibank Private would be free from the governance burden that applies to GBEs but it is not clear whether this would significantly reduce the organisation’s management expenses. A publicly listed Medibank Private could potentially improve operational efficiency through the use of additional capital to invest in improved information technology systems or organisational restructuring. However, it is not clear that any reduction in management costs would be greater than the potential increase in costs associated with Medibank Private’s new responsibility to distribute profits to shareholders.

There is no evidence that changing Medibank Private from a publicly owned, not-for-profit organisation to a shareholder, for-profit organisation would automatically make it more competitive in the market. The government say their claim about Medibank Private being more competitive if it were sold is based on modelling conducted as part of the scoping study. Yesterday the minister finally released the CRA International paper. It suggests that private health insurance premiums will go up as a result of the ageing of the Australian population, the increasing cost per day of hospital care and the increase in the number and value of ancillary claims. CRA notes that there are a number of ways in which a privatised Medibank Private could achieve lower premiums. However, it states that all the opportunities open to Medibank Private to achieve available efficiency improvements are already available. In other words, a publicly owned Medibank Private could easily pursue any of the efficiency improvements suggested in the report.

The day after Medibank is sold there will be the same number of private health insurers. Medibank Private is currently as competitive as all other private insurers in terms of management costs and efficiencies. So why would the sale of Medibank Private automatically put downward pressure on premiums? Clearly, the government’s argument is flawed.

I now turn to another claim made by the government, which is that, if the sale goes ahead, the three million members of the fund will not have to be compensated. Once again, the Parliamentary Library, which is an independent and authoritative voice, has examined this issue. In early September the library stated that there were legal doubts about the ability of the government to sell Medibank Private without compensating members. Only a few days later the Minister for Finance and Administration stated he had legal advice that the library was wrong. The Parliamentary Library has now examined this issue further and has provided a complete rebuttal of the government’s legal advice. The Parliamentary Library states that the issues are extremely complex but that members of Medibank Private could be entitled to compensation if the terms of any sale do not adequately account for their right to the benefit of fund assets.

In fact, the government must not trust its own legal advice, because it has committed itself to including some entitlement for existing members in the eventual sale plan. On one hand the government is saying that members will not have to be compensated,
yet on the other hand it is including compensation in the bill. It just goes to show how untrustworthy this government is and how much we have to doubt the very word of this government.

The Australian Medical Association also has something to say about the morality of this issue. It says in a media release of 5 September:

- The AMA, while not wishing to comment on the legality of the situation, doubts the morality of the sale given that much of the value of Medibank Private is in its financial reserves which were not contributed by the government but rather, extracted from the members in compliance with regulatory requirements. This does not imply any criticism of the regulatory requirements. Reserves are necessary for proper prudential management of private health funds.
- If the Government no longer wishes to be involved as an operator of a private health fund, there is a strong case for mutualising Medibank Private and retaining the equity with those who have contributed it, namely the members.

I could not agree more. I believe it is extremely unethical to allow the current profits made by members to be turned over to shareholders. I am one of those members. I am, as I am sure everybody in this country has been at some point in history, an original Medicare member. I was an original Medibank member before that and I am a policyholder with Medibank Private. So I am one of those people, along with the Leader of the Opposition and many others, who have a personal slant on this as well as a public policy slant.

The arguments that I have outlined clearly show that there is no evidence to support the claims made by the government about the sale of Medibank Private. The government is driven to sell it off by its ideological obsession with privatisation. The government is not interested at all in the best interests of Medibank Private members, or of any other private health insurance members for that matter. It just wants to sell it off with any other asset it can find, such as Telstra.

I am very pleased to be on the side of the House that strongly opposes this bill. We oppose it absolutely. Over the past 10 years the government has shown that it cannot be trusted on these issues. It will say anything it can to achieve the outcome of privatisation in this particular instance.

I conclude my comments where I began. I am extremely disappointed, but I do not know why I should be as we have seen it happen before. This is a really important debate. This is a fundamental debate about health issues in this country, about private health insurance and about the future of Medibank Private; yet, as I have said, while today’s speakers list, which I have in my hand, has quite a number of names of people on this side of the House who wish and need to make their point on behalf of their communities, not one government member’s name appears on this sheet. That in itself, I believe, says a great deal about government members’ arrogant attitude. They do not believe they need to come in here and debate this issue, justify their actions and outline their belief in this on behalf of every voter and every Medibank Private member in their electorates—not one word. I think that tells the story. In the meantime we are taking our responsibilities very seriously. On behalf of all my community, I very strongly oppose this sale; I very strongly oppose the government’s attitude towards it. Let us hope that maybe one day we might see some common sense from the government—but we wouldn’t want to be holding our breath, would we?

Mr MURPHY (Lowe) (10.41 am)—I begin by congratulating the member for Can-
berra on her very erudite and incisive contribution to the debate on this very important bill, the Medibank Private Sale Bill 2006. I want to join all my colleagues in rejecting the sale—and I use the word ‘sale’ in its broadest possible sense—of Medibank Private. This is not a sale of shares. It is both public and private theft. I say private theft in that the entire moneys and cash reserves raised in the current fund of Medibank Private are the private property of Medibank Private members. I say public theft in that the sale of Medibank Private undermines the legislative provisions of not-for-profit organisations through the unilateral demutualisation of an entity established with the sole and substantial intent of operating under statutory and other restrictions as a not-for-profit organisation. The government is saying today to the people of Australia that any not-for-profit organisation may be demutualised—turned by the stroke of a pen from a not-for-profit entity into a for-profit entity. What a disgrace!

One theme runs constantly through this government’s agenda: that mere legalism is all that is required to make what is illegal legal. At the stroke of a pen, it is licit to change a body corporate’s fundamental tenet of existence from a not-for-profit entity to a for-profit entity—just change the material laws, and it is thereby legal! Well, I say that is wrong, wrong, wrong.

The name of the entity being demutualised today is Medibank Private. What does the word ‘private’ mean to the members of this House? What does the government understand by the word ‘private’ in the context of this entity? Clearly, the Howard government has no insight into the foundations of its own Health Insurance Commission laws, particularly those governing the fundamental policy rationale that Australian citizens who can afford it should be encouraged and indeed required to take out long-term health insurance early in life by allowing them to take out lower premiums spread over a longer period of time.

Equally, the government has yet again engaged in selective amnesia when it forgets a basic tenet of public health insurance policy: that the Australian taxpayer is the private contributor to the funds. You cannot sell what you do not own. Medibank Private’s money belongs to its members, not to the Howard government. I repeat: the money and the other assets of Medibank Private belong to its members, not to the Howard government nor to anyone else.

Incredibly, this government is completely conned and swayed by the so-called legal opinion of the so-called law firm Blake Dawson Waldron, which has advised the government that is a simple case of changing Medibank Private’s constitution to make it a for-profit company. I say ‘so-called law firm’ because it is abundantly clear that the rank positivism expressed by such an audacious opinion as that expressed by Blake Dawson Waldron does not deserve the title ‘legal opinion’. I say this in light of the clear absence of any policy analysis outside of the most reductionist and narrow of legal interpretations. This so-called opinion pays no regard to the other legal and policy ramifications.

Equally, this government has committed the ultimate act of bastardry by deliberately reducing the debate to a mere legality of the most perfunctory nature. Debate and what can only be loosely described as ‘analysis’ in its most primitive sense have been totally sacrificed for a shameless and naked grab for money. In grabbing this money, this government has done nothing but commit public and private theft against the members of Medibank Private and the people of Australia.
There was a time not long ago when public assets were sold and the citizens of this country understood the reasons why. Now anything remotely connected with the government that is actually private property is also being sold as if it were a government asset. At this rate the government will be selling our own residential homes back to us, saying that the land, too, is really a public asset and that we are nothing more than tenants of the Crown who never really own our land. As ridiculous and preposterous as that sounds, it is not too far from the reality unfolding here today before us with the public and private theft of Medibank Private.

It is necessary to remind ourselves of why private property is so important. I cite the encyclical *Mater et Magistra*, which at paragraphs 19 and 20 states:

Private ownership of property, including that of productive goods, is a natural right which the state cannot suppress, but it naturally entails a social obligation as well. It is a right which must be exercised not only for one’s own personal benefit but also for the benefit of others. As for the state, its whole raison d’etre is the realisation of the common good in the temporal order. It cannot therefore hold aloof from economic matters. On the contrary, it must do all in its power to promote the production of a sufficient supply of material goods, the use of which is necessary for the practice of virtue. It has also the duty to protect the rights of its people and particularly of its weaker members, the workers, women and children. It can never be right for the state to shirk its obligation of working actively for the betterment of the condition of the working man.

I could not put it better than that. The quotation that I have just cited enshrines the inviolability of private property—property we see today being violated by the public and private theft of assets belonging to Medibank Private members, not to the Howard government.

I condemn the government today in the passage of this bill for violating one of the fundamental tenets of our democracy: the principle of subsidiarity. It is subsidiarity that asserts that the state serves its people, not that people serve the state. It is the state that is here first establishing a rule that people who can afford private health care do so early in life, paying lower premiums and thus benefiting themselves by having privately funded health insurance for the term of their natural lives. Perhaps more importantly, the public policy latent in the existence of Medibank Private is that this accumulation of reserves benefits the common good of society in that this reserve of money facilitates access to funds for medical needs for all of its members, thus taking critical pressure off the public health system. All this good and well-founded policy is so reprehensibly being torn apart today by the demutualisation of Medibank Private. The treatment of Medibank Private in this way does all of the following. First, it undermines the common good of a privately funded health insurance system. Second, it undermines the principle duty of subsidiarity, which every government is bound to follow. Third, it undermines pre-existing and well-founded health insurance policies based upon the notion of long-term and early entry into private health insurance as one of the few ways to average out premiums. Fourth, it undermines the current statutory law, founded upon policy, that treats not-for-profit and for-profit entities as obviously very different entities. This distinction was obvious—until now. Fifth, it demutualises an entity that was never meant to be demutualised.

I say all this in the context of a prevailing ethic that is not even a thinly veiled attack on the most primitive and essential tenets of democracy and social justice—that is, private property must be allowed to exist for the benefit of the individual property owner and for the benefit of the common good. If these two benefits are denied, then truly it is the
end of social justice and the end of social order.

I say again: what is next? Where is the thinking of this government going to go next? What else will it attempt to flog off in its sheer hunger for cash? Today’s bill clearly indicates that there is no boundary that this government is not prepared to cross. Indeed, the conduct of this government is truly not government at all, for it has committed the ultimate act of bastardry, as I said earlier, against the most basic obligations of subsidiarity for the benefit of its own people. Under the principle of subsidiarity, the government is supposed to perform public functions only so long as the people cannot do such themselves.

It is right and proper for the government to implement a regime of public health insurance. Equally it is right and proper for the government to implement a regime that encourages those in society who can afford private health insurance to take it out early and over a long period in order to average premiums, thus reducing the premium cost of cover for the members. It is the act of accumulating reserves as assets today to pay for the future health insurance costs tomorrow. That is good governance. It is obvious and logical to make provision whilst times are good to pay for when times are bad and sickness befalls us, as it inevitably does. It is madness, in my view, to encourage an entire nation to contribute to a Medibank Private fund under rules of mutualisation and then to demutualise it. It is simply unthinkable to do so. The action is a governmental disaster, and this is exactly what we are expected to be voting in favour of today. For these reasons, I agree with the shadow minister for health and the shadow minister for finance, who note that this bill flagrantly disregards the impact of the sale on existing members—to say nothing of the broader policy implications.

I say all this against the background of the widespread condemnation of this bill by peak health and other organisations, such as the Australian Medical Association—which rightly describes this proposed public and private theft as immoral. This bill will permit quite literally robbery to occur. This bill will only send one message to the public: that there is nothing sacred any longer. The real policy impact will be that the public will trust nothing and no-one. We will have banks that are not banks; not-for-profit organisations that can be, and are, changed by the stroke of a pen; and insurance companies that are not insurance companies. The list of how far the government will go in using its power over its four terms to undermine the very foundations of government and democracy is endless. I urge every member of this House to reconsider their position, and I am obviously referring to the government members and to those in the other house.

I condemn the government for this flagrant disregard of the needs of consumers on an endless spectrum of matters. We had the unedifying experience here a couple of weeks ago of witnessing the government appeasing Australia’s richest man and consumers being left as an afterthought in the Howard government’s unconscionable destruction of Australia’s cross-media ownership laws. Whilst satisfying the needs of free-to-air television owners in that instance, consumers have been left as an afterthought in the Howard government’s nonsensical digital TV policy and refusal to issue a fourth free-to-air television licence. Everywhere you look, the government is looking after the big end of town. Whilst looking after big business through its refusal to strengthen the Trade Practices Act or to give the Australian Competition and Consumer Commission more powers and funding, the needs of consumers have, disgracefully, been left by the wayside. Of course, the Howard government,
particularly Treasurer Peter Costello, would love nothing more than to see the ACCC become a toothless tiger. Despite touching on many facets of life and different policy areas, we can see a common trend here that the government’s disdain for ordinary consumers knows no bounds. We see that in this disgraceful legislation before the House. The Howard government loves nothing more than the pursuit of radical ideological goals and is happy to destroy anything that lies in its path to achieve them, including the needs of consumers. I say today: that has to stop.

Families in my electorate of Lowe in Sydney’s inner west have a right to be provided with every detail about why the government in selling one of its few remaining public assets: Medibank Private. It smacks of poor policy to sell public assets in an attempt to superficially boost the budget bottom line. The sale of Medibank Private, along with the sale of Telstra, will provide a bottomless pit of funds for a government heading into an election year next year. It has already curried favour with Australia’s richest man and principal media proprietor, and now we have the issue of the sale of Medibank Private. It should not be seen as a river of gold to flow into the government’s war chest in the lead-up to an election. We can continue to live in hope that, at some point in the future, the government will act in the public interest rather than out of political expediency or, dare I say it, self-interest.

Families in my electorate of Lowe have a right to be given a guarantee that the costs of private health insurance will be kept down after the sale of Medibank Private. We all know that, once something is flogged off, the only way is up for prices and premiums. Naturally the government will not give that guarantee, because it cannot. It knows only too well that the sale of Medibank Private is going to result in increased health insurance premiums. Blind Freddie can see that. A publicly owned Medibank Private has acted as the conscience of the health insurance industry, as a guard at the gate between immeasurable profits and the interests of the wider community. This is a conscience or a gatekeeper that will be lost forever following privatisation—when the profit imperative understandably and inexorably takes over. The company’s new shareholders will naturally want a large return on their investment. We saw fees skyrocket following the privatisation of Sydney airport and will see a rise following the privatisation of Medibank Private. In relation to Sydney airport, I draw attention to my questions on today’s Notice Paper and my contribution in the Main Committee earlier today. The breaches of security going on at the airport are a disgrace.

Returning to this bill, the government faces a choice: sell Medibank Private but warn the buying public that the organisation is going to deliver below-average returns indefinitely or tell the public that premiums are likely to increase as a result of the new organisation’s drive to return big dividends and capital gains to its new shareholders. That is the duty of the government: to tell the truth to those people who are going to invest in the new Medibank Private after it is privatised—to tell them that they are going to get less return for their investment in the area of health insurance—or to tell the poor, long-suffering contributors that premiums are going to go through the roof.

Is this a choice the government will make? Not likely. There are 600,000 families in my electorate of Lowe covered by health funds who will face the prospect of premium increases when they simply cannot afford them. I urge those opposite to think again: to fight the sale of Medibank Private every step of the way for families, including those in the inner west of Sydney and right across the country from Sydney to Perth, who have had
a gutful of interest rate rises and health insurance premium increases.

This bill is a disgrace. As I have said in my contribution, there is just no end to which the government will not go to privatisate anything to put its hand on a bit more dirty money in the run-up to the next election. I think the tide is turning. I have an informed, intelligent and educated electorate, like the member for Wills has. I think people understand that eventually you run out of luck when you start telling tales about children overboard and weapons of mass destruction and when you deny any knowledge of the bribes that were paid by the Australian Wheat Board to Saddam Hussein. I think people are waking up to that. I think they understand that last fortnight our democracy was handed over to, principally, Mr Packer—and that is a disgrace. I am sure that the good sense of the electors of Australia will take a baseball bat to this government when the election is held this time next year.

(Time expired)

Mr GIBBONS (Bendigo) (11.01 am)—Before I start my contribution, I would like to indicate that I am a policy holder with Medibank Private. The purpose of the Medibank Private Sale Bill 2006 is to amend the National Health Act to allow the government to sell its shares in Medibank Private. The bill also puts into place foreign ownership and Australian identity restrictions on Medibank’s directors and national office for a period of five years. It changes the status of the fund from not-for-profit to for-profit, allows preprivatisation profits to be redistributed to shareholders following the privatisation and ensures the fund, not the Commonwealth, is liable for any compensation claims that arise from the sale.

Labor opposes the bill on the basis that the government’s decision to sell Medibank Private is based purely on an ideological agenda—an ideology that leads to a blinding belief that private ownership is better, that the free market is more efficient and that it will act in the community’s best interests even when there is conclusive evidence to the contrary; an ideology that means that government is unable or unwilling to see that the sale of Medibank will have adverse implications for existing members and for the affordability of private health insurance.

So, despite concerns being expressed publicly by health economists, former health insurance commissioners, business commentators, the AMA and the majority of the public, the government continues to push ahead because, to quote the Minister for Health and Ageing, ‘The government is instinctively in favour of privatisation.’ Clearly the general public does not swallow the government’s shallow arguments for selling Medibank. A Fairfax ACNielsen poll published in early September demonstrated that 63 per cent of those polled opposed the sale while just 17 per cent supported the government’s plan. Even 46 per cent of coalition voters do not support it. As for the government’s special adviser on various important policy issues, Mr Alan Jones, he described the sale on his radio program on 4 September as ‘financially unjust’ and ‘politically reckless’.

The government says that the sale will allow Medibank to be more competitive, therefore putting downward pressure on premiums. The economic modelling that supposedly supports this argument and was carried out as part of a scoping study has not been made available for public scrutiny. While a number of economists and business commentators have publicly debunked the government’s assertion, there appear to be no objective measures available to back the government’s claim.

For example, Professor Jeff Richardson, director of the Centre of Health Economics
at Monash University, said on the ABC’s AM program earlier this year that ownership does not determine the cost of membership. Asked if he would expect Medibank Private to be more efficient if it were sold off, he responded:

No, there’s no evidence of that either. It really is almost totally irrelevant. Their expenses are comparable with the expenses of other health funds.

The Parliamentary Library research brief also found that there is little evidence to support assertions that a privatised Medibank Private would be more efficient, more competitive and less expensive for consumers. There is, in fact, a very logical argument that suggests the change from a non-profit to a for-profit organisation would add a cost or profit impost that will add to premium charges. The management of Medibank Private itself expressed it best to a 1996 Productivity Commission inquiry when it admitted that the interests of members are best served when the funds view their members as shareholders for whom the delivery of lower prices is a dividend.

The reality is that for-profit insurers need to provide a profit for investors. While it may be the intention of the government to encourage policy holders to become shareholders, many will not. We only need to look at what the effect on premiums has been as the government has fattened the cow in preparing Medibank Private for sale. In order to increase Medibank’s profit from $10 million in 2003 to $130 million in 2005, premiums were increased by 8.9 per cent in 2004 and by 7.94 per cent in 2005—over twice the rate of CPI increases.

A further reason Labor opposes this bill is that the legislative changes proposed by the government provide no assurance or protection for Medibank Private members against further significant premium increases. Premiums have increased by more than 40 per cent over the past five years—a rate double that of the consumer price index, higher than wages growth and higher than the indexation of grants to help fund services under the Commonwealth-state health care agreements. Respected economic commentator Terry McCrann rightfully asked in his Melbourne Herald Sun article of 6 October:

Why should we hand this sort of money-generation to the private sector? Should health insurance make lush profits anyway? Aren’t they supposed to be non-profit?

And if Medibank is privatised, who would then keep the (private) bastards honest? As Medibank is claiming its higher profit came with a reduction in premium rate growth?

Terry McCrann, who is not renowned for his radical views, is asking these questions of this government’s proposal.

Medibank Private is Australia’s largest non-profit and only national private health insurer. It is the only private health fund to have a significant market share in every state and territory. Because of its size and market position, Medibank Private has been able to put downward pressure on costs by negotiating with private hospital owners and passing on these savings to its members.

There are at least three other factors which are likely to contribute to premium increases under the government’s proposal to privatise Medibank. Firstly, while there is no evidence to support the government’s assertion of downward pressure on premiums, let us look at one market-driven outcome which appears to be common to government-owned enterprises that have been privatised. The Australian Wheat Board—which could be a good or bad example—soon after privatisation moved to paying its various executive staff market based salaries and performance bonuses. The result was that, by 2005, the salary packages for AWB executives had rapidly adjusted to the market and ranged from $450,000 to $1.5 million per year. There are
numerous other examples, including Qantas, the Commonwealth Bank and, of course, not forgetting Telstra’s $10 million man. That was a case even the Treasurer had difficulty defending—a case where there was clearly no evidence of the correlation between exorbitant salaries for executives and returns to shareholders, let alone customer value.

The second factor is that the government has argued that privatisation will lead to increased competition. Should privatisation proceed, on the day following privatisation, there will be exactly the same number of private health funds, which currently stands at 38. There is a real possibility, however, that the exact opposite will occur.

As noted in the Parliamentary Library’s research brief, ratings agency Standard & Poor’s have recently argued that any sale of Medibank Private is likely to materially affect the competitive dynamics of the industry. While Standard & Poor’s did not specify the precise nature of the effect on competitive dynamics, it appears to see the main impetus for change in the possibility that the sale may lead to rationalisation and greater concentration within the industry. That is not exactly a resounding endorsement of the government’s increased competition argument.

The third factor is that the government’s proposal will change Medibank Private’s objectives essentially from working in the best interests of the members to working in the best interests of the shareholders. By its very nature, this cannot be in the best interests of the members. I have already acknowledged that, while there may be an overlap of membership and shareholders, they are different. There has been public speculation that Medibank Private has a market value of somewhere between $1.5 billion and $3 billion. Assuming the market would demand a return on investment of seven per cent, this would translate into an annual dividend payment of between $105 million and $210 million. Not only does this dividend payment have a potential impact on premiums; it also represents a huge amount of money that would be funneled out to shareholders rather than be used to improve services or maintain premiums at a low level.

The proposed change in favour of shareholders over members also has implications for older Australians and those with chronic illnesses. While regulations will remain to protect against discrimination, how long will it take for a privatised Medibank to identify those who represent the greatest risk and therefore the greatest cost? This concern is clearly reflected in comments from former Health Insurance Commissioner Ray Williams, Professor John Deeble and Dr Robert Maher released on 5 September. In addition to calling the sale ‘irrational’ they warned that, as soon as a large share of the market is held by private shareholders, there will be pressure on the government to deregulate the industry or remove government price control or to reduce or eradicate the community rating obligation. The government will attempt to dismiss this as preposterous.

But let us look for a moment at Telstra, which is not yet fully privatised and also subject to government service regulations. Telstra has clearly become much more focused on what is and what is not profitable. For example, thousands of public telephones have been removed or earmarked for removal, not because they are not needed but because they are not profitable. We need to look at the rights of existing Medibank Private members. There has been considerable debate about the rights and entitlements of existing members in relation to the proceeds of the proposed sale of Medibank Private. Public comments, again, include those of economics commentator Terry McCrann on 6 October 2006:
I suggest there are two components to the value of Medibank and that the government clearly owns only one of them.

And further:

... but there is at least an argument that the profit and its sale multiple are owned by the members who have overpaid for their health insurance.

Other parties, including the Australian Medical Association, argue the case for members’ rights from a moral perspective rather than a legal perspective. The AMA, while not wishing to comment on the legality of the situation, doubts the morality of the sale, given that much of the value of Medibank Private is in its financial reserves, which were not contributed to by government but rather extracted from the members in compliance with regulatory requirements, and that there is a strong case for mutualising Medibank Private and retaining the equity within those left contributing to it, namely, the members.

The government has sought to obtain definitive legal advice about ownership and members’ rights, which was done through solicitors Blake Dawson Waldron. It would seem clear that considerable uncertainty remains. This is perhaps evidenced by the government’s undertaking to provide some type of share entitlement for existing members, but in what form still remains unclear.

The government also proposes to change Medibank Private rules so that section 78 of the National Health Act does not apply. This change simply allows the Minister for Health and Ageing to abrogate his responsibility under the National Health Act to consider whether the proposed changes impose an unreasonable or inequitable condition affecting the rights of any contributors, which is precisely what the privatisation of Medibank Private will do.

We also have to look at the government’s proposal regarding the potential privatisation of public hospitals. The privatisation of Medibank is just one element of the ideological mindset of the government and the minister for health. For example, what would be the consequences if Medibank Private were sold to the same private organisation that, under the government’s proposals, seeks to win contracts to manage our public hospitals? What would be the consequence of an insurer also being in a position to influence or determine patient care in public hospitals?

The old saying, ‘It would be like giving Dracula the keys to the blood bank,’ would be very close to the mark. Again, this would seem to fit precisely with the Howard government’s blind obsession with privatisation, without the slightest regard for the views of the people they are supposed to represent and, equally, with no regard for any adverse consequences of their actions.

The minister for health delivered a speech to the Menzies Research Centre on 9 September 2006, during which he advocated that state governments should outsource the management of public hospitals, allowing the private companies to run these hospitals for a profit. The minister has been quoted in the press as saying: ‘Obviously, if you are a private business, you want to make a profit.’

Such a proposal is another example of the minister and the government being blinded by ideology and of their unwillingness or inability to acknowledge and therefore learn from past mistakes. Unfortunately, we are talking about essential community assets. The sick, the elderly and those who cannot afford private health insurance will suffer as a result of the government’s ideological superiority and refusal to acknowledge the facts. Most Australian states have experimented with private management of public health services and individual departments within public health organisations, using a variety of structures and agreements. Some have been quite successful. There are, however, a number of highly critical reports, in-
cluding the state Auditor-General reports, and several examples of states reversing such arrangements.

For example, in a report on the Joondalup Hospital, the Western Australian Auditor-General found (1) the process failed to establish that the public-private arrangements would deliver a net potential benefit over a public sector alternative and (2) the Metropolitan Health Services Board claims that bed block at inner city hospitals resulted from Joondalup’s reluctance to accept patient transfers due to financial arrangements. As for the ideological argument that private is better, a comparison of Joondalup Hospital with benchmark hospitals found patient satisfaction inferior—particularly relating to the availability of staff, continuity of care and patients being kept informed.

In relation to the Port Macquarie hospital, the New South Wales Auditor-General reported that the government would pay twice for the cost of the capital construction in the annual availability fee and through fee-for-service payments but would own neither the land nor the buildings. In South Australia, Modbury Hospital management was outsourced by the then Liberal government in 1995, essentially to increase efficiency. The experiment obviously has not worked. However, the current state government is currently negotiating to terminate the contract with Healthscope, which is not scheduled to expire until 2010. The South Australian Minister for Health is reported as saying in March this year:

I think one of the ways that Healthscope is able to make a profit or keep the thing running is by squeezing services that a public system would give higher priority to.

It is not surprising then that the proposal of the federal Minister for Health and Ageing was met with negative responses from a number of state premiers and state health ministers.

Labor acknowledge that private hospitals are a significant and essential component of the hospital system in Australia. We believe, however, that it is the public hospital system that faces the task of dealing with the vast majority of acute and complex cases and emergency episodes of care. Labor also believe that the role of private hospitals is and should be complementary rather than competitive or adversarial.

In conclusion, I believe this bill has nothing whatsoever to do with good public policy, nothing whatsoever to do with maintaining or improving the way our current world-class health system provides its range of treatments and services to the people of Australia and everything to do with the manic obsession of this government and this Prime Minister with privatisation at any cost and to hell with the consequences. That is why I strongly oppose this bill.

Declaration of Urgency

Mr ABBOTT (Warringah—Leader of the House) (11.17 am)—I declare the Medibank Private Sale Bill 2006 an urgent bill.

The DEPUTY SPEAKER (Hon. DGH Adams)—The question is that the bill be considered an urgent bill.

The House divided. [11.21 am]

(The Deputy Speaker—Hon. DGH Adams)

<table>
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<th>Ayes</th>
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<td>Noes</td>
<td>59</td>
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<td>Majority</td>
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AYES

Abbott, A.J.                  Anderson, J.D.
Andrews, K.J.                 Bailey, F.E.
Baird, B.G.                   Baker, M.
Baldwin, R.C.                 Barresi, P.A.
Bartlett, K.J.                Billson, B.F.
Bishop, B.K.                  Bishop, J.I.
Broadbent, R. Brough, M.T.
Cadman, A.G. Cobb, J.K.
Downer, A.J.G. Draper, P.
Dutton, P.C. Elson, K.S.
Entsch, W.G. Ferguson, M.D.
Forrest, J.A. Gamboro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartsuyker, L. Henry, S.
Hockey, J.B. Hull, K.E. *
Hunt, G.A. Jensen, D.
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. Moylan, J.E.
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. Somlyay, A.M.
Southcott, A.J. Stone, S.N.
Thompson, C.P. Toller, D.W.
Truss, W.E. Tuckey, C.W.
Turnbull, M. Vaile, M.A.J.
Vale, D.S. Vasta, R.
Wakelin, B.H. Washer, M.J.
Wood, J. 

HOE, K.J. Irwin, J.
Jenkins, H.A. Katter, R.C.
Kerr, D.J.C. Lawrence, C.M.
Livermore, K.F. Macklin, J.L.
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.
Rudd, K.M. Sawford, R.W.
Sercombe, R.C.G. Smith, S.F.
Snowdon, W.E. Swan, W.M.
Tanner, L. Thomson, K.J.
Vannikou, M. Wilkie, K.

* denotes teller

Question agreed to.

Allotment of Time

Mr ABBOTT (Warringah—Leader of the House) (11.26 am)—I move:

That the time allotted for the remaining stages of the bill be until 1.30 pm this day.

Ms GILLARD (Lalor) (11.26 am)—What a disgrace! They are not selling Medibank Private until after the election and now it is urgent.

Mr ABBOTT (Warringah—Leader of the House) (11.27 am)—I move:

That the question be now put.

Question put.

The House divided. [11.29 am]

(The Deputy Speaker—Hon. DGH Adams)

Ayes………… 83
Noes………… 59
Majority……… 24

AYES
Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baird, B.G. Baker, M.
Baldwin, R.C. Barresi, P.A.
Bartlett, K.J. Billson, B.F.
Bishop, B.K. Bishop, J.I.

CHAMBER
Question agreed to.

Original question put:

That the motion (Mr Abbott’s) be agreed to.

The House divided. [11.32 am]

(Assistant Speaker—Hon. DGH Adams)

Ayes........... 83

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

Majority........ 24

AYES


NOES


* denotes teller

Mr GAVAN O’CONNOR (Corio) (11.34 am)—We have just seen one of the most disgraceful gags moved in this House. Here we have a very important matter of public policy and we have this government cutting and running from debate. You cannot get a more gutless act on the floor of this parliament than gagging a legitimate debate on an issue of public policy importance not only for the constituents of members on this side of the House but for constituents of government members.

It is typical of the arrogance of this government that it has a bill before the parliament to privatise one of the major public health assets in this country, yet it does not intend to sell this particular entity until 2008. I think it is legitimate to ask: what is the urgency in closing down this debate at this time today? There is no urgency. There is simply one proposition: that this is an arrogant government that is afraid of parliamentary scrutiny. It is afraid to have its policies put under the parliamentary microscope, because people on this side of the House know that this public policy issue is one that is vitally important to our constituents and the constituents of government members.

The Medibank Private Sale Bill 2006 is the latest exercise in the Howard government’s privatisation agenda—driven not by a concern for Medibank Private members or a concern for holding premiums down in the private health sector but by ideology. This is a government that has abandoned any pretence to govern for the families of Australia. It is a government of ideologues, for ideologues and by ideologues.
note that the government has introduced this legislation into the House at this time and that it intends ramming it through both houses, where it has a majority and can do what it likes, before the end of the 2006 sitting year, yet the entity will not be sold till 2008.

The government’s central justification for the sale—namely, that it will increase competition in the marketplace and drive down premiums—simply has no basis in history, nor a basis in economic analysis. It is certainly not supported by recent historical experience. Australians who have private health insurance will recall the government’s reforms in 2002 and the government’s solemn promise that those reforms would put a brake on the growth of private health insurance premiums.

Obviously that was one of the Prime Minister’s non-core promises—and he is good at making them. This government is good at making non-core promises, because we have seen what happened to private health insurance once the government introduced these measures. Those premiums have gone up by 40 per cent and put another burden on the households of Geelong, which I represent in this parliament, and indeed Middle Australian households throughout the length and breadth of Australia. This government said that its policy position would put a brake on the growth of private health insurance premiums. The fact is now that those premiums have gone up 40 per cent. If you believe anything that this government says about private health insurance then you really do believe in fairies at the bottom of the garden. It is a simple fact that on every policy pronouncement in relation to private health insurance this government has been wrong, and the people who have paid the price are the policyholders of private health insurance in this country.

Here we have a proposition that has no justification in economic fact and we have the justifications of the government neatly compartmentalised in the jargon of an arrogant government that really does not care anymore about Australian families. Its justifications are as spurious as its claim in 2002 that its reforms of private health insurance would keep premiums down. The government says an independent Medibank Private will be more efficient, and it goes on to say that its sale will lead to greater competition in the private health insurance marketplace and that it will remove the Commonwealth’s conflict of interest in this area of policy.

Let us start with the last one first, before we get to the economic analysis. What conflict of interest is there for the Commonwealth, which receives no income from this particular asset? The Commonwealth does not receive any income from this asset. Surplus income is retained by the entity for the benefit of the policyholders, and therein lies the legal argument that is at the heart of this privatisation—the entitlement of Medibank policyholders in the seat of Corio and throughout Australia who have generated the surplus in this private health insurance company. They are entitled to the benefits of their contributions over many years since the Howard government privatised it, yet under this legislation they will certainly not receive their due entitlement and the Commonwealth will be open to legal challenge on a compensation basis by those people.

Let members of the government be under no illusion that those legal challenges for compensation will come, and the government knows that, because the government has insulated itself in this legislation from any liability for those compensation claims. That is an admission, if ever I have seen one, that there is a case for compensation and that the Commonwealth or others will be sued as a result of the actions of this bill.
Let me put this proposition to members opposite. The government receives a profit from Australia Post, yet the government regulates postal and other telecommunications services in this country. Is anybody suggesting that there is a mammoth conflict of interest, or is the government going to privatise Australia Post, the ABC or the CSIRO along with Medibank Private? Is this next on the hit list of the government's privatisation agenda? I would think so. Any government that has the gall to privatise Medibank Private in the circumstances that this government is doing obviously has more on its mind than that.

The government's position is that an independent Medibank Private will be more efficient, with consequent benefits to policyholders. But quite frankly that is not borne out by the facts. We know that there are many small community based private health insurers that have significantly lower costs than the larger insurers. They provide a range of services very well to their members and they are able to earn a surplus that is ploughed back into the organisation for the benefit of members.

There is one certainty that will come from this privatisation: that Medibank Private will be purchased by a for-profit company. We all know how for-profit companies operate. They have to return a dividend to the shareholders, and that return on capital from the for-profit organisation that buys Medibank Private will come from several sources. It will have to come from surplus income, which will be derived either from the policyholder subscriptions and premiums paid by households or from investment income.

The simple reality is that, in generating a return on capital for its owners, a for-profit insurer will need to generate a profit margin. It is logical that we ask where this is going to come from. I have canvassed some elements: it will come from surplus income, a reduction in administration costs or a reduction in payments to policy holders. There are various scenarios. The upshot of this is that we have premium increases, raids on surplus income for the benefit of profit or reductions in payments to policy holders. Even if administration expenses are reduced significantly, the amount saved that could contribute to a return on capital for the health insurance investor will be relatively small—anybody in the private health insurance industry will tell you that. The only way an insurer can reduce insurance payments to policy holders is if it limits the benefits it offers, reduces the costs of care provided to policy holders or requires policy holders to make a higher contribution to the cost of their care. That is the reality.

When we get into the options for a for-profit organisation that might purchase Medibank Private, there are other implications. Another option for that insurer is to directly intervene in the scope or amount of care that is available to patients. When we get into this managed care scenario, we are really going down the American path of a private health system where there is managed care and insurers can stick their beaks into the sort of care that might be provided. Another option is higher copayments by policy holders. Consumers—that is, householders in Geelong that are already in Medibank Private—may well have an increase in the copayment that they must pay in order to get the required amount of cover that their family needs.

One of the most disturbing things about this privatisation is simply this: there has been no study undertaken of the economic impact on the private health insurance sector as a whole. As we know, there are about 40 private health insurers in this country. Medibank Private, with 30 per cent of the market, is one of the larger ones, but a significant
proportion of them are small community-based private health insurers. We have one in my electorate of Corio, in the Geelong region, in GMHBA. GMHBA stacks up very well compared to the larger insurers, like Medibank Private and others, in its administrative costs and the range of services that it provides. That is why a significant number of families in the Geelong region have taken out private health insurance with either GMHBA or Medibank Private. There has been no economic analysis done by the government of the impact that this privatisation will have on these smaller and not-for-profit funds.

You do not have to be an economic genius at all to understand that, once the status of Medibank Private is changed from a not-for-profit to a for-profit entity in this sector, there will be pressure for premium rises or a cut in care to those who take out that private health insurance as the organisation’s imperative changes from the delivery of services to profit. In that scenario, there are losers all over the place. Families lose because they pay higher premiums. They lose because they are required to shoulder the burden of higher copayments. They lose because the care that is offered to them is reduced and compromised. They lose because we get into the American model of managed care. In the sector more broadly, we will see an amalgamation of many of those not-for-profit organisations as pressures bear upon them in the marketplace for a variety of reasons.

This is a retrograde policy based not on sound economic analysis or public policy but squarely on ideology. I am deeply concerned for Medibank Private policy holders in the Corio electorate, but I am also concerned for GMHBA, its policy holders and the members of the smaller funds because, at the end of the day, this is a recipe for driving premiums through the roof. That will put an increasing burden on families who are already burdened as a result of this government’s workplace relations legislation. They are already burdened because of this government’s inability to do anything about petrol costs and they are burdened because of this government’s inability to contain interest rates. They are getting it in the neck from Liberal interest rate rises while they are mortgaged to the hilt, which means that they will have less disposable income to spend on their private health insurance. To have a private health insurance premium rise on top of the burdens that the Howard government has already put on them is enough to break them.

Quite frankly, Australians have had a gutful of Liberal interest rate rises. They have had a gutful of Liberal private health insurance premium rises. They have had a gutful of a government that has failed to move on petrol prices. As a result of that Liberal incompetence, they are suffering in their pockets. I would urge all private health insurance members in the Geelong area to reflect very seriously on what this government intends to do after the next election because, as sure as night turns to day, the promises that it makes that premiums will come down will simply not occur.

Ms BIRD (Cunningham) (11.52 am)—I rise to speak in strong opposition to the Medibank Private Sale Bill 2006. But before I come directly to the bill I would like to talk about the environment in the community at the moment within which this bill sits, and the implications it will have, particularly, as the member for Corio said, for the average families in each of our electorates, and what it is that they are concerned about—in particular, in the area of private health insurance premiums.

I have been here since the 2004 election. Since that time there have been two increases approved by the health minister for private
health insurance premiums. I have to say I would be very surprised if those representing seats on the opposite side of the House did not have the same experience that I have. There is indeed deep anger and disappointment in the community about the impact of the cost of health insurance premiums on their family budgets. On both occasions that the average increases were approved by the health minister, the interesting feedback I got was that people would ring up and say: ‘I’ve just got a letter from my private health insurer telling me what my new monthly premium will be. I’m very concerned because mine’s gone up 12 per cent’—or 17 per cent; the worst case I had was someone whose private health insurance premium had gone up 21 per cent. What this reflects, and what people are now coming to understand, is that, when the minister ticks off on an average increase—for example, eight per cent—that is an average across all the products offered by the provider. That means that some lucky people will get a nought per cent increase—or even a decrease—and others may well get a 12, a 15 or a 22 per cent increase on their premiums. With a little bit of investigation—I encourage most of these people to ring their health insurance providers and ask them why they had this sort of increase—most of them were given this explanation of it being an average across products. However, if they then said: ‘Okay, which product was it that had a nought per cent increase? I might be more interested in taking out my insurance with that package,’ generally speaking they found that those products were no longer available to new applicants. The insurance companies were certainly getting an eight per cent average, but it was averaged over products, which meant that many average families in my electorate, who are attempting to do the responsible thing under this government’s regime and take out private health insurance coverage, were finding that they were the ones who were paying the highest increases in premiums. That is the environment in which we come to this bill. That was the response that I had to the first lot of premium increases.

This year the interesting addition to that was the number of people saying they were seriously concerned that they would not be able to financially maintain their health insurance coverage. I had one person who had actually made the decision at that point to drop their coverage. With the mortgage repayments they were dealing with as a family and the costs of living increases because of inflation rises, it just was not possible to sustain their private health insurance coverage any longer. That is the dilemma that increasingly middle and lower income families are facing in Australia if they want to take out any sort of private health insurance coverage. The government for many years has been telling us that its policy imperative has been to increase the coverage of the Australian population who have private health insurance—yet each step it takes seems to make it more difficult for that to be sustained by families in our communities.

Of course, the government have it a little bit both ways. The other side of it is that they actually penalise you through the tax system if you do not take out private health insurance. So many people find themselves in a double bind in that the government have put them in the position where their tax liability is going to be significantly affected if they do not have private health insurance coverage, yet they are increasingly frustrated by the cost of that particular product, its increase in cost year after year after year and the decreasing provisions that that coverage allows them to access. So there is all this frustration boiling away in the community about private health insurance coverage. I think that is something that members opposite would
have to know in their own communities—that the level of disenchantment, and indeed anger, with private health insurance is very high amongst the families in our community. They are very frustrated by it. Indeed, people are really at the point where many are considering which is the lesser of two evils: to deal with the problem through their tax or to take out the coverage.

Coming to the bill before us, which seeks to privatise Medibank Private, we see from the government what is simply very rough and ready privatisation, designed initially to deliver a quick buck to the government’s budget. The backlash was so significant that they immediately started to walk away from it—although, I will acknowledge, not before they told the member for North Sydney. He had the unfortunate opportunity to put the argument that there was no reason to delay it before he got the message that the position had changed. Indeed, even today we see the government, having moved a gag motion, saying that this is such an urgently important matter that we cannot have a full debate, we cannot allow everybody who wants to express the views of their constituencies in this House the opportunity to do so. One would have to say that it is a bit bemusing, given that we cannot have a full debate, we cannot allow everybody who wants to express the views of their constituencies in this House the opportunity to do so. One would have to say that it is a bit bemusing, given that the government had already made the political decision that this was too distasteful and politically difficult to sell before the election so they would just put it through a legislative program and tell people that it was not going to happen till after the election anyway.

The reality is that, with the proposed sale not coming up until 2008, there is no urgency for this House to finalise this, so again it is poor handling of the policy process and the debate to have done that today. So I take up the concern of some of my colleagues who I know wanted to put before the House the significant representations they have had in their own electorates about this legislation and, more broadly, health insurance coverage in Australia at this time.

The government has put forward this privatisation and I have concerns about the proposed legislation. It does not take into account the membership rights of Medibank Private members—and I should acknowledge that I am a Medibank Private policyholder. The sell-off will do nothing to reduce private health insurance premiums. Indeed, this government is the emperor with no clothes whenever it opens its mouth to say that a policy position it is taking will decrease private health insurance premiums. This is certainly not going to fly with a community that remembers the guarantees it was given before the 2001 election that the new private health insurance regime would drive down premiums. There have been premium increases of 40 per cent since that time. I do not even know why the government is bothering to run that argument. It must realise it has no credibility whatsoever with that sort of claim. The government’s decision to back the sell-off of Medibank Private has constantly been shrouded in secrecy.

I, like many of my colleagues on this side of the House, have lodged a petition to try to get the government to reconsider its privatisation agenda for Medibank Private. Only a couple of weeks ago, I took a petition to the main street of my electorate and stood in front of our Medibank Private office. In the half-hour or so that I was there, it was not difficult to fill several pages. Interestingly, it was not just the Medibank Private policyholders who were keen to sign the petition—though, obviously, Medibank Private policyholders were keen. This was during the day, and the pensioners who were coming to the office to put in their various claims were gravely concerned. When I asked them why they were with Medibank Private, they almost invariably said they had chosen to go
with Medibank Private because it was the government owned provider.

Potential buyers of Medibank Private would be fairly foolish not to understand that its market share is based on the fact that a large number of the policyholders are with Medibank Private because it is the government owned provider. As a potential buyer you would have to wonder what would happen to membership numbers if it were no longer the government owned private health insurance provider.

People who were not Medibank Private policyholders were also quite happy to come up and sign the petition because they were so angry about private health insurance premium increases and the government’s failure to deliver on its promise. There is a boiling anger in the community about the fact that people are trapped into having private health insurance coverage and, on top of that, they are not even getting good value for their money because every year they have find more from the family budget to cover the premiums. These people were asking why the government does not use Medibank Private as a market leader to drive down the cost of premiums and put pressure back onto the privately owned providers. They wanted to sign the petition as a way to express that frustration with the market. The response to the petition, which has only been going for a couple of weeks, has been overwhelming. I have no doubt it will continue to be so, and I have no doubt that other members on this side of the House who are similarly using petitions to gauge community concerns will find exactly the same outcome.

Like most members of this House, I get lobbied fairly regularly by the private health insurance industry. They send me letters to make sure I know how many people in my electorate are covered by private health insurance—and, as I understand it, there are just over 64,000. That number has been pretty consistent over the few years that I have been getting those letters. The interesting thing about that is that the private health insurance industry is obviously lobbying us to keep us supportive of the importance of private health insurance coverage. I would say to them—and, indeed, to the government, whose stated aim is to increase the level of private health insurance coverage—that one of the best ways you can do that at the moment is by actually delivering downward pressure on premiums, by actually delivering at least one year in which the minister does not pull out his pen and tick off his approval for an increase and by actually delivering on the capacity of the money you pay to get you a better quality product. People do not believe that is happening—and with good reason. It is not happening, and it is has not happened since the government made a commitment that that is its aim. The private health insurance industry could do the same thing.

The government introduced part of the package with an advertising campaign. We all remember the ‘umbrella’ ads that said we would be under a scheme that would provide extensive private health insurance coverage for people at really good value for money, drive down premiums and provide better quality products. Part of that, of course, was the 30 per cent rebate. That probably sounded pretty good at the time, but when you consider that, since that 30 per cent rebate was introduced, the cost of premiums has gone up 40 per cent—and that is on average—I would suggest that it has not taken long for people to work out that, because they have had at least a 40 per cent increase, it is now a pretty useless product for them. If you have a high-end product your annual increase each time was 12 per cent, so you would have had an even bigger increase in your private health insurance premiums over
that time. Yet taxpayers pay out $2 billion every year to the private health insurance industry under this scheme.

The government designed this scheme, according to all of its claims, with a view to driving down premiums and increasing the coverage of private health insurance. It has achieved exactly the opposite. It is a $2 billion policy failure because it is not actually driving down premiums. The minister can directly address that by not ticking them off for a billion next year—but, given it is an election year, I am cynical enough to predict that he may well not do so—and by actually driving for better products in the marketplace so that people feel they are getting value and so are encouraged to take out coverage.

Not only does the taxpayer make a subsidised contribution to what is a very profitable industry every year; the taxpayer also underwrites the industry’s advertising bill. In fact the government provides it with a captured market audience by the way its policy operates to force people into having to take out coverage. As I indicated, the 2001 promise—like so many of them that we remember—was broken. How the health minister is able to hold his head up in this place, given the sorts of promises that he has made before each election and then his being rolled by finance ministers after the elections is simply astounding. I can guarantee to him that this is one of those issues that people are very conscious of: that he and the government promised that premiums would decrease but they have not. In fact, they have increased beyond the level of the rebate.

I should acknowledge, as some of the other speakers on this side of the House have, that these increases should be added to the seven interest rate increases that we have seen in much the same time frame. And there is speculation at the moment that another one is on the cards for next week. Indeed, quite astoundingly, the Prime Minister has joined in, saying that would actually be quite logical—‘a stitch in time’ I think he called it. I can guarantee him it will not be a stitch in time for any of the budgets of the households in Cunningham or, no doubt, any other places, given that people have already had that last lot of interest rate increases on their mortgage payments. Remember that you had those interest rate increases and then, early in the following year, you had the increase in health insurance premiums. Those sorts of pressures are particularly significant, and I do not think people will be amenable to the argument at all that another interest rate increase to come in this month will be a stitch in time and involve less pain. It is one thing for the government to get out there and say, ‘Why don’t you take the pain now because it will be less terrible when taking the pain next year?’ but it is hardly an encouraging or optimistic message to be taking to the community. I do not think it will be very well received at all.

The Prime Minister was on commercial radio saying that the next interest rate increase could well be justified. That is an unprecedented position given that he has always argued that it is the independent Reserve Bank of Australia that will make the call—except of course during the election campaign when he told people that he had the capacity to affect all interest rate outcomes. But he has argued that another interest rate rise will be justified. In fact I think he said it would be hard to criticise it. I can assure him that we will not have any difficulty criticising his contribution to it!

There comes a time in the life of governments, particularly after a decade, when you start to see tipping points that happen when they get a bit complacent; they become a bit arrogant in their comfort zone in government. I think that if the members opposite and the ministers and the Prime Minister
have not picked up the fact that one of the issues that will cause real irritation in their communities is private health insurance premiums then they are well and truly out of touch and in for a lot of trouble as a result of it.

The electorate is sick and tired of broken promises, worn-out excuses, secrecy and the hiding of information, lack of accountability—today we again saw it with the gagging of this debate—and lack of action—promises that are never delivered. I think the Prime Minister better than most can feel that tipping point coming on. I think he knows it; he just thinks he can ride through it. But to be honest I think actions like these plus the simmering anger about interest rate increases, the simmering anger about cost of living increases—because underlying, ongoing inflation is not being addressed through investment in skills and infrastructure—the simmering anger about increasing health costs and the feeling that the government just is not listening or understanding anymore how those pressures are affecting families and their budgets are really an indication that the government is now at the point where it has lost touch with, and lost an understanding of, the struggles that the people that it boasted for so long it cared about are actually experiencing. Not only has the government broken its promise to keep interest rates low; it has broken its promise to keep premiums down. With that sort of record, people become—(Time expired)

Mr ANDREN (Calare) (12.12 pm)—Yet again, why the rush? Here we have another gag on legislation that is decreed to be so urgent that it must pass this House by mid-afternoon. Yet again there is no full debate on legislation that is particularly of interest to an Australian public tired of the flogging off of the national infrastructure and assets that they believe are there for the benefit of all and for the dividends that they provide, both social and monetary, for the good of the nation.

The Medibank Private Sale Bill 2006 would enable the government, if it were to be re-elected next year, to proceed with the sale of Medibank Private in, as I understand it, 2008, which again raises the question of what the urgency is today. I do not suppose it has got anything at all to do with building up an election year war chest with $2 billion worth of moneys that may be directed into key areas of concern for the government! I note it has been said that one will be medical research, but that is a fairly broad spectrum. If the public were consulted on this, they might suggest that, in the unfortunate event of the full sale of Medibank, those proceeds should better be utilised in bringing our public hospital system up to an acceptable standard across the board. The Minister for Health and Ageing has often said that he would like a role in federal responsibility for health care and hospitals. If this sale indeed proceeds, there would be an opportunity for him to put his money where his mouth is.

This debate has settled down into an interpretation of just what constitutes membership of Medibank Private. The Parliamentary Research Library’s Jerome Davidson and Luke Buckmaster have given carefully considered opinions that it is arguable that members have the right to benefit from existing surplus assets of the fund and that the sale of Medibank Private could give rise to claims for compensation. In fact, the board of Medibank Private had received legal advice some years ago that raised questions about whether the Commonwealth was indeed the sole owner or whether, indeed, its 2.8 million members had ownership rights.

The Australian Medical Association has called for the fund to be mutualised and has grave doubts about the Commonwealth pocketing some $2 billion and leaving its
members effectively stranded with no call on a share of the fund’s assets. I stress I am not a Medibank Private member. The AMA says:

If the government no longer wishes to be involved as an operator of a private fund, there is a strong case for mutualising Medibank Private and retaining equity with those who have contributed to it, namely the members.

The government does not like this advice and of course has sought its own from Blake Dawson Waldron, which says there is no room for compensation claims by current members. However, the government seems to have conceded that there is a moral claim by including safety net clauses in item 7 of schedule 2 of the bill to cover any eventual-ity of claims being made. According to advice from Blake Dawson Waldron, membership of Medibank Private is a contractual relationship that can be terminated on two months notice at Medibank Private Ltd’s discretion. The advice says members have no enforceable rights to benefit from the general assets other than through claims under their policies and that Medibank Private is the beneficial as well as legal owner of the fund assets.

But the Parliamentary Research Library authors of the Bills Digest rightly question the integrity of the termination of membership rules, given this government’s Lifetime Health Cover program, which is designed to reward those taking out hospital cover early in life and maintaining it. In other words, the eligibility for lifetime cover at reduced premiums could be broken with the stroke of a pen. The library paper, correctly in my opinion, points out the use of this arbitrary membership termination rule in the government’s legal advice and says it is tantamount to improper discrimination under the National Health Act. As the Bills Digest states:

The view that community rating affords protection for continuity of membership is one shared by the Department of Health and Ageing, which has advised that:

Members are currently provided with the right of continuity of membership through the principle of community rating.

Again, the advice from the Parliamentary Library, as opposed to the government’s legal advice, suggests a possible minefield in the area of transfer from not-for-profit to for-profit status.

The National Health Act is also not clear on the process for changing status. As the Bills Digest suggests, the not-for-profit accumulation of funds could be changed to the profit distribution to shareholders through a unilateral change of status. On any literal interpretation of the act, according to the Bills Digest:

... an organisation that was not established for profit cannot become so merely by changing its constitution or its rules.

So, whatever the protection built into this bill, the question remains as to the status of the current members and their claim to compensation. Again, the parliamentary research briefing notes say:

- the scheme of the legislation has always contemplated that the members have the ultimate entitlement to benefit from the fund assets, and
- the Health Insurance Commission did not hold beneficial ownership of the fund and its assets before Medibank Private Limited and hence that ownership could not have been transferred to the latter in 1998 ...

In essence, as the research brief so clearly stated and as has not been satisfactorily answered by Blake Dawson Waldron, Medibank Private Ltd is not properly described as the beneficial owner of the Medibank Private fund assets.

The government has said competition in the market is the reason for the sale, or one of the primary reasons. The track record for
the privatisation of state insurance companies does not suggest any downward pressure on insurance premiums. I remember the state government of the day in New South Wales promising that green slips would be much, much cheaper, that premiums would be reduced. In fact, exactly the opposite occurred.

The privatisation of the Commonwealth Bank opened the way for the eventual stampede of banks from the bush. ‘Don’t be the last bank out of town,’ was the cry. In the absence of any real community service obligation for banks, such as the US Reinvestment Act requiring continued presence of, if not banks, credit unions in communities, the banks chased profits largely at the expense of service, especially in the bush. Fees began an upward spiral as any regulated players, any publicly accountable player, disappeared from the marketplace.

I do not have to remind anyone in the House about the ramifications for the public benefit of the Telstra privatisation. We already see Telstra backing away from any interest in areas that are not profitable, hoarding technology to maximise returns, failing to roll out terrestrial broadband, trimming staff and costs and services, and joining other players in the privatised marketplace by cherry picking the eyes out of the profitable bits of the market and arguing user-pay for the rest.

Just today I picked up an interesting note on the Next G mobile network from the website of Paul Budde, the communications commentator. He says:
The so-called 850MHz flavour of the 3G ... is, in global mobile terms, a niche market.
Remember Sol telling us that this was the technology that would save the world? We were aeons ahead of the rest of the planet with 3G. The commentators, the experts and, I suspect, most people in the bush now know there has not been a huge rush from the vendor community to produce a wide selection of mobile phones for this particular service. Budde says:
The selection will always be limited, and it will always be more expensive.
He continues:
... in order to roam on Telstra’s other 3G network (in the cities), which is not compatible with the regional service, customers on that network will need a dual-mode handset, which, naturally, will add to the cost.
He also says:
... because of end-user prices and because of the technology limitations, wireless broadband services do not compete with those available on fixed networks.
He goes on:
My point here is that it would be wrong to create the impression that 3G HSPDA is a real alternative to fixed broadband. An equivalent wireless broadband service, comparable to fixed services, will be at least 50% to 100% more expensive, which would put it beyond the reach of most users.
In fact it will be a yuppie service for the bush, when the bush requires basic fixed services not bells and whistles. Neither the government nor Telstra, particularly after privatisation, will give a damn. ‘The company has made it appear that this alternative would be a good solution to lack of fixed broadband services in regional Australia,’ says Budde. Well, it is not. He knows it, and country people know it now. We will not get the sorts of services needed, except in the form of user-pays, for those outside the profitable parts, because Telstra is going private—with private shareholder dictates and not public need dictates. That is the lesson of the privatisation of Telstra and of the Commonwealth Bank; and indeed it is the lesson for Medi-bank Private.

The government’s scoping study on the sale said privatisation would enable Medi-
bank Private to operate more efficiently through lower management expenses and would place downward pressure on premiums. Privatisation has certainly put downward pressure on the Telstra executive’s salaries, hasn’t it! There is no evidence to suggest such privatisation would lead to lower management expenses. The recent payments to Telstra executives before privatisation show how millions of dollars of bonuses, share offerings and other payments can be stripped out of company profits to unjustifiably reward management. Rather than a downward pressure on premiums, there would be an immediate attempt to recoup at least the purchase price for starters and to reward executives far beyond their worth. There is little evidence to suggest a privatised Medibank would be more efficient, competitive and less expensive for consumers. In fact the reverse could be expected.

Medibank Private itself in its 1996 submission to the Productivity Commission argued that a for-profit health insurer would ‘unnecessarily escalate the premiums for private health insurance’. For instance, we can look at the premiums in the insurance industry since the privatisation of publicly owned general insurers. The privatisation of Medibank, while restricting maximum shareholdings to 15 per cent for five years, would inevitably lead to amalgamations within the industry. Some might say that such rationalisation would increase efficiency. Others would see this as producing less diversity and therefore less competition. Inevitably there will be an influx of foreign operators and an onward march towards the American health model; therein lies the underlying risk—and the government knows it—of throwing Medibank Private, and Telstra, to the marketplace to be at the mercy of those global operators who would come in here, fleece the market and inevitably privatised, if they could, the whole of our health sector.

The argument that the government should bail out of Medibank Private because it represents 29 per cent of the private health insurance market and because it can call on government subsidisation holds no water when you consider that all funds are being sustained by the 30 per cent private health insurance rebate. I supported that rebate, believing it would ease the demand on public hospitals and because I thought it was an initiative that would encourage more people to take up the private health option. While it may have increased private health insurance membership, I am afraid that this membership is subsidised by the 60 to 70 per cent of taxpayers who cannot afford or choose not to pay for private insurance; and it has made no significant impact on public hospital waiting lists.

If, as seems inevitable, this bill passes both houses and that $2 billion goes into the government war chest, no-one in the electorate would have any concerns if that money were earmarked for a proper upgrading of the crucial health facilities that are required throughout our community. I would like to mention one particular program—that is, the radiology and oncology services that are so desperately required in rural Australia, especially in the central west community—in Bathurst, Orange, Parkes, Forbes and in Dubbo, where you largely have a fly in, fly out specialist service. I would hope that the politics of all of this, if indeed there is going to be any politics in it, are laid aside and, as with the case of the allocation of the MRI machine a couple of years ago, the overwhelming argument for Orange to be the epicentre of health care in the central west is recognised; and that Orange is recognised as being in desperate need. It has the required 300,000 people in the catchment. It readily
warrants the installation of that service in the central west.

So too there are many other communities right around Australia that are desperate for those services to deliver a standard of care that people in the city can access for the price of a bus trip. I am told that in some communities we have people who are not seeking urgent treatment for cancer because of the impediment of travelling to and staying in Sydney and the disruption and emotional impact of having to move away from their homes for these sorts of treatment. So here is an example of something that is desperately needed.

If indeed the reality is that there is $2 billion in the kitty earmarked for oncology treatment and the radiography-radiology services that are so desperately needed in rural and regional Australia, and indeed those other parts of outer metropolitan Australia along the coast—some have already been provided on the north coast of New South Wales, I grant—you would have a classic example of well-directed objective funding of health care in this country. I would hope you would receive the support of every member of this House, because you would certainly get it from every member of the community.

The opponents of this sale are numerous: the Australian Medical Association, the Doctors Reform Society, the Save Medibank Alliance—including Professor John Deeble, one of the founders of the original Medibank—and, I would suggest, the majority of the electorate. I have grave doubts, as I said, that this sale will increase competition or reduce premiums. That is a nonsense. The steep upward trend of health-care premiums will accelerate.

Privatisation under Labor and the coalition over the past 25 years has been about short-term financial gain, political advantage and the liquidating of public infrastructure and assets that all contributed enormously to the public purse, provided full-time work for many thousands of Australians while guaranteeing all Australians held onto key elements of the market, and exercised discipline on those markets and the services they provided. Yet again public need has been sacrificed to private greed and political short-termism. I reject the bill.

The DEPUTY SPEAKER (Mr Lindsay)—I call the honourable member for Katter—I am sorry: the member for Kennedy!

Mr KATTER (Kennedy) (12.31 pm)—I am very flattered indeed, Mr Deputy Speaker. I have the incredible egoism to say that mistake is often made! Policy must be judged upon its outcomes. You do not wander off with some ideological theory. There is a magnificent cartoon—at least, I thought it was magnificent—of Mr Keating reading a book entitled Japanese Protection and saying, ‘It’s doomed! It may work in practice, but it’ll never stand up in theory!’ It was a magnificent judgement upon privatisation.

I am not coming in here with prejudices; at least, I hope I am not. I suppose I have developed prejudices now, one way or the other, but if you turn the clock back 20 years, I was never one for saying that everything should be in the hands of government. I belonged to the Country Party, which was very pragmatic in these areas. In fact, in the 20 years of Bjelke-Petersen, we were supposed to be the conservative government. It just shows how outmoded the terminology is. If conservative meant privatisation, we did not privatise or even remotely look like privatising anything in the period when we were in office. But every minister was expected to make his department perform. Don Lane, for all of his shortcomings, actually had the railways in Queensland working for a profit.
for two years there. It was a remarkable and
very creditable effort.

You must judge these operations upon
their outcomes. On the sale and privatisation
of the Commonwealth Bank, I think the best
statement upon the banks that one can find is
in the Sydney Morning Herald dated 12 May
2005. It says:

Ahmed Fahour, who heads NAB’s Australian
operations ... made headlines last year because of
his $34 million salary, ...

I will repeat that slowly in case everybody
has not heard it: ‘his $34 million a year sal-
ary’. The article goes on to say that he be-
lieved that 4,200 jobs had to go from the Na-
tional Australia Bank. I represent one of
those areas from which the jobs went. I am
not referring just to that area; I am talking
about the northern suburbs of Townsville as
well, where branches were closed. I used one
of those branches, in fact.

If you are looking for an outcome, where
we had a local bank manager who made de-
cisions locally, based upon the knowledge of
the local economy, we now have managers in
Brisbane making decisions over whether you
should be allowed to borrow money in Clon-
curry, Mareeba or Tully. The outcome in that
same year? That article gives the profit for
NAB for the year 2005: ‘NAB reported a 17
per cent jump in first-half net profit to $2.5
billion’. So in the first half of the year they
made $2.5 thousand million in profit. Did
interest rates come down? I have not checked
up over the last four or five years, but for
that crucial period—the latter Keating period
and the first eight or nine years of this gov-
ernment—our interest rates in Australia were
50 per cent higher on average than those in
Japan or the United States. So did it deliver
cheap interest rates? No, our interest rates
were 50 per cent higher than those of our
competitor nations.

Did it deliver better services? I spent a lot
of time reorganising the Mid West Rugby
League, which covers all the western towns
between Townsville and Mount Isa. The
railways cut back 500 jobs: in a little tiny
area of about 10,000 or 12,000 people, we
lost 500 jobs. Those jobs were removed
mainly from the local railway station, which
closed down virtually completely, and local
overnighter depots handled all of their work.

Did this deliver a better and cheaper out-
come? No. Our parcel prices went up sixfold
in that period. The cost to transport a parcel
from Townsville to any of those towns went
up 600 per cent. Motor car parts doubled in
price as a result of the privatisation of the
railway system in western Queensland.

Did the airlines profit from the privatisa-
ton of Qantas? What is the situation now
with the airlines? In fairness, there has been
significant diminution in the price of airfares
between the capital cities but, as my worthy
colleague from Calare explained to the
House, that is because they cherry picked out
profitable routes and totally withdrew their
services from the non-profitable routes. It
was a fairly easy task and of course they put
themselves in a position where they had a
monopolistic position in the marketplace.

There may have been transportation bene-
fits for the intercapital cities—most certainly
the Melbourne, Sydney and Brisbane con-
nection—but for those outside of that con-
nection, particularly for people in rural ports,
the cost of getting to Townsville from Mount
Isa doubled in that period. Similarly, the cost
of getting from Mount Isa to Brisbane dou-
bled. Yes, city people got it cheaper, but it
was over the broken backs of these people
outside the metropolitan areas of Australia.

We have dealt with transport and banks,
but one of the most sorrowful issues from
where I sit was the Commonwealth Serum
Laboratories. There are certain things that
simply should not be privatised. The magnificent book entitled *Privatisation: Sell off or sell out* refers to the cost of selling these items to the public and what the value now is of those items, and there is a $45,000 million difference. We sold Commonwealth Serum Laboratories being told that that was the value of Commonwealth Serum Laboratories. Who was telling us that? Surprise, surprise—the head of Commonwealth Serum Laboratories. I am told that he is now on the list of ‘The 100 wealthiest people in Australia’. His wealth is colossal, and he was a humble public servant prior to privatisation.

It always fascinates me at election time that those who are now my political opponents in the major parties will have $20 million or $30 million to spend throughout Australia. In my electorate in the last election campaign they spent some $350,000. We want to know where this money comes from. How come they had $350,000 and we had only $70,000?

Mr Gavan O’Connor—Your majority went up!

Mr KATTER—The people are not entirely fooled. I hope and pray that it will go up again next time. But where does this money come from? I do not blame the political parties in the sense that they are in competition with each other. They have to take this money and there is a price to be paid for taking it. But if you were a merchant banker and you were going to handle the agency for the sale of Telstra, and you were to take two per cent on the sale and divide it up amongst half-a-dozen or a dozen of you, you would have an awful lot of money to play around with. One of the political parties in this place has had very prominent people indeed associated with merchant banking. I think that some people need to do some real hard and heavy research on the connection between the merchant bankers, who get the agency for the sell-off of these assets, and when someone gives you a golden handshake for $20 million—‘Well, gee whiz, I think it’s only fair, right, decent and honest to give $2 million back.’

I cannot help but tell the story, at the expense of one of my great heroes Ted Theodore, of someone who you, Mr Acting Deputy Speaker Lindsay, would remember well: Mr Tom Aikens. One of the great history books of Australia stated that the two great speakers in Australia were Menzies and Aikens, but it was said that Aikens was better because he could resort to humour. Aikens tells the story of being invited to rejoin the Labor Party. He said, ‘What—join that mob of rogues and scoundrels?’ Labor said, ‘That’s unfair, Tom.’ Tom replied, ‘Theodore—Mungana?’ I am saying this at the expense of one of my great heroes Ted Theodore, but they said, ‘That is unfair, Tom. That money was divided up equally between all of the boys.’ I do not think things have changed a real lot.

I cannot speak with authority for metropolitan areas and I do not intend to. But, as far as non-metropolitan Australia is concerned, the privatisation of the railways—or corporatisation, if I want to be technical—was an absolute disaster.

I turn to the privatisation of air transport. My grandfather was one of the original people involved in getting that airline off the ground. We lost our money. We put our money in again and we lost it the second time. Then we gave it to the government. That great movie—*Ned Kelly*, was it? No. I am struggling for the name. *Young Einstein* was another movie—

The DEPUTY SPEAKER (Mr Lindsay)—Order! The member for Kennedy—

Mr KATTER—Is rambling, I know, Mr Deputy Speaker, but—

CHAMBER
The DEPUTY SPEAKER—I am enjoying your speech, member for Kennedy, and you have used more than half the time allocated to you, but you have not actually mentioned anything about the bill yet. Could you just relate it to the bill and say, ‘Medibank Private Sale Bill’ once or twice in your speech, then you will be in order.

Mr KATTER—Mr Deputy Speaker, I take your admonition most seriously and I will come back to a closer perusal of the bill. However, to complete what I was saying, at the end of Young Einstein he says, ‘I’m going to give this E=mc² theory to the government because you couldn’t trust anyone else with it’—and there are atomic explosions going off in the background. We gave up Qantas. That was not the smartest thing we ever did because Qantas has completely left the people, where it was birthed.

The people who put up the money to create this great asset for Australia have been completely abandoned by that airline. The only services they can get are at huge cost. They are not available to the ordinary person, who simply cannot fly on the airline. What does that mean? It means, as the member for Calare said, that if you think you might have cancer and you need to go down to the city for tests—which most certainly cannot be done anywhere in western Queensland—you do not have enough money to go down and do them. And you cannot afford to take two to three days off work, so it cannot be done. So whether it is the railways, Qantas or the banks, we got a dreadful deal out of privatisation. If Medibank Private is sold, I do not doubt for a moment that we will get the same sort of deal.

Let me be specific about the Medibank deal. The National Rural Health Alliance recently produced some figures, which were published in the Australian Journal of Rural Health. There are 55 dentists per 100,000 people in the major cities compared with 17 per 100,000 in western New South Wales and even fewer in western Queensland. Over one-third of practising dentists are over 50 years of age and 83 per cent of dentists work in the private sector. Medibank Private gives the government some ability to direct traffic. Every time the government gives away this bit of control, their ability to deliver services becomes increasingly difficult.

I hark back to my days in the Queensland government because they are most relevant to this bill. We did not need to privatise anything and yet we were the most successful as a private enterprise government in Australian history. I do not think a single person in this parliament—they may accuse us of many other things—could say we were not. Our political opponents in those days acknowledged—whatever else they might have said—the terrific success of the Queensland government in enterprise. We did not create the aluminium industry by selling off the Gladstone power station; we created the aluminium industry by building the Gladstone power station. One of very few places on earth you can walk in off the street and get free hospital treatment is in Queensland. We did that by holding control ourselves and having a determination to deliver services to the people not only in the capital cities but everywhere in the state of Queensland. I am not saying that people in the cities are faring much better with medical services than we are in the country, although they have better access to specialist services. There is no doubt that there will be a tremendous loss in the government’s ability to control, direct and deliver that most important of all services—medical health services.

If you say that the free market system will guarantee the delivery of services then I strongly recommend you read the books on Enron. Classic economic philosophy—or ideology; whichever word you use—says
that if the supply decreases, the price will go up and then the supply will increase. In California, when the power supply went down, as the result of a drought and lack of hydroelectricity, the price went through the roof. So if the price went through the roof by taking a bit of power away from the system, the price could be sent through the clouds if you took a lot away. That is exactly what happened. Every one of the congressional and Senate inquiries in the United States clearly indicated that once you have a significant hold upon the marketplace, such as Enron and three or four other suppliers of power in California had, then you were able to manipulate the free market system.

As I have said in this place on many occasions, the problem with members opposite is that when they were little boys and little girls their mummies and daddies never had them play Monopoly. If they had, they would know that when you get hold of all the utilities you can quadruple the price you charge for electricity or for water. But I played Monopoly when I was young, and I know the rules of the game well. If they think this is not playing Monopoly, then they believe in the tooth fairy.

I have mentioned the Commonwealth Serum Laboratories—they had a lot of fun. The Commonwealth Bank had a lot of fun. Telstra are going to have a lot of fun. The people who will pay the price will be ordinary, average Australians—the sorts of men who fought tenaciously to create these wonderful institutions for Australia. And they were not all on the right-hand side of the House, where I am standing; they were not all in the Labor Party. They were on the other side of the House as well. The Commonwealth Bank was kicked off by King O’Malley, but there is no doubt that every conservative government enhanced and solidly backed that bank. The pygmies who are ruling Australia now consider themselves intellectually superior to Bob Menzies, Jack McEwen and Ben Chifley. They are not. The failure of privatisation in Australia is already on record. I cannot believe that a government would continue with it. (Time expired)

Mr BRENDAN O’CONNOR (Gorton) (12.51 pm)—It was only fitting that the member for Kennedy was able to finish his contribution. He always makes a very interesting contribution. I can see from his contribution to the debate that he will not be supporting the sale of Medibank Private. He mentioned near the end of his speech that the conservative government established an act in 1952 to regulate private health funds. When we talk about Medibank Private, we should talk about how it was created. It was created in 1976 to mitigate the adverse effects on Medibank as a result of the election of the Fraser government. Like all tory governments—the Howard government is no different—the government realises that Labor’s policy of having a universal health system is so popular that they cannot abolish it. They can hurt it; they can slowly erode the benefits of a universal health system.

The Fraser government, with its Treasurer John Howard, was in the same position then in some respects as the Howard government is in now. It could not go to an election proposing the abolition of Medibank, but it started to tear it down. That was an unpopular move. It had to mitigate the effects of the policies that were hurting the universal health system that was introduced by the Whitlam government in its first term, in October 1976. Just a year after the introduction of that universal health system, Medibank, the government sought to mitigate those effects. Medibank in the end was a pillar in the creation of a dual public-private health system. It was, and is still today, a non-profit entity. It has national coverage and has become Australia’s most popular health fund, representing 30 per cent of the private health
insurance market. It is a very important player in the field.

Therefore, it is important to discuss in this place whether we should sell or not sell Medibank. It is alarming not to see the government defending its decision to sell. One would have thought that after the member for Kennedy had spoken in the debate a member of the government might have wanted to explain to the Australian public via this chamber why they should sell this important organisation and why there is a need to sell it after the next federal election. But not only is no government member prepared to contribute to this debate, which shows how little regard the government has for the chamber or for the health system of this nation, but also the Minister for Health and Ageing has chosen to gag the debate. I am informed that there are even more Labor members wanting to contribute to this important matter of public policy. At half past one today they will be denied that right. So members representing constituents across the land will be denied entering into a debate about whether we should sell or not sell Medibank Private. It is a disgrace that the government is not able to defend its position. The government is choosing to announce the sale. The government thinks that, by announcing that the sale will not occur until after the next election, the Australian people will somehow not hurt them at the next election.

The Australian people are far smarter than that. I believe they are concerned about the potential sale of Medibank Private. The decision to sell Medibank will be one of the matters that will be before the Australian people at the next election. There are many others. There is the extreme and unfair Work Choices legislation that is affecting many workers across this country already. That legislation will increasingly affect workers in this nation—the way in which penalty rates and award conditions can be removed and employers can sack employees unfairly, without those employees having any recourse to question the decision. All of those things are occurring. The Australian public will make up their minds as to whether they want to have an extreme and unfair industrial relations system. There is the decision for us to enter the war and not return the troops from Iraq. The Australian public is increasingly concerned about climate change and global warming. Again, the government is failing to act.

In the decision to sell Medibank Private, you see the government’s ideological obsession about privatisation, about selling off an institution that was created by the Fraser government. I always say to people: ‘I am not suggesting the government is only extreme or unfair in certain areas when compared with former Labor administrations. Look at the way this government operates in the area of industrial relations, and certainly with its decision to sell Medibank Private, when compared to the Fraser government or governments preceding the Fraser government’—in other words, other tory conservative governments. Medibank Private is the creation of a Liberal-National Party government, and it is going to be flogged off. Sufficient reason for the sale has not been given.

As I said, Medibank Private currently has 30 per cent of the private health insurance market. In its early days it undoubtedly contributed to keeping premiums down as its competitors continually undercut them. You could say that Medibank Private has been the Australian Democrats of the private health insurance industry, that they have been keeping the so-and-sos honest. Unfortunately, if the bill for the sale of Medibank Private passes, I fear that Medibank Private will head the same way as the Australian Democrats appear destined to be heading.
A number of reasons have been put forward by the minister for health—although I do not see them being echoed in this place now by members of the government—about why we should sell Medibank Private. They are not compelling reasons. It seems to me there is a burden upon the government to explain why there is a need for change and what the supposed benefits are. There are essentially two arguments used by the government. Firstly, they assert it will lower all private health insurance premiums. Secondly, they assert that the government should not be both a participant and a regulator in the same industry.

I would like to turn my attention to those two government assertions as to why there should be a selling-off of this institution. I would argue that there is no evidence to support the claim that a privatised Medibank Private will lower premiums. Apart from the fact that the government have a poor track record on predicting declining premiums, the government’s logic here just does not stack up. Where is the money going to come from to provide a return to those who buy shares in a privatised Medibank Private? The government argue that lower administrative costs would be a result of the sale but this is not supported by the facts.

The facts show, effectively, that Medibank Private already has the lowest administrative costs in the industry. They are certainly well below the industry standard. So how can it be argued that we need to sell Medibank Private to lower the premium when already the Medibank Private premium is lower than the industry average? That certainly is contrary to the logic of the arguments raised by the Minister for Health and Ageing. Until now, Medibank Private has never paid any dividends to anyone. Any profits have been ploughed back into reserves. If the profit or surplus is too high, then the following year’s premiums are adjusted. If Medibank Private is sold and the government takes away the reserves, whoever buys it will have to invest a lot of money—some estimates are close to $1 billion. This is likely to push premiums up rather than reduce them. As Medibank Private is the country’s biggest insurer, any premium rise by Medibank Private will allow its competitors to raise their prices too. So all the people in the community who have private health insurance should be alarmed—not only the members of Medibank Private—as should the competitors. The regulation of Medibank Private by government since its inception on 1 October 1976 has ensured that it is not easy for private health insurance companies to raise their premiums.

It is important to place this argument in the context of the history of health provision in this country. It was a conservative government that created Medibank Private. It did so because its decisions to diminish the service provisions of Medibank at the time were hurting the Australian public. It created this institution to mitigate those effects and now we have a conservative government seeking to privatise its own scheme. We say that the arguments which have been proposed—certainly the argument that premiums are going to fall as a result of the sale—just do not add up.

Concerning the alleged conflict of interest, for all practical purposes I am hoping to illuminate the House and the government about matters to do with Medibank Private. The government has placed the Australian people in the dark because no cogent argument has been put forward by the Minister for Health and Ageing, or by the government frontbenchers, as to why we are to sell Medibank Private. I am in the dark.

The DEPUTY SPEAKER (Hon. DJC Kerr)—We are all in the dark!

Mr BRENDAN O’CONNOR—Certainly the Parliamentary Secretary for Immigration

CHAMBER
and Multicultural Affairs is as in the dark—metaphorically and physically—as we are about this decision. It is unfathomable. It is a difficult one for us to come to grips with because effectively the government are abolishing a scheme which they created to mitigate the effects of their having attacked Medibank.

We know that when the Minister for Health and Ageing says in this place that the government is the best friend Medicare has ever had he does so ironically. If it is ever in a parliamentary question, he should be asked to sit down because he would be using irony. We know that; it is an in joke. He turns to government members and says, ‘This government is the best friend that Medicare ever had,’ and they all have a laugh because they know what he means—that they will boil the frog slowly on the universal health system. They want to corrode it; they want to destroy it. We know that. One of the ways they are going about that is by selling an institution which they created in 1976.

When you compare this government with even previous tory administrations you see that this is an extreme government. These decisions—to enact the Work Choices legislation, to sell Medibank Private—reflect a government full of arrogance and hubris. We know why this is occurring—because they have the power to do so. If they had a minority in the Senate, they would not be suggesting this. They think they now have the power to do absolutely anything. If I had time and it was relevant to this debate, I would talk about what the government did to the Senate committees, how they found themselves chair of every committee. That has had a number of consequences and is a symptom of a government that is not in touch with the Australian people and is certainly now pursuing its ideological obsessions.

The industrial relations stuff that the Prime Minister has been ranting on about for 30 years is now upon us. His dream is becoming Australia’s reality—or Australia’s nightmare. And the reasons for the sale of Medibank Private are the same—no cogent argument, not good public policy. In fact the argument of reducing premiums is contrary to all evidence, which suggests that the premiums will rise. Therefore, this is not rational argument that has been put forward cogently by the government.

The government know they have the power. They no longer think they have to explain why they want to make changes to the Australian society that we love. They no longer believe they have to put up arguments. In this debate, there are no government members. The reason why the government have to gag the debate is, firstly, to show us how powerful they are; secondly, they do not have anyone to contribute to the debate. After I have finished, another Labor member will contribute to this debate, which will finish at 1.30—gagged by the government because they do not have any cogent arguments as to why Medibank Private is to be sold. If they had decent arguments, you would expect them to put them forward. So this gag is not just about hurting us; it is about allowing the government to avoid explaining the inexplicable. Why would you sell Medibank Private when you know it has been keeping premiums down?

There is one other concern that the shadow minister for health and the Leader of the Opposition raised today, and that is the concern about whether a debt will be owed to members of the fund upon the sale of Medibank Private. As we have heard from the Leader of the Opposition and others, some very good, independent advice has been provided by the Parliamentary Library that suggests that, upon the sale, there will be a debt owed to members of the fund. The
response from the government was, ‘We paid for some private advice, and our lawyers told us that there will be no problem, there will be no debt; there will be no entitlement owed to members of the fund.’ So we have to decide whether we will support the independent advice provided by the Parliamentary Library or whether we will listen to the advice that the government paid for and wanted to hear. Our choice is between the advice provided by the government and the independent advice provided by the Parliamentary Library.

I know who I will be listening to with respect to this matter. The library has raised some serious concerns with respect to that. Indeed, in the Bills Digest it says:

... it is arguable that members of Medibank Private could be entitled to compensation if the terms of any sale do not adequately account for their right to the benefit of fund assets.

It continues:

The Research Brief refers to Medibank Private’s 2005 annual report, which cites a net asset figure of $653.3 million. It is this figure in respect of which members entitlements is discussed ....

Mr Deputy Speaker, some serious advice has been provided by independent experts, and the government have chosen to ignore them. Instead, they listen to the advice of Blake Dawson Waldron—which they paid for; and, of course, he who pays the piper calls the tune. The government do not care to give a reason. They do not even try to find an argument. They will not allow the debate to continue beyond 1.30 today. They will not allow people who represent constituents across this country to defend Medibank Private.

This government is arrogant and out of touch, and it is using its power to crush debate in this place. It will force this bill through this chamber and will not allow people to speak. It will then force this bill through the Senate and we will have sold an institution that was created by a former conservative government to mitigate the effects of their decisions about Medibank in 1976.

The Australian public have to understand this fully and must not be fooled by the arguments of the Minister for Health and Ageing. The arguments are not reasonable, and they do not make sense. I am sure that, come election day, there will certainly be a referendum on this decision. I know many Australians will decide they want to keep Medibank Private in government hands and they will not support the sale.

The DEPUTY SPEAKER (Hon. DJC Kerr)—I thank the member for Gorton. Might I advise the House, simply out of courtesy on the advice that was provided by the sergeant, that the interruption to the light was caused by a lightning strike. I think it would be churlish of me to suggest it is a judgement upon either side of the House on the merits of this argument, but it is an act of God and we are temporarily in the dark.

Nonetheless, just like the member for Gorton, I am in the dark about the government’s motives for the Medibank Private Sale Bill 2006. I obviously want to indicate my support for the shadow minister for health in opposing this plan to sell Medibank Private, Australia’s largest private health insurer. Medibank Private was established by the Fraser government in 1976 as part of its demolition of the Whitlam government’s pioneering, universal health insurance program—the original Medibank. At the time it seemed a retrograde step but, in practice, Medibank Private proved to be a great success, in part because of the prestige of the Medibank name. Medibank Private now has three million policy holders—29 per cent of the health insurance market.
Last year its membership grew by 24,000. It is the market leader in the health insurance field and sets the terms on which the rest of the industry operates. As Medibank Private is a not-for-profit insurer, the level at which it sets its premiums helps guarantee that private health insurance remains accessible to those Australians who want it.

Medibank Private is a highly successful business. Let me quote that well-known iconoclastic commentator and deputy editor of the *Herald Sun*, Terry McCrann, who last month wrote:

CEO George Savvides has done a sensational job in his five years at the helm, taking [Medibank Private] from a $175 million loss in 2002 to the latest $200 million profit, on the basis of an attractive mix of $2.85 billion of premium income and $2.45 billion in benefits paid. Income from members is largely going back to them in payments.

This will of course end if Medibank Private is sold off, as the government wants. No-one is going to invest their money in a not-for-profit company. If the private sector is going to buy Medibank Private it will do so in the expectation of profits—after all, that is why private investors make investments. Thus there is no doubt that premiums will rise if Medibank Private is privatised. I quote Professor John Deeble, one of the architects of the original Medibank and a former director of Medibank Private. He said:

A commercial buyer would want more profits, premiums would go up and incidentally, the government would meet 30% of that increase through the private health insurance rebate.

Let me make it clear that Labor does not have a fetish for state ownership, as some opposite have alleged. As other speakers have pointed out, the Hawke government had an extensive program of government asset sales. We sold Qantas, CSL and the Commonwealth Bank, the latter despite its iconic status for some people in the Labor Party as a symbol of state enterprise. We did this because we believed at the time that there was no longer any public interest in keeping airlines, banks or pharmaceutical companies in public ownership. Labor today believes that those fields of enterprise which belong in the private sector should be sold to the private sector and operated in an open and competitive market, subject to proper regulation to safeguard the public interest.

But that does not mean we favour the complete abandonment of public ownership where it clearly serves a public interest—a public interest which would not be served if a particular enterprise were sold off. That was clearly the case with Telstra, where despite numerous inquiries the government has not been able to show how a privatised Telstra, operating for profit in competition with other telecom firms, would be able to continue to meet its vital community service obligations, such as providing telephony and internet services to people in regional and remote Australia at a reasonable cost.

The coalition parties also take this view when it suits them and the constituencies they represent. Do we hear government members calling for the deregulation and privatisation of the marketing of Australian agricultural products such as wheat? Of course not. When it comes to wheat, the National Party clings to the single desk, which is a euphemism for a state monopoly on wheat marketing. The National Party will die in a ditch before we have free trade and a free market in wheat and other agricultural products in this country. But with this government, what is good enough for the wretched Wheat Board, packed with crooks and mates, is not good enough for a clean, profitable, public agency like Medibank Private. What a contrast! Keep the crooks and get rid of a clean and efficient public company.
If there was a strong case for keeping Telstra in part-public ownership in order to serve a legitimate community interest, there is an even stronger case for keeping Medibank Private in public ownership. Not only does it serve its own three million members; as the member for Gorton, the member for Lalor and the Leader of the Opposition have pointed out, it also serves to anchor the whole health insurance industry, ensuring that most of the industry continues to operate on a not-for-profit basis and that premiums remain relatively affordable.

There is plenty of evidence that the private health insurance industry in Australia is not particularly well run and that it does not deliver a particularly high level of service to the Australian people. That is why a relatively low proportion of Australians choose to have private health cover and why so many prefer to rely on the health insurance system they pay for through their taxes—Medicare. But the industry would be in infinitely worse shape were it not for the benchmark of service and affordability that Medibank Private provides. To borrow a phrase from our friends in the Senate: it serves to keep the bastards honest. Let me once again quote that notorious socialist Terry McCrann:

Why should we hand this sort of income generation to the private sector? Should health insurance make ... profits anyway? Aren’t they supposed to be non-profit?

And if Medibank is privatised, who would then keep the bastards honest?

Who then would keep the bastards honest?

That is a question that will resonate around Australia. This issue will affect the government in all seats around Australia, including in marginal seats where a large number of people have Medibank Private policies and really doubt the wisdom of this government policy.

One of the advantages of a not-for-profit health insurance system is that it is able to offer health cover for people who might be considered poor risks in a strictly commercial sense—that is, people with pre-existing health conditions, people with disabilities, the middle-aged and the elderly. A health insurance system based solely on profit-seeking would try to exclude all these people from cover, because they are statistically far more likely to make expensive claims than the young or the healthy. Once you privatisate a company, you create pressure to allow that company to operate in a way that will maximise its profits. Indeed you create a moral obligation to do so because you cannot ask people to invest their money in a company and then regulate it in such a way that it remains unprofitable.

That is the hook the government has got itself on over Telstra. The management of Telstra know that they will not be able to meet Telstra’s current community service obligations and at the same time return a profit to shareholders. That is why they are telling the government that the full privatisation of Telstra must be accompanied by the full deregulation of the telecom industry. Many argue that to do otherwise would be to perpetuate a fraud on investors. The government does not want to hear this advice that they should be made to pay full market rates for their phone and internet access, because it is unacceptable to people in regional Australia who form part of their constituency through the National Party in particular. Obviously the further out you are in rural, regional and remote Australia the higher the costs of telephony and the internet. People in rural and regional Australia are quite right to object to this. The government is trying to get off this hook by demonising Mr Trujillo and his colleagues, but the fact is that they are giving the government correct advice,
and the government cannot change these unpalatable facts by denying them.

If this is true in the case of Telstra, it is even truer in the case of Medibank Private. Full privatisation of health insurance will lead inevitably to pressure for full deregulation. And full deregulation will lead to the exclusion of poor-risk people from private health cover as the health insurance industry concentrates on competing for the business of people judged to be good risks. As Professor Deeble said:

There will be bigger pressure on the government to deregulate and let them chase their good risk members and all that sort of thing if Medibank Private is sold, because Medibank Private has always acted like the conscience of the industry. That’s what it was set up for and that’s what it’s always done. Now selling that removes that pressure.

Mr Deputy Speaker Kerr, there are many things I admire about the United States, as you know, but its system of health insurance is not one of them. Under its fully privatised health insurance system, there are 45 million people—15 per cent of the whole population of that great country—who have no health cover at all. They are mainly the poor and the elderly. This has been made worse by the sharply declining number of companies which provide health cover to their employees once they retire. Health cover used to be part of a lifetime employment package offered by companies in the United States and, indeed, in most of the Western industrialised world.

As we recall, the efforts of the Clinton administration, led by Mrs Hillary Clinton—hopefully the next President of the United States—to fix this state of affairs were defeated in Congress. That, in my opinion, was a tragedy for a country which I greatly admire but which is certainly far from perfect. I hope a new administration in the United States after 2009 will again tackle this issue.

Meanwhile, we in Australia should profit by studying the situation of our friends in the United States, which was the situation in Australia before the introduction of Medibank by the Whitlam government and then Medicare by the Hawke government. The Australian people should understand that if it were not for Labor we would have a health insurance system like the United States has now. That is one of the key choices that the Australian people will face at the next election and that they have faced over the last 20 to 30 years.

The Prime Minister has said several times that he does not intend that Australia should have an American-style health system. But, since he also said that Australia would not have an American-style education system and that we would not have $100,000 university degrees, we know how much those kinds of promises are worth. We on this side of the House are determined that Australia should not be forced to go back down the road that leads to a society based on inequity and unfairness, where the well-off majority have access to fully insured health care and the less well-off minority do not.

Although this bill sets the stage for the privatisation of Medibank Private, the sale itself is not scheduled to go ahead until 2008—after the sale of Telstra is complete. No doubt this is because the government knows that Medibank Private would be a much better investment than Telstra—given the mess that it has made of Telstra—and doesn’t want to give investors the choice. Obviously, people would invest in Medibank Private if it were to come onto the market and they had an opportunity to do that first. They know that this company, operating under its current circumstances, is inherently sound.

I represent a fairly affluent electorate where the majority of people have private
health cover—and many with Medibank Private cover—but I also represent many low-income people, the elderly and recent immigrants. These are the people who will suffer the most if the health insurance industry is fully privatised and, as a consequence of that, fully deregulated. As the member for Lalor has pointed out, there are many people who are not in those categories who will be shocked that the government has taken the advice of Blake Dawson Waldron, their paid-for lawyers, rather than the advice of the impartial people in the Parliamentary Library. The government advice is that the participants in Medibank Private do not have prior rights in any sale of that organisation. I think the government is stepping into both a legal and ethical minefield here.

There are a lot of people who are traditional government supporters, Liberal supporters—the member for Goldstein is sitting at the table; I am sure there are many people in his electorate who are participants in Medibank Private—who would oppose this sale. I do not think anyone in my electorate, no matter how well off they may be personally, would want to see an Australia in which a substantial proportion of people are left without affordable health cover. That would be the effect of this government’s open agenda for privatising Medibank Private and its covert agenda for gutting Medicare—handing over health cover to a health insurance industry free from the moderating influence of a publicly owned Medibank Private. We will be happy to fight the next election on a policy of preventing such an outcome.

Ms CORCORAN (Isaacs) (1.28 pm)—I would like to start my comments this afternoon with a letter to the editor which was published in the Age on 5 September this year. It is signed by Robert Corcoran, who is not only a constituent but also my dad. He wrote:

Although they do not physically provide any medical treatment or hospital accommodation, the various health funds do the real work of collecting insurance money and returning much of it to help pay medical costs. Leaving aside the more fundamental subject of the fairness or otherwise of the present piebald system, the topical question is whether this financial service could be provided more effectively by selling Medibank Private.

Shareholders in a sold Medibank Private would certainly expect a return on their investment better than bank interest—and, based on its estimated price of $1.5 billion ... this would require an annual payment of much more than $100 million a year to the new shareholders. What effect would this have on already steadily increasing premium rates?

Perhaps we would all be better off if the Government turned its attention to restoring and improving the effectiveness of the universal system of Medicare, especially by reducing waiting times. Then we could all be assured of appropriate treatment, whether able to afford expensive private health insurance or not.

The purpose of the Medibank Private Sale Bill 2006 is to amend the National Health Act to allow the government to sell Medibank Private. The government has said that it will not sell Medibank immediately, but it wants this legislation in place so it can sell it in 2008. Since 1976, Medibank Private has been controlled by the Commonwealth government. The fund is a not-for-profit. It has about three million members and about 28 per cent of the private health insurance market across Australia. It has about a third of the market in Victoria, Queensland and Tasmania and 44 per cent of the market in the Northern Territory. It is the only fund which operates in every state and territory in this country. There are over 40 health funds in Australia, five of which are for-profit. These funds cover about 31 per cent of the market.
The DEPUTY SPEAKER (Hon. DJC Kerr)—Order! The time allotted for the remaining stages of this bill has expired.

Ms Gillard—Mr Deputy Speaker, I raise a point of order. Could you clarify for members of the House who would be about to vote on the second and third reading stages of this bill whether or not, in your view, if a member were also a member of Medibank Private, that would raise a pecuniary interest about which they ought to be concerned in respect of exercising a vote.

The DEPUTY SPEAKER—I have had advice from the clerks in relation to this matter, and I thank the Manager of Opposition Business for raising the issue in the interests of members who may be subject to a view that they have an interest in the fund, who may have expressed some concern. Standing order 134 provides that a member may not vote in a division on a question about a matter, other than public policy, in which they have a direct pecuniary interest. House of Representatives Practice indicates that public policy may be defined as government policy not identifying any particular person individually or immediately. I have had a look at the precedents in the past, and it does seem that, for example, the ownership of shares generally in a company has not excluded persons from participating in votes where their interests have been affected simply as a shareholder in a company that would be affected by a change in policy. So in that manner the precedents do not seem to indicate that members would need to disqualify themselves on the basis of the previous application of standing orders, as the matter before the House could be thought to and would relate to a matter of public policy.

The chair, of course, has no reason to ascertain the individual circumstances of members as to whether any might have any specifically additional interest that might be material in relation to their right to vote upon the matter. However, it is open for any member to raise, under standing order 134, a motion challenging the right of members to participate in a division, afterwards. That appears to be the only manner that is open in those circumstances. But, on the precedents that I have been able to ascertain from the Practice and the clerks I would advise that it would seem that, whether or not there is a pecuniary interest in the circumstances, it would not preclude a member exercising a right to vote in the House.

Question put:
That the bill be now read a second time.

The House divided. [1.37 pm]

(The Deputy Speaker—Hon. DJC Kerr)

Ayes……………81
Noes……………59

Majority………22

AYES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baird, B.G. Baker, M.
Baldwin, R.C. Barresi, P.A.
Bartlett, K.J. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Broadbent, R. Brough, M.T.
Cadman, A.G. Causley, I.R.
Ciobo, S.M. Cobb, J.K.
Costello, P.H. Draper, P.
Dutton, P.C. Elson, K.S.
Entsch, W.G. Farmer, P.F.
Fawcett, D. Ferguson, M.D.
Forrest, J.A. Gambiaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartsuyker, L. Henry, S.
Hockey, J.B. Hull, K.E. *
Hunt, G.A. Jensen, D.
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.
Thursday, 2 November 2006

HOUSE OF REPRESENTATIVES 61

McArthur, S. *  
Mirabella, S.  
Nairn, G.R.  
Neville, P.C.  
Prosser, G.D.  
Randall, D.J.  
Robb, A.  
Schultz, A.  
Slipper, P.N.  
Somlyay, A.M.  
Stone, S.N.  
Tollner, D.W.  
Tuckey, C.W.  
Vale, D.S.  
Wakelin, B.H.  
Wood, J.  

McGauran, P.J.  
Moylan, J.E.  
Nelson, B.J.  
Pearce, C.J.  
Pyne, C.  
Richardson, K.  
Ruddock, P.M.  
Scott, B.C.  
Smith, A.D.H.  
Thompson, C.P.  
Truss, W.E.  
Vaile, M.A.J.  
Vasta, R.  
Washer, M.J.  
Slipper, P.N.  

NOES

Adams, D.G.H.  
Beazley, K.C.  
Bird, S.  
Burke, A.E.  
Byrne, A.M.  
Crean, S.F.  
Edward, G.J.  
Ellis, A.L.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Georganas, S.  
Gibbons, S.W.  
Grierson, S.J.  
Hall, J.G. *  
Hayes, C.P.  
Irwin, J.  
Katter, R.C.  
Livermore, K.F.  
McClelland, R.B.  
Melham, D.  
O’Connor, B.P.  
Owens, J.  
Price, L.R.S.  
Ripoll, B.F.  
Rudd, K.M.  
Sercombe, R.C.G.  
Snowdon, W.E.  
Tanner, L.  
Vanvakinou, M.  
Windsor, A.H.C.  

Andren, P.J.  
Bevis, A.R.  
Bowen, C.  
Burke, A.S.  
Corcoran, A.K.  
Danby, M. *  
Elliott, J.  
Ellis, K.  
Ferguson, M.J.  
Garrett, P.  
George, J.  
Gillard, J.E.  
Griffin, A.P.  
Hatton, M.J.  
Hoare, K.J.  
Jenkins, H.A.  
Lawrence, C.M.  
Macklin, J.L.  
McMullan, R.F.  
Murphy, J.P.  
O’Connor, G.M.  
Piberserk, T.  
Quick, H.V.  
Roxon, N.L.  
Sawford, R.W.  
Smith, S.F.  
Swan, W.M.  
Thomson, K.J.  
Wilkie, K.  

* denotes teller

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

The DEPUTY SPEAKER (Hon. DJC Kerr)—The question now is that the remaining stages of the bill be agreed to.

Question put.

The House divided. [1.44 pm]

(The Deputy Speaker—Hon. DJC Kerr)

Ayes............ 82
Noes............ 59
Majority........ 23

AYES

Abbott, A.J.  
Andrews, K.J.  
Baird, B.G.  
Baldwin, R.C.  
Bartlett, K.J.  
Bishop, B.K.  
Broadbent, R.  
Cadman, A.G.  
Ciobo, S.M.  
Costello, P.H.  
Dutton, P.C.  
Eatsch, W.G.  
Fawcett, D.  
Forrest, J.A.  
Gash, J.  
Haase, B.W.  
Hartsuyker, L.  
Hockey, J.B.  
Hunt, G.A.  
Johnson, M.A.  
Keenan, M.  
Kelly, J.M.  
Ley, S.P.  
Lloyd, J.E.  
Markus, L.  
McArthur, S. *  
Mirabella, S.  
Nairn, G.R.  
Neville, P.C.  
Prosser, G.D.  
Randall, D.J.  
Robb, A.  
Schultz, A.  
Secker, P.D.  

Anderson, J.D.  
Bailey, F.E.  
Baker, M.  
Barresi, P.A.  
Billson, B.F.  
Bishop, J.I.  
Brough, M.T.  
Causley, I.R.  
Cobb, J.K.  
Draper, P.  
Elson, K.S.  
Farmer, P.F.  
Ferguson, M.D.  
Gambaro, T.  
Georgiou, P.  
Hardgrave, G.D.  
Henry, S.  
Hull, K.E. *  
Jensen, D.  
Jull, D.F.  
Kelly, D.M.  
Laming, A.  
Lindsay, P.J.  
Macfarlane, I.E.  
May, M.A.  
McGauran, P.J.  
Moylan, J.E.  
Nelson, B.J.  
Pearce, C.J.  
Pyne, C.  
Ruddock, P.M.  
Richardson, K.  
Ruddock, P.M.  
Schultz, B.C.  
Slipper, P.N.
House of Representatives Thursday, 2 November 2006


NOES


* denotes teller

Question agreed to.
Bill read a third time.

ABORIGINAL AND TORRES STRAIT ISLANDER HERITAGE PROTECTION AMENDMENT BILL 2005
Second Reading

Debate resumed from 12 October, on motion by Mr Hunt:
That this bill be now read a second time.

upon which Mr Albanese moved by way of amendment:
That all words after “That” be omitted with a view to substituting the following words:
“while not declining to give the bill a second reading, the House:
(1) notes that on 20 August 2003, then Leader of the Government in the Senate, Senator Robert Hill, stated in relation to Indigenous heritage protection that the Government recognised the shortcomings in the existing system, that reform was long overdue and that the government was anxious to have a new and better piece of legislation put in place as quickly as possible;
(2) registers its concern that the Howard Government has failed to address the shortcomings in Indigenous heritage protection;
(3) expresses its concern that the Howard Government has failed to act on the recommendations of the 1996 Evatt Inquiry into the Commonwealth Aboriginal and Torres Strait Islander Heritage Protection Act 1984;
(4) notes that it is now 10 years since the Evatt Inquiry reported, and calls for a comprehensive review of Indigenous heritage protection, and
(5) calls on the Government to support the inclusion of a sunset exemption provision in the bill”.

Mr HAASE (Kalgoorlie) (1.46 pm)—The Aboriginal and Torres Strait Islander Heritage Protection Act 1984 preserves and protects places, areas and objects—

The DEPUTY SPEAKER (Hon. DJC Kerr)—Order! Could members please respect the right of the member to make a substantial contribution by exiting the House quietly if they are doing so.

Mr HAASE—Thank you for your support, Mr Deputy Speaker. This act of 1984 preserves and protects places, areas and objects of particular significance to Aboriginal and Torres Strait Islander people. Protecting Aboriginal and Torres Strait Islander heritage
is very important, but there are some elements of this act which need amending. The act works on a national level, but is concurrent with the laws of most Australian states and territories. Schedule 2 is a repeal of part IIA of the act. The amendments to the act contained in schedule 2 of the current bill provide for the repeal of the Victoria specific provisions of the act, including the scheme for Victoria alone that is set out in part IIA of the act. The act allows the Minister for the Environment and Heritage to protect significant Aboriginal places and objects under threat in any Australian state or territory at the request of an Indigenous person if the minister considers that there is no effective protection under the state or territory laws.

In 1987 the act was extended to include a special framework for day-to-day protection of Aboriginal cultural heritage in Victoria, whereas all the other Australian states and territories have their own Aboriginal heritage laws. Since then, the Victorian provisions have been administered by the Victorian minister on delegated powers with no Commonwealth involvement in the day-to-day decisions. In 2005 the Victorian government wrote to the Australian government about amendments to repeal the Victorian provisions of the act to allow a transition to new Victorian Aboriginal cultural heritage legislation.

As requested by the Victorian government in 2005, the Aboriginal and Torres Strait Islander Heritage Protection Amendment Bill 2005 provides for continued operation of the Victorian provisions of the act until the new Aboriginal heritage regime is in place. The bill provides for a period of 12 months after royal assent for Victoria to complete these arrangements and to set a date for the repeal of the Victorian provisions and full transfer of responsibility to Victoria.

The consequential amendments to the Aboriginal Land (Lake Condah and Framlingham Forest) Act 1987 in the bill remove references to part IIA of the act. Before amendment, disclosure for the purposes of part IIA of the act was an exception to the obligation on two Aboriginal landowner corporations in Victoria to not disclose information about sacred or significant places without special permission. After the amendment, the obligation to protect the information about sacred or significant sites will continue without exception. The proposal will simplify the act by removing an anomaly in relation to Victoria. The removal by the consequential amendments of an exception to the obligation upon two Aboriginal landowner corporations to not disclose information will mean that everyone is treated equally. There should not be special provisions for any one group or person in this country.

Due to the nature of the heritage act, when it comes to identifying a sacred site where there is no physical evidence, exploration has as much impact as native title—sometimes more. It can run parallel to native title, and creates a long, expensive process. The Western Australian act, the Aboriginal Heritage Act 1972, applies to my electorate. It applies to places, objects, traditional use, availability for traditional use and traditional custodians. The language, as you will hear in a moment, is overarching, but not very specific. The definition of 'place' is taken to mean:

(a) any place of importance and significance where persons of Aboriginal descent have, or appear to have, left any object, natural or artificial, used for, or made or adapted for use for, any purpose connected with the traditional cultural life of the Aboriginal people, past or present;

(b) any sacred, ritual or ceremonial site, which is of importance and special significance to persons of Aboriginal descent;
(c) any place which, in the opinion of the Committee, is or was associated with the Aboriginal people and which is of historical, anthropological, archaeological or ethnographical interest and should be preserved because of its importance and significance to the cultural heritage of the State;

(d) any place where objects to which this Act applies are traditionally stored, or to which, under the provisions of this Act, such objects have been taken or removed.

It goes on:

The Act applies to all objects, whether natural or artificial and irrespective of where found or situated in the State, which are or have been of sacred, ritual or ceremonial significance to persons of Aboriginal descent, or which are or were used for, or made or adapted for use for, any purpose connected with the traditional cultural life of the Aboriginal people past or present.

The Act applies to objects ‘so nearly resembling an object of sacred significance to persons of Aboriginal descent as to be likely to deceive or be capable of being mistaken for such an object’.

In relation to traditional use, a traditional person is one defined as a person of Aboriginal descent who usually lives subject to Aboriginal customary law, or in relation to any group of such persons, this Act shall not be construed:

(a) so as to take away or restrict any right or interest held or enjoyed in respect to any place or object to which this Act applies, in so far as that right or interest is exercised in a manner that has been approved by the Aboriginal possessor or custodian of that place or object and is not contrary to the usage sanctioned by the Aboriginal tradition relevant to that place or object; or

(b) so as to require any such person to disclose information or otherwise to act contrary to any prohibition of the relevant Aboriginal customary law or tradition.

The act provides for availability for traditional use. It goes on:

Where the Committee is satisfied that a representative body of persons of Aboriginal descent who usually live subject to Aboriginal customary law has an interest in a place or object to which this Act applies that is of traditional and current importance to it, and which is in the custody or control of the Minister, the Minister, after consultation with the Committee, shall make that place or object available to that body as and whenever required for purposes sanctioned by the Aboriginal tradition relevant to that place or object.

The final section relates to traditional custodians. It reads:

... where the Committee is satisfied that a representative body of persons of Aboriginal descent has an interest in a place or object to which this Act applies that is of traditional and current importance to it the Minister may, by notice in the Gazette, authorise a person or persons nominated by that body and named in the notice to exercise such of the powers of the Minister and to perform such of the Minister’s duties in relation to that place or object as are set out in that notice, and any such authorisation may in the like manner be varied or revoked.

In order to meet with the obligations under the act, explorers have to gain heritage clearance. This involves input from all parties who have a claim on that area of land. Representatives often selected on the basis of availability only from each of the parties visit and investigate the area and decide as to its significance and then rule on whether or not it can be explored.

To give the House a general impression, clearance will cost an exploration company from $300 to $500 per person per day, usually for between three and six representatives for each claimant group while they are on site. The company also has to supply transport and food and cover all associated costs. Therefore, a small prospector looking to explore 10 to 20 hectares, for example, will usually pay more than $3,000 just to explore the potential. If a prospector gains clearance to an area, that clearance applies only to exploration. If a commercial deposit is found on that site, the party that decided on the significance can then decide to revisit the deci-
sion. Unfortunately, this system is open to corruption, which means that decisions are not final.

To make it even more complicated for explorers, a claim under the heritage act can be made by a different family group from the recognised traditional owner of the land, so they may have to deal with several claimants on an ongoing basis. Prospectors are not multimillion-dollar mining companies. Small operators, often one-man bands, undertake the majority of greenfield exploration work, something that is vital for the future of this sector and consequently the economic vitality of the nation. The mineral industry represents 6.5 per cent of the Australian economy and produces one-third of Australia's exports. Because of the lack of specific detail in the process, problems in gaining access to prospective land by explorers have contributed to a significant decline in exploration investment in Australia. In 1996-97, investment was at a peak at more than $1 billion. This figure has reduced by almost 50 per cent since then.

Australia’s mining industry is the backbone of the Australian economy. For the past decade, the industry has generated billions of dollars; the Association of Mining and Exploration Companies—AMEC—estimates it to be $175 billion. We must do what we can to support the minerals industry. It has a huge effect on all Australians, but particularly on the people of my electorate. Whilst native title, environmental legislation and the absence of flow-through share schemes pose the greatest obstacle, the heritage act has a major detrimental impact at first base. We all live on this continent. I agree with AMEC that the ‘only areas that should be closed to exploration and potential multiple land use are those areas that have been comprehensively assessed and found to have overwhelming values as a land use that precludes any alternative use of coexistence’. Under such circumstances, the community must be fully informed of the potential cost benefits of the uses denied. AMEC has reported that Aboriginal parties have referred mining projects which have already received state approval to the Commonwealth minister under the terms of the Aboriginal and Torres Strait Islander Heritage Protection Act, resulting in frustrating delays for project proponents.

I propose that, as we are amending this bill for the better, we should consider amending it to better protect and encourage our smaller mining companies and support this industry in the long term. This bill makes other changes to the act that are needed to ensure that Australians continue to have the opportunity to see, in Australia, significant Aboriginal cultural heritage objects that are owned by institutions overseas. These institutions are currently reluctant to loan material unless they have the protection of a certificate under the Protection of Movable Cultural Heritage Act 1986 to allow the return of the important objects to the lender and owner overseas. Uncorrected, this kind of uncertainty would discourage overseas institutions from ever allowing items from their collections to be exhibited in Australia. Australia’s reputation as a borrower of cultural materials was damaged by a series of declarations under the Victorian provisions of the act in 2004-05.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

Interest Rates

Mr BEAZLEY (2.00 pm)—My question is to the Prime Minister. Can the Prime Minister confirm that if there is an interest rate rise next week it will be the eighth back-to-back interest rate hike? How much have these rate rises added to the monthly repayment for someone with an average mortgage of $223,000?
Mr HOWARD—On the subject of interest rates, I can confirm two things. I can confirm that interest rates under the coalition will always be lower than under a Labor government. That is the first thing. The second thing I can confirm is that the housing interest rate now is at 7¾ per cent, and if my recollection serves me correctly, the housing interest rate reached 17 per cent under the stewardship of the government of which the Leader of the Opposition was a member. As I said on Sunday, Keating and Beazley equalled 17 per cent; Howard and Costello equal 7¾ per cent. That is what I can confirm.

Climate Change

Mr BROADBENT (2.01 pm)—My question is also to the Prime Minister. Prime Minister, would you outline to the House government initiatives to reduce greenhouse gas emissions from coal-fired power stations? Is the Prime Minister aware of support for this approach?

Mr HOWARD—I think that the member for McMillan and, of course, the Minister for Industry, Tourism and Resources, the Treasurer, the Victorian Premier and the Queensland Premier will all be aware of federal government initiatives not only to encourage renewables but also—and very importantly—to encourage investment in low-emission technology. What we have said for more than two years is that the most important priority in reducing greenhouse gas emissions is to accelerate investment in clean coal technology. That was the essence of the white paper that was put out 2½ years ago.

That approach has been derided by those who sit opposite but this morning we find dramatic field evidence from two successful Labor politicians—namely, the Victorian Premier and the Queensland Premier—supporting very much the whole approach that is being taken by the federal government. This morning, the Premier of Queensland, who, of course, is the premier of the state that produces the most coal in this country—namely, the state of Queensland—and somebody who understands the impact of some of the careless policies flung around over the last couple of days by the Leader of the Opposition on the workers in that state, had this to say:

We have credibility on clean coal technology. We have a good track record on this and we need to move to the next stage now.

Listen to this!

If we can get clean coal technology in a commercial way it will not only clean up Australia but also China and other developing nations.

That is what the Premier of Queensland had to say and his words were echoed by the spokesman for the Victorian government who said that they were putting their faith in clean coal technology.

This is exactly what was in mind when the Callide A power station in Queensland was in receipt of $187 million from the government’s low emission technology fund. There is an investment at Fairview Power leveraged by federal government investment of $445 million. And at International Power Pty Ltd in the Latrobe Valley, an area very well known to the member for McMillan, there is a proposal worth $360 million to retrofit brown coal drying, combined with ultra-supercritical coal technology.

This is exactly what we have been talking about for 2½ years, and this is exactly what the Labor Party, sitting over there in opposition, have been deriding for the last 2½ years. But they have been shown the way by their successful state colleagues. Peter Beattie and Steve Bracks have shown the way on this issue and, tellingly in the light of the remarks made by the member for Grayndler, Mr Beattie had this to say. In light of the fact that the two states have committed
a combined $400 million to clean coal technology, Mr Beattie declared that Queensland favoured it over renewable energy sources because it was ‘more practical and it will work quicker’. Those were not the words of John Howard or Ian Macfarlane, although John Howard and Ian Macfarlane agree with those words. I think both Ian Macfarlanes would agree with those words. Even the other Ian Macfarlane would agree with those words.

Our position is very clear. For 2½ years we have been arguing the cause of clean coal technology and today we have seen the premiers of Queensland and Victoria blow the Leader of the Opposition out of the water on this issue, and, in the process, detonate the member for Grayndler. I thank the member for McMillan for such a searching question.

Opposition members interjecting—

The SPEAKER—Members are holding up their own question time.

Climate Change

Mr DANBY (2.06 pm)—My question is to the Prime Minister. Prime Minister, I refer you to a Newspoll published today which shows that 79 per cent of Australians think Australia should ratify Kyoto, 86 per cent of Australians think the government should be doing more to tackle climate change and 92 per cent of Australians think the government should significantly increase investment in renewable energy. Does the Prime Minister agree with his parliamentary secretary who dismissed 92 per cent of Australians as just cafe latte drinkers, and does this explain your 10 years of inaction and climate change scepticism?

Mr HOWARD—I think it is the job of political leaders in this country to read opinion polls but to do what they think is right for Australia. It is as simple as that. It may surprise many of those who sit behind me to know that the Leader of the Opposition has only become—how shall I put it?—an eleventh hour convert to the cause of ratifying Kyoto. Some years ago he was not quite as excited about it. In tireless research on this subject, it is amazing what you come across. Maybe there was a time when the Leader of the Opposition was influenced by these words from a person who came from his own native state of Western Australia. This is what this person had to say, writing in November 2001:

For Australia to ratify the Kyoto Protocol is to commit to a policy of decarbonisation of our industrial and export base. It is to inflict upon its people unemployment, profound economic dislocation and decline. For a nation to inflict upon itself such economic and political damage is almost unprecedented.

Those were the words of a highly successful finance minister in the Hawke and Keating government by the name of Senator Peter Walsh. I’ll tell you what: he was a lot more successful than any of you who sit opposite. He was a senior minister in a government. Let me simply say to the member for Melbourne Ports, who is a member I have some considerable respect for—through you, Mr Speaker—

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne will come to order!

Ms Macklin—You’re so out of touch!

Mr HOWARD—Oh yes, very out of touch.

Opposition members interjecting—

The SPEAKER—The opposition have asked the Prime Minister a serious question. He is answering the question. He will be heard.

Mr HOWARD—Mr Speaker, let me say, through you, to the member for Melbourne Ports: yes, I have read that online poll—I think the member for Melbourne Ports understands the import of that adjective. I have
read that online poll. Let me tell him and let me tell the Australian people: we listen to their views on this issue. We are aware of the need to take practical measures to address greenhouse gas emissions, but I say to them: we are not going to take measures that destroy the great comparative advantage that this country has, we are not going to be panicked into knee-jerk responses that will hobble great productive Australian industries with enormous costs that are not borne by their competitors overseas and we are not going to ratify a protocol which, in the words of a highly successful Labor minister, would do damage of an economic kind on an unprecedented scale to the great wealth-producing industries of this country.

Mr Wilkie interjecting—

The SPEAKER—The member for Swan is warned!

Fiji

Mr CIOBO (2.11 pm)—My question is addressed to the Minister for Foreign Affairs. Minister, what is the government’s reaction to threats by the Fiji military commander to force the resignation of the Fiji government?

Mr DOWNER—First can I thank the honourable member for Moncrieff for his question and for his interest. The government is very concerned about the comments of Commodore Frank Bainimarama that the military in Fiji could move to remove the democratically elected government of Fiji, and his references to violence and bloodshed were, in our view, completely unacceptable. The Fiji military have defied the order of the Fiji President, who is the commander-in-chief in Fiji, in relation to the suspension of Commodore Bainimarama. While police investigate threats that he has made, the Fiji police commissioner has grave concerns that the military breached port security, threatening police and forcibly taking seven tonnes of ammunition.

This, unfortunately, is yet another occasion in our region where we have seen the rule of law defied. Defiance of the rule of law is anathema to the democratic principles that we all support here in this parliament and around Australia. Regional governments have consistently pointed out the proper role of the military in democracies. The Prime Minister has spoken with the Fiji and New Zealand prime ministers. I have spoken with the Secretary General of the Pacific Islands Forum and we have had a number of discussions with a range of different people about measures that can be taken to try to discourage Commodore Bainimarama and the Fiji military more generally from taking unconstitutional action against the government of Fiji.

It is important to remember that Fiji has been rebuilding its democracy after the two coups in 1987 and the coup in 2000, and in May there was an election for the parliament and a multiparty cabinet. Fiji has a good reputation overseas in international peacekeeping operations and I know that the Fiji Prime Minister himself last night, in an address to the nation, said that if there were to be a coup in Fiji then participation in those international peacekeeping operations could be, to use his words, severely prejudiced. There is no doubt that there would be risks to the Fiji military’s participation in peacekeeping if they were to take unconstitutional action against the elected government of their country. We have been, as I mentioned, having some discussions with the Secretary General of the Pacific Islands Forum and other Pacific Island Forum members about what as a region we could do to assist the Fiji government, and I think it is best that I say at this stage that those discussions are ongoing.

We have increased our travel advisory yet again, urging Australians to exercise a high degree of caution if they are to go to Fiji. We
have up to 7,000 Australians in Fiji and nearly 2,000 Australians who live there. There are a lot of visitors—4,000 to 5,000—at any one time. The situation is uncertain and could deteriorate. We think there is a very real chance there could be a coup in Fiji and it is important that all of us do everything we can to try to stop that occurring. Of course, at the end of the day, this is a matter that will be determined in Fiji by Fijians, but we are certainly doing everything we possibly can to try to stop the coup taking place.

Interest Rates

Mr BEAZLEY (2.15 pm)—My question is to the Prime Minister and it follows the first question I asked him. Does the Prime Minister accept any personal responsibility for any of the last seven back-to-back rate hikes?

Mr HOWARD—As leader of the government, I accept responsibility for the aggregate state of the Australian economy—which is magnificent.

Opposition members interjecting—

The SPEAKER—Members are holding up their question time.

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne is warned!

Economy

Mr WOOD (2.16 pm)—My question is addressed to the Treasurer. Would the Treasurer outline recent data on retail trade? What does this indicate about the financial position of Australian households?

Mr COSTELLO—I thank the honourable member for La Trobe for his question. Today we had the release of the September international trade in goods and services figures, which showed that the trade deficit in September increased to $646 million. This was principally caused by a decrease in exports of 1.5 per cent and resource exports were down, including coal, coke and briquettes, which fell 7.6 per cent. That is unfortunately a downturn in exports in the month of September. We also had retail trade figures released for September of this year which showed, in seasonally adjusted nominal terms, retail trade rose 0.1 per cent and was 5.9 per cent higher through the year. This is well down on the growth rates of eight to nine per cent that we saw in 2003 and 2004.

The annual national accounts, which I referred to in the House yesterday, gave annual figures for the state of the economy and, amongst other things, revised up the household savings ratio which shows that households are saving more than they were thought to be saving. One of the reasons for the retail trade figures could well be that households are saving more of their income. When one looks at savings rates, however, the important thing to look at is savings rates in relation to assets. We have lived over the last 10 years through an enormous increase in private sector wealth—in fact, the largest increase in private sector wealth that we have ever seen in Australia. This is a point that was made by Mr Battellino of the Reserve Bank recently where he said:...

... conventional measures of saving do not take into account capital gains. This has a particular bearing on Australian households because ... they now hold a high proportion of their financial assets in investments such as shares and superannuation on which a significant part of the return is in the form of capital gains. In the May 2006 Statement on Monetary Policy, we showed that once allowance is made for capital gains, the saving rate of Australian households ... is neither low nor falling ...

In other words, what the Reserve Bank has shown is that many Australians have decided to put their savings into shares or superannuation where they get a better return than they do in relation to an at-call bank account. Tra-
ditional measures of savings that only look at at-call bank accounts and then compare that to income miss the real story of what is going on in the Australian economy, which is people investing in higher yield, higher return mechanisms. This is something we believe will be thoroughly encouraged when Australia gets the biggest reform to superannuation that has ever been proposed in this country. The reforms that take place from 1 July next year mean there will be no tax on a pension or a lump sum when it is paid out of a taxed superannuation scheme. This makes superannuation the most preferred model of saving in the Australian economy. It will set many Australians up for a standard of living in their retirement which they would not otherwise have had. It is a reform that is being brought to the Australian people by the coalition government and we urge again that the Australian Labor Party get out of the way and support these reforms.

Workplace Relations

Mr BEAZLEY (2.21 pm)—My question is to the Prime Minister. I refer the Prime Minister to a question asked by the member for Grayndler on 10 August about Tristar’s refusal to guarantee it would meet its redundancy obligations to its employees covered by a collective agreement. I also refer the Prime Minister to the Tristar employees in the gallery today. Is the Prime Minister aware that Tristar has now applied to terminate the collective agreement, which would see its redundancy obligations massively reduced? What does the Prime Minister say to Marty Peek in the gallery, who has worked for Tristar for 34 years and who stands to lose over $130,000 in redundancy entitlements as a result of Tristar’s actions?

Mr HOWARD—I remember that a number of questions were asked in August. I would have to check the record as to the precise—

Mrs Irwin—Oh, the same excuse!

Mr HOWARD—I don’t pretend to carry in my mind every single question asked through the year. I will conscientiously have a look at the question asked by the member for Grayndler and I will come back and give a more detailed answer. But in the meantime I take the opportunity of saying to the ladies and gentlemen who are in the gallery from that company that, if there is any injustice that has been done to you, that is wrong; and if there are remedies available to do with that injustice, those remedies should be invoked.

Opposition members interjecting—

Mr Hayes interjecting—

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

Mr HOWARD—I might also say to the ladies and gentlemen from that company in the gallery—

Mr Bevis—Give them the Stan Howard deal!

The SPEAKER—Order! The member for Brisbane! The Prime Minister has the call and he will be heard.

Mr Bevis interjecting—

The SPEAKER—The member for Brisbane is warned too. The Prime Minister has the call.

Mr HOWARD—I will also take the opportunity of saying to the ladies and gentlemen in the gallery that the government I lead is the first government in Australia’s history to bring in a scheme that guarantees the payment of certain basic entitlements in the event of a company not being able to—

Opposition members interjecting—

Mr HOWARD—And I am very proud of that. I also take this opportunity of telling them in relation to redundancy that the government recently announced that it would increase the basic entitlement that would be
paid under GEERS where there was a default by the employing company to the community standard of 16 weeks, which was adjudged by the Industrial Relations Commission.

So, whilst those who sit opposite may seek to contrast their position from ours, I remind not only the ladies and gentlemen in the gallery but the Australian people that, when the Labor Party were in office for 13 years, they did not bother to introduce a scheme of this kind. They were prepared to let people lose their redundancies and other things when companies went broke. I am very proud of the fact that we have moved in relation to that.

But in relation to the particular question asked by the Leader of the Opposition, I will refer to the question asked by the member for Grayndler. If there is any further information that I can make available, particularly to the people in the gallery, I will be happy to do so.

Regional Telecommunications

Mr FORREST (2.24 pm)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister inform the House how federal government investment in telecommunications infrastructure will help to ensure the long-term economic prosperity of regional Australia, including my electorate of Mallee? Are there any proposals which could impede this investment?

Mr VAILE—I thank the member for Mallee for his question. As he is a professional engineer, I recognise his understanding of the importance of modern infrastructure right across Australia, not just in the metropolitan parts of Australia or the provincial cities but in rural and regional areas as well. The government also recognised that last year when we took a policy decision that would ensure the funding of infrastructure into the future, particularly telecommunications infrastructure that is needed greatly in the modern context. That high-speed broadband access is just as important as more traditional infrastructure in Australia such as roads and rail links across regional Australia.

Last year we announced a package of about $1.1 billion called Connect Australia, which was going to add to the mobile phone network across Australia but, importantly, provide an opportunity for providers to bid for grants to roll out large-scale infrastructure projects to enhance the access to broadband across Australia. In this day and age, where almost any business and any individual needs access to the internet—and, increasingly, businesses need access to high-speed broadband—we recognise that need. That is the $1.1 billion package. The minister for communications has announced that rollout.

The $600 million broadband infrastructure fund that is currently being bid for is also out there. We encourage all operators—this is not just for any individual provider or technology; it is technology neutral and, if you like, provider neutral—because we want to get the best out of it and we want to leverage private sector investment in infrastructure across regional Australia as well.

Beyond that, the government put in place the $2 billion perpetual communications fund, which is going to provide a flow of capital that can be deployed to ensure that regional Australians get access to modern technology as it becomes available—

Mr Crean—No, they won’t!

Mr VAILE—The member for Hotham says they won’t. The only reason they won’t is if the Leader of the Opposition gets an opportunity to get his hands on that fund and goes and spends it elsewhere. That is the only reason it will not deliver.
Mr Crean interjecting—

The SPEAKER—Order! The member for Hotham!

Mr VAILE—We have put in place a program where there is $1.1 billion available today and over the next couple of years—and, beyond that, a constant flow of revenue that will provide infrastructure across Australia, as is needed.

Mr Crean—It will not!

Mr VAILE—It will. But it will not if the Leader of the Opposition gets his way. He said that he will get hold of the $2 billion and spend it elsewhere. I guarantee that it will not get spent in regional Australia. We know all about the Labor Party and their track record as far as looking after regional Australia. They are big taxing, big spending governments with high interest rates and high unemployment.

Opposition members interjecting—

Mr VAILE—Mr Seventeen Per Cent over there! Mr Eleven Per Cent Unemployment over there! The hard work that this government has done in putting together good savings measures that give certainty in terms of investment in infrastructure—

Mr Crean—Savings measures? You don’t know what the words mean!

Mr VAILE—It will give certainty as far as investment in infrastructure in the future—

Mr Crean interjecting—

The SPEAKER—The member for Hotham is warned!

Mr VAILE—It will be ripped up by the Leader of the Opposition if he ever gets onto this side of the House and the Labor Party gets into government in Australia. Our government has put in place policies that guarantee in the long term that the investment and the capital will be available to ensure regional Australians get access to modern communications technology well into the future.

Workplace Relations

Ms LIVERMORE (2.29 pm)—My question is to the Prime Minister. I refer to the website of Brisbane law firm Connor Hunter, which states:

The Federal Government’s work Choices amendments offer you the opportunity to reduce your overheads significantly.

Employers can remove award conditions ... without compensating the employee at all. This affords employers the opportunity to reduce weekly pay through making cuts to penalty rates, overtime rates, leave loading, shift allowances and other forms of remunerating employees.

Prime Minister, they are right, aren’t they?

Mr HOWARD—I will tell you what is right: every charge of substance made against Work Choices—

Mr Martin Ferguson—Just plead guilty, John!

Mr HOWARD—Martin, you know whose side you are on! You are the last bloke who should interject this week. You have been a humdinger for us this week, you really have. You should just sit there and know you are right. You are right, Martin.

Mr Tanner—Mr Speaker—

Mr Pyne interjecting—

The SPEAKER—The member for Sturt is warned!

Mr Tanner—Mr Speaker, I rise on two points of order: firstly, relevance and, secondly, the Prime Minister continually referring to a member as ‘you’, for which you did not pick him up.

The SPEAKER—The member for Melbourne has raised a valid point of order inasmuch as the Prime Minister should refer to
members by their name, but the Prime Minister is in order.

Mr Tanner—Mr Speaker, I raised two points of order. I would ask you to rule on whether the Prime Minister’s answer was relevant to the question—

The Speaker—The member for Melbourne will resume his seat! I ruled that the Prime Minister should refer to members by their seat and I said that he was in order.

Mr Howard—I was referring to the member for Batman by a rather more affectionate term than ‘you’. In reply to the member for Capricornia, I will tell you what is right: the three charges made against WorkChoices by Labor and the unions have all been proved wrong. That is what is right. The first charge that was made against WorkChoices was that it was going to cause enormous unemployment. The problem with that charge and why it falls to the ground is that, in almost seven months, we have had 205,000 new jobs created in Australia.

Mr Hatton interjecting—

The Speaker—The member for Blair is warned! The Prime Minister will be heard.

Mr Howard—The second charge made against the legislation was that it was going to lead to strikes and industrial chaos. We have in fact in the last three months recorded the lowest level of industrial disputes in Australia since the records were kept. The third charge made against this legislation was that it was going to drive down wages. In the six months that have gone by, real wages have continued to rise at a rate of 16.4 per cent a year. We all know what happened to real wages in the 13 years of Labor. They fell by 0.2 per cent in real terms.

Mr Swan interjecting—

The Speaker—The member for Lilley is warned!

Mr Howard—The final nail in the coffin was the absurd argument advanced by those who sit opposite and their supporters in the union movement that the new Fair Pay Commission, which they derisively called a low pay commission, was going to slash the minimum wage. You could see the thunder on their faces despite all the bonhomie they were displaying last Thursday when the decision came out from the Fair Pay Commission of a $27 a week increase in the minimum wage. So I say to the member for Capricornia—and I have not read that particular website—that what is right about WorkChoices is that all of your claims against it are dead wrong.

Future Fund

Mr Lindsay (2.34 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the government’s contribution to the Future Fund? Treasurer, are there any proposals to drain the fund’s earnings, and what impact would that have?

Mr Costello—I thank the honourable member for Herbert for his question. Unlike other employers, the Commonwealth has never set aside payment for superannuation entitlements of its employees. Until this government established the Future Fund, it had made no provision for the just entitlements which public servants earn as part of their employment. In May 2006 we established the Future Fund and we deposited into it $18 billion. In 2006-07, we will deposit another $14 billion. We have now put aside nearly $30 billion towards the $100 billion of unfunded liability that the Commonwealth has. Just as with normal superannuation—where an employer makes a contribution into a fund—the employee gets the contribution and the earnings. But there are proposals to rob the Future Fund of its earnings—that is, to rob the earnings of superannuation enti-
tlements. This has caused the chairman of the guardians, Mr David Murray, to say in Senate estimates:
If that is done, the real growth rate of the fund would be zero to negligible—
because you would be taking the earnings out.

I have alerted the House to how the Leader of the Opposition promised to take earnings out of the Future Fund on one of his whistlestop tours to northern New South Wales. Like a bear to the honeypot is the Leader of the Opposition. But I find it has now gone wider than the Leader of the Opposition—the member for Lilley is now at it. Members of this House will know that every morning the member for Lilley wakes up, clears his throat, practises his focus group line for the day and comes in and delivers it. He does that every day except on days after journalists have been excluded from ALP conferences for no ticket, no start. He came in on 4 May 2006 and said this:
... it’s good news we got 18 billion, —
he is speaking of the Future Fund—
it’s bad news that it will be locked up to pay off public servants superannuation.
The journalist said:
You want ... that $18 billion spent ... ?
He said this:
The income from the Building Australia fund should be spent on productive pursuits—
in other words, taking the income out of the Future Fund and spending it on his priorities; taking away superannuation earnings from the fund which the Labor Party never had the wit to set up.

Last night I truly had an out-of-body experience. I was in my flat alone watching the ABC news. While watching the ABC news I saw the member for Lilley. He had obviously practised his focus poll-driven line for the morning and he delivered it. And the line for that day was: ‘The government’s global warming policies could be written on the back of a postage stamp.’ But the camera had a wide-angle lens and as he delivered this line you could see his press secretary, Lachlan Harris, moving his lips in sync with those of the deliverer of the lines. They had obviously practised it to such a degree that the timing was perfect. I wish the member for Griffith wasn’t enjoying this so much. We had the rooster puppet talking on this side and the ventriloquist mouthing the words on that side. The rooster—

Opposition members interjecting—

Mr COSTELLO—What do roosters do to chickens? Mr Speaker, I’m staying away! I have found on the web you can actually buy a thing called a rooster puppet: ‘Don’t be afraid to get cocky when you work this rooster puppet,’ it says, ‘you can strut and crow with the best of them when you animate his head and his feet.’ So there was Lachlan Harris in sync with the member for Lilley with the tried and true practised line of the day—

The SPEAKER—Order! The Treasurer will bring his answer to a conclusion.

Mr COSTELLO—He is another white bread politician with no substance.

Workplace Relations

Mr STEPHEN SMITH (2.40 pm)—Regrettably, my question is not to the chicken; it is to the Prime Minister.

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

Mr STEPHEN SMITH—I am, Mr Speaker. I again refer the Prime Minister to the Connor Hunter website, which also states:
Now a workplace agreement will result in a reduction in the overall terms and conditions of employment of the employee.
Isn’t this confirmed by the government’s own statistics, provided at Senate estimates on 29 May, which showed that under the Prime Minister’s industrial relations legislation, from March until Senate estimates in May, 52 per cent of AWAs reduced or removed shiftwork loadings, 63 per cent of AWAs reduced or removed penalty rates and 64 per cent of AWAs reduced or removed leave loadings?

Mr Tuckey interjecting—

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

Mr HOWARD—Mr Speaker, through you, I would remind the member for Perth that it is now 2 November, the world has not come to an end and the sky has not fallen in.

Mr Stephen Smith interjecting—

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

Mr Stephen Smith interjecting—

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

Mr HOWARD—We have continued to employ Australians at a record high. We have seen 205,000 more jobs created in Australia.

Ms Plibersek interjecting—

Mr HOWARD—We have seen, to your great sorrow and sadness, the real wages of Australians continuing to rise. We have seen every slur against the Work Choices legislation—all wrong.

Ms Plibersek interjecting—

Ms Hall interjecting—

The SPEAKER—The member for Sydney is warned, and so is the member for Shortland!

Mr HOWARD—It is very interesting that on the last day of this week we hear from the member for Perth, having followed weeks and weeks and weeks of not having heard from him, because every time he gets up in this place he gets his facts wrong. He has established an absolute world record for a frontbencher in getting his facts wrong. Every claim he has made has been demonstrated to be wrong. Every specific example he has half quoted or misrepresented; explanatory clauses are left out of the questions he puts. The member for Perth, on industrial relations, has no credibility—no wonder the unions around the country are rumbling for his removal.

Ms Owens interjecting—

Ms Owens interjecting—

The SPEAKER—The member for Parramatta is warned too!

Medibank Private

Mrs BRONWYN BISHOP (2.43 pm)—My question is addressed to the Minister for Health and Ageing. Is it the government’s view that the privatisation of Medibank Private will produce benefits for policy holders? Is the minister aware of claims to the contrary, and what is the government’s response?

Mr ABBOTT—I do thank the member for Mackellar for her question. Members opposite keep saying that this is one of the most important issues facing our country, so it is important to make the government’s position absolutely crystal clear. So that no-one is under any doubt, let me make it clear to members opposite that this government believes very strongly that the best guarantee of good products and fair prices is competition, not government ownership. That is what we believe.

Mr Brendan O’Connor interjecting—

Mr Brendan O’Connor interjecting—

The SPEAKER—The member for Gorton is warned!

Mr ABBOTT—That is what Frances Sullivan of Catholic Health believes when he says that Medibank Private should not stay in government ownership, that is what Mark Fitzgibbon of the NIB health fund believes
when he says that privatisation will lower premium pressure, that is what Professor Henry Ergas believes when he says that privatisation could reduce premium pressure by up to six per cent and, in their hearts, that is what members opposite believe. If it were otherwise, why did the former Labor government privatise the Commonwealth Bank and Qantas?

Over the last two days a succession of Labor members have come into this parliament, led by the Leader of the Opposition and the member for Lalor, claiming that the privatisation of Medibank Private means that shareholders win and policyholders lose. What an implicit smear this is, what a shocking smear this is, on every private business in this country. If what members opposite say is true, why did the Kirner Labor government privatise the State Insurance Office in Victoria? I am not surprised that the member for Fremantle—she is in the House; welcome back—did not enter this debate, because when she was the Premier of Western Australia she passed legislation providing for the privatisation—

Ms Kate Ellis interjecting—

The SPEAKER—The member for Adelaide is warned!

Mr ABBOTT—of the State Insurance Office. On this issue Labor members are total hypocrites. Almost everything that Labor members have said about the privatisation of Medibank Private is a lie and they know it. When the Leader of the Opposition was in government he supported privatisation. He had the courage of Bob Hawke’s convictions, he had the courage of Paul Keating’s convictions, but it seems he has no convictions of his own. That is the problem with the Leader of the Opposition. We know what he is against—he is against everything which is potentially unpopular—but we do not know what he is for, and that is why he should never become the Prime Minister of this country.

Workplace Relations

Mr BEAZLEY (2.47 pm)—My question is to the Prime Minister. It relates to the question just asked of him by the member for Perth, which incorporated a set of statistics which indicated how many conditions had been removed from those who had signed AWAs, as examined by his relevant office, the OEA. In referring to those, I refer to the government’s refusal in Senate estimates today to disclose updated statistical information on protected award conditions cut or removed from AWAs, which it previously provided in May. Prime Minister, is it not the case that you will do anything, say anything and cover up anything to avoid the inconvenient truth about your extreme and unfair industrial relations laws?

The SPEAKER—Order! In calling the Prime Minister, I remind the Leader of the Opposition that he should direct his question through the chair.

Mr HOWARD—The truth is inconvenient for only one side of politics on that issue, and that is the opposition’s side of politics, because all of the claims that were made have been proved wrong. They say, ‘Oh, no,’ they protest, they carry on, they yell and they scream, but nothing can alter the fact that you said the world was going to come to an end. You invoked the Chicken Little prediction—it was all going to come to an end. Of course it did not come to an end. You said there were going to be mass sackings; there have been mass hirings. You said wages were going to be driven down and they have continued to rise at a healthy rate. You said there were going to be mass industrial disputes; the reverse has been the case. I know you are unhappy at the state of the Australian economy. I know you are very, very unhappy, despite what you said, at the result that was
brought out by the Fair Pay Commission last week. You had your press releases ready with figures based on another outcome, but of course it did not come that way. The Leader of the Opposition specifically referred—

The SPEAKER—Order! The Prime Minister will resume his seat.

Mr Price—Mr Speaker, on a point of order: on several occasions the Prime Minister has used the word ‘you’, which you prohibit the opposition from using.

The SPEAKER—The Chief Opposition Whip would be well aware that ‘you’ can apply either as a generalised term or as a particular term. As I heard it, it was in the general sense. The Prime Minister is in order. I call the Prime Minister.

Mr HOWARD—He who sits opposite me in this chamber invoked the figures of he who sits opposite the Minister for Employment and Workplace Relations. Let me, in response to he who sits opposite, say that when it comes to statistics used by he who sits opposite the Minister for Employment and Workplace Relations I always examine them very carefully before I act on them.

Iraq

Mr SLIPPER (2.50 pm)—My question is addressed to the Minister for Foreign Affairs. Is the minister aware of claims that the government is not receiving adequate intelligence assessments on the situation in Iraq, and what is the government’s response?

Mr DOWNER—I thank the member for Fisher for his question and for his interest. In terms of the assessments the government receives on the situation in Iraq, we receive constant assessments from a range of sources—obviously from our embassy in Baghdad, from various departments here in Canberra and, importantly, from the Office of National Assessments. On 31 October the member for Griffith held a doorstop. The purpose of this doorstop was to attack the Office of National Assessments. This is what he said: ‘The Office of National Assessments has not done an assessment on Iraq for more than 12 months. It has neither initiated an assessment by itself, one has not been commissioned by the government and there is none under way.’

This is taking up the point that the Leader of the Opposition made. The Labor Party makes a series of assertions, hopes that the press gallery will run them, and then the truth is examined. What is the truth here? Since action was taken to get rid of Saddam Hussein’s regime, the Office of National Assessments has produced 164 reports on Iraq. In the past 12 months the Office of National Assessments has produced 29 reports on Iraq, including four strategic assessments. So the claim made by the member for Griffith was false. This is part of the bewildering story from Labor on the whole issue of Iraq.

Yesterday we heard the Leader of the Opposition—talking of the phrase ‘inconvenient truth’—say that Australian troops would not be taken out of Iraq until it was convenient for our allies. He said that he did not want to inconvenience our allies. After question time he said that he did not really mean that. He held a doorstop. During the doorstop he was asked the very question you would expect: what would be the timeline, do you think, for the withdrawal of the troops? He said: Very shortly. You take a look at what Howard did with our forces who were engaged actively in active combat in Afghanistan. He took them out in about a month or two. We wouldn’t require that.

Three minutes passed—there were three more questions; it probably took him a bit longer than a minute to answer each question, I would imagine—and a journalist said to him: And you’d do that—
that is, withdraw the troops—
in less than a month, Mr Beazley?
That was what he had just said. His reply
was:
You don’t put timetables on those things ...
This was three minutes later; three minutes
later the policy changed again. So the jour-
nalist said:
You said less than a month or two, didn’t you?

Mr Price—I rise on a point of order going
to relevance. I am not sure what Mr Beazley
says has to do with assessments by ONA.
That is what my question was.

The SPEAKER—The minister was asked
a serious question and, as I hear his answer,
he is in order.

Mr Downer—It has everything to do
with the question. So there was a situation
where the Leader of the Opposition was
asked:
And you’d do that—
that is, withdraw the troops—
in less than a month, Mr Beazley?
Three minutes later and he says:
You don’t put timetables on those things ...
The journalist went on to say:
You said less than a month or two, didn’t you?
It is incredulous. The Leader of the Opposi-
tion said:
... It’s strange that you’d want to nit-pick through
this, quite frankly.
That says it all. The Leader of the Opposi-
tion—

Mr Edwards—What about the ONA?

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

Mr Downer—The Leader of the Op-
position hopes that he can send out some
vibes on this issue without ever having to
commit himself to any details or any facts. ‘I
do not want to inconvenience the Americans
or the British; I do want to convenience the
Left of the Labor Party.’ ‘We will withdraw
immediately.’ ‘We’ll do it in less than two
months, but I am not going to set a timeline.’
If you want to be the Prime Minister of this
country, you have to know what you are talk-
ing about. The fact is that the Leader of the
Opposition is a man of many words but a
man of weak conviction.

Horticulture Code of Conduct

Mr Andren (2.56 pm)—My question is
to the Minister for Agriculture, Fisheries and
Forestry. Given that the government will
deliver only part of its promised mandatory
horticulture code of conduct by exempting
retailers, the major supermarket chains, food
processors and exporters from compliance,
how can the code protect growers? Will they
or consumers be expected to bear the cost of
this inadequate code? What is the expected
cost?

Mr McGauran—I thank the honour-
able member for his question. The govern-
ment will enact its election commitment with
regard to the mandatory code of conduct,
which was for suppliers to wholesalers.

Mr Gavan O’Connor interjecting—

The SPEAKER—Order! I call to order
the member for Corio.

Mr McGauran—The code of conduct
is to institute transparency of actions, and the
terms of trade will be defined so that every
supplier knows exactly how their produce is
being treated by wholesalers. Consequently
you will know the delivery time and the
price paid, and the relationship will be set in
stone; whereas when a supplier is selling to a
retailer or supermarket those terms of trade
are necessarily known—you obviously know
all the aspects that will now be incorporated
in the code of conduct. To force a code of
conduct, beyond the retail code of conduct,
on the retailing sector would force up
costs—which would be borne by suppliers.
Let me make this perfectly clear: the mandatory code of conduct will set the terms of trade which are already part of a contract between a supplier and a retail outlet.

**Violence Against Women**

Mrs MIRABELLA (2.58 pm)—My question is addressed to the Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues. How is the government preventing violence against women? Is the minister aware of media reports of further claims that women are provoking sexual assaults? What is the government’s response?

Ms JULIE BISHOP—I thank the member for Indi for her question and I acknowledge her deep concern about this issue. Members of this House will be alarmed to learn that in the latest Australian Bureau of Statistics *Personal safety survey* it was reported that in the year 2005 alone over 440,000 Australian women reported experiencing violence. The Howard government is committed to the prevention and elimination of violence against women wherever it occurs and in whatever community it occurs. As part of that commitment we have invested over $75 million in the Women’s Safety Agenda, which seeks to prevent violence, whether sexual assault or domestic violence, through a range of projects, initiatives, research and education and by providing support to women who are the subject of violence. Part of that funding is directed towards a community awareness campaign entitled ‘Violence against women: Australia says no’. This contains a hard-hitting and clear message that sexual assault is a crime and that violence against women should never be tolerated.

The House will be aware of and should be appalled by recent comments attributed to community leaders, including a senior Muslim cleric in Western Australia, to the effect that sexual assaults only occur when men are provoked. Sexual assault is a crime. Rape is a crime. It has nothing to do with how a woman dresses or whether she is unaccompanied outside the home; it is all about power over another person. The Howard government condemns violence against women, we condemn the incitement of such violence and we condemn any excuses for it.

**Iraq**

Mr RUDD (3.01 pm)—My question is to the Minister for Foreign Affairs. Did the minister or his department approve any of the seven new import contracts between Australian companies and Saddam Hussein’s regime, which we now know are the subject of AFP investigation for possible breaches of UN sanctions against Iraq?

Mr DOWNER—My department was asked a series of questions in Senate estimates about this, and I would commend the *Hansard* to the honourable member and have nothing to add to what the department said.

**Workplace Relations**

Mr ANTHONY SMITH (3.01 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Is the minister aware of any allegations of corrupted tender processes in public works in Victoria? What is the government’s response to these serious allegations, and what do they reveal about the role of industrial intimidation in the building and construction industry?

Mr ANDREWS—I thank the member for Casey for his question. Indeed I am aware of allegations because today the *Melbourne Age* newspaper, on its front page, under the headline ‘Minister “caved in to unions”’, revealed that a senior Victorian Labor minister, John Lenders, caved in to pressure from the CFMEU to not award a contract to a Victorian company because that company had
given evidence to the Cole royal commission into the building and construction inquiry.

This story as revealed by the Age newspaper is a very serious allegation against a senior Victorian Labor minister in the Bracks government, because it goes on to allege that the minister was involved in a conspiracy to pay a bribe in a public works tendering process. This relates to an $8 million public works contract in Victoria in which the company, Able Demolitions, was removed from the tender short list for the demolition of the Morwell Gasworks. The allegation has foundation because the Bracks government has previously admitted to breaking the law by removing the contractor from the short list. But, having admitted that, they then fought for a court case all the way to the full court of the Federal Court of Australia to seek to prevent the revelation or the disclosure and the production of the documents in the case. Of course, these documents go to why this contractor was excluded.

The documents that have been obtained by the Age newspaper, under a freedom of information request, show that Mr Lenders removed the contract from the tender list because of pressure from the CFMEU. Why did it do this? This occurred because this contractor had the temerity to provide evidence to the Cole royal commission about activities of the CFMEU on building sites in Victoria. This supports other evidence which was also provided to the royal commission about the influence of the CFMEU on the Victorian government.

Let us make no mistake about this: this was payback. This was payback by a Labor government on behalf of the Victorian CFMEU, and the point here is: if a union such as the CFMEU can exert this influence on a senior Labor state minister in the state of Victoria, then imagine what influence they would exert on the Leader of the Opposition if he were ever in such a position. Why do I say that? Because the Leader of the Opposition has already caved in. He has already caved in to this influence from the CFMEU, because they have demanded, and he has announced, that he would abolish the Australian Building and Construction Commission—the very body which has been established to look into cases of thuggery and intimidation—

Mr McGauran—Bribery.

Mr ANDREWS—and, as it looks like now, bribery, which has been underway within the building and construction industry—a very vital sector of the economy in Australia.

What this reflects is why this Cole commission was put in place. It reflects the need for legislation such as that which has established the Building and Construction Commission, but what it also reflects is the weakness of Labor governments at a state level and the weakness at a federal level in terms of the Leader of the Opposition, who is prepared to cave in to union demands and to in fact allow to remain in place this sort of intimidation and thuggery and, indeed, possibly bribery as well. What it shows once again is the essential weakness of the Leader of the Opposition when it comes to these matters, his inability to actually stand up for what is right and what is proper—his weakness in every case that he simply bows to the bosses and the thugs of the union movement.

Iraq

Mr RUDD (3.06 pm)—My question again is to the Minister for Foreign Affairs. I refer to his answer to my last question, when he referred me to answers delivered by his officials to Senate estimates. Will the minister confirm that in fact his officials have been gagged in Senate estimates when asked questions on this matter? Will he confirm that the reason which officials gave for not answer-
ing questions on this matter was that these matters were being handled by the Cole inquiry? Minister, why have you once again failed to tell this parliament the truth when you know that the Cole inquiry has no powers to investigate companies which are not mentioned in the Volcker inquiry?

The SPEAKER—Order! The member for Griffith will rephrase that question.

Mr RUDD—Mr Speaker, I asked why he had not told the truth. It is a matter for the minister to respond as to whether or not he has.

The SPEAKER—Either the member for Griffith will rephrase the question or I will rule it out of order.

Mr RUDD—You find the truth just a huge joke, don’t you, Mr Downer? Will the minister, on the basis of his answer to the last question posed to him in this parliament, stand up and confirm that his officials have been gagged in Senate estimates on this and that the Cole inquiry has no powers whatsoever to investigate these matters?

Mr DOWNER—First of all, the honourable member asked me about the truth and I think I demonstrated in answer to my question about the ONA that the member for Griffith had indeed not been telling the truth about the ONA. The first thing is that the member for Griffith—

The SPEAKER—Order! The minister made an allegation about the member for Griffith which he will withdraw.

Mr DOWNER—I withdraw, Mr Speaker. The second point that I would make is that this is a matter that is being investigated by the Australian Federal Police. The Federal Police have asked—

Mr Rudd—Mr Speaker, I rise on a point of order: on the question of relevance—

The SPEAKER—The minister has only just begun his answer. He is in order.

Mr DOWNER—The second point I would make is that the Australian Federal Police are investigating these matters, and they obviously do not want their investigation compromised and have asked for it not to be compromised. I would have thought there were two things about this. First of all, nobody is guilty of anything until they have been charged and convicted. All this is is a police investigation—

Ms Hoare interjecting—

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

The member for Charlton then left the chamber.

Mr DOWNER—The second thing is that it is the right thing to do, if there are concerns, to have the police investigate those things and that is it. If the Labor Party wants to compromise the investigation but apparently wants the truth to come out—

Mr Rudd interjecting—

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

Mr DOWNER—Those two things do not stack up. If you want these issues dealt with and resolved, they should be done so following due process in order that the investigation can be fully effective. There is no point in compromising the investigation just so you can make some childish party-political point. I would say to the Labor Party on these issues: when it comes to telling the truth—

Ms Gillard interjecting—

The SPEAKER—Order! The member for Lalor is on thin ice!

Mr DOWNER—There is a long record over the last 12 months of some egregiously dishonest things having been said by the Leader of the Opposition—and indeed the member for Griffith—and due process
should be followed. And you would think that somebody who wants to be the Prime Minister of Australia would lead a political party that wanted to follow due process, but apparently not.

*Mr Beazley interjecting—*

*Mr Downer—* Mr Speaker, I ask that the Leader of the Opposition withdraw that reference to me.

*Mr Beazley—* I withdraw ‘Deal with this idiot.’

**The Speaker**—The Leader of the Opposition will withdraw without reservation.

*Mr Beazley—* Mr Speaker, what do you want me to withdraw—‘this idiot’?

**The Speaker**—The Leader of the Opposition will withdraw.

*Mr Beazley—* I withdraw ‘this idiot’.

**The Speaker—** No, just withdraw.

*Mr Beazley—* I withdraw, Mr Speaker.

**Workplace Relations**

*Mr Entsch (3.11 pm)—* My question is addressed to the Minister for Human Services. Would the minister inform the House what the government is doing to get more Australians into work and what initiatives have been undertaken recently, particularly in regional and remote areas?

*Mr Hockey—* I thank the member for Leichhardt for his question and note his interest in jobs. In addition to the $3.6 billion Welfare to Work program, which is going very well, Centrelink has been holding a series of job expos in remote parts of Australia and held one in Mount Isa last week. At that job expo, more than 500 people made their way through over 35 stalls and there were more than 250 jobs advertised. The government believes in matching potential workers with real jobs. The two questions that are being asked by potential workers are these: firstly, ‘Are my wages going to be good?’ Under the Howard government, real wages have increased by more than 16 per cent over the last 10 years. That is a great outcome for Australia’s workers. The second question they ask is: ‘What about my job security?’

*Ms Bird interjecting—*

**The Speaker—** Order! The member for Cunningham is warned!

*Mr Hockey—* In relation to job security, it is a fundamental point that no government can guarantee a job, no trade union can guarantee a job—only economic prosperity can guarantee jobs. That economic prosperity comes about through hard reform—such as reforms of the taxation system, changes in government fiscal policies and the introduction of Work Choices. Work Choices has delivered higher wages. It has delivered more than 205,000 jobs, and it has delivered the lowest level of industrial dispute since 1913.

I met a guy who runs a sugar mill in south Cairns who said that he had put an employee who cuts the grass on an AWA because the fellow had said, ‘My wife works in hospital two days a week and starts work at 6 am, so can I start work at 6 am?’ The boss said, ‘I would love to give you that flexibility.’ That worker who cuts the grass at the sugar mill said amen to AWAs. Then I went to Townsville, to the member for Herbert’s electorate. There he is in the chamber.

*Mr Gavan O’Connor interjecting—*

**The Speaker—** The member for Corio is warned.

*Mr Hockey—* I met an electrician who, because of AWAs, is now able to pick up his kids after school at three o’clock. He said amen to AWAs. Then I went to Bundaberg and met a fantastic number of workers who had signed a collective agreement. They now have a flexibility that gives them better
wages and that responds to their individual needs.

Opposition members interjecting—

The SPEAKER—Order! The minister will resume his seat. The minister will be heard. I call the minister.

Mr HOCKEY—It is a fundamental truth that WorkChoices is delivering flexibility for Australian workers, it is delivering higher wages, it is delivering better job security and it is delivering economic prosperity for all Australians.

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

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Climate Change

Mr HOWARD (Bennelong—Prime Minister) (3.16 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The Prime Minister may proceed.

Mr HOWARD—I was asked a question by the member for McMillan regarding investments in clean coal technology and I mistakenly said that the Commonwealth contribution to the Callide power station was $187 million. That is the value of the project. The Commonwealth contribution, out of the $500 million low-emission technology fund we announced a couple of years ago, was $50 million. I also may have mistakenly said that real wages were rising at 16.4 per cent a year. I know it is good, but it is not that good. It is 16.4 per cent over the 10½ years we have been in government.

QUESTIONS TO THE SPEAKER

Department of Parliamentary Services: Annual Report

The SPEAKER—Yesterday the member for Grayndler asked me about the annual report of the Department of Parliamentary Services, which reports three of its targets—energy consumption, water consumption and greenhouse gas emissions—were not met in 2005-06. These targets were set internally by the DPS, with the clear aim of improving its environmental performance. When the targets were set it was recognised that it would be a challenge to meet them in the first year because they require a range of innovative approaches to the department’s operations. The annual report provides clear explanations for the increases in water and energy use and greenhouse gas emissions for 2005-06 and I will refer to them in turn.

With respect to increased energy use, in 2005-06 parliament met on 17 more days than in the previous year, which was an election year. As well, in 2005-06 there was an increase in the responsibility of DPS to cover street lighting on Parliament Drive and, as members may recall, it was the coldest autumn in Canberra since 1967. Even so, during 2005-06, the total energy used in Parliament House was the second lowest since the building opened in 1988.

The increased greenhouse gas emissions are directly related to the increased energy use. The increased water consumption can be attributed to major landscape redevelopment after completion of the security enhancement project, the need to replace turf and plants lost during the drought and an unusually dry summer. Evaporation loss in the ACT for the period from 1 December 2005 was 1,082 millimetres compared to the long-term average of 793 millimetres. Throughout the drought, at the President’s and my direction, Parliament House has met the water savings targets of the ACT government. Currently, DPS planners are working on a new water strategy, and a new energy strategy will also be developed this year. DPS has recently signed a new electricity contract under which the department’s purchase of ‘green’ energy
will rise from 10 per cent to 25 per cent of the total energy purchased.

Since this building opened in 1988, electricity consumption has been reduced by 36 per cent, gas consumption has been reduced by 71 per cent, carbon dioxide emissions have been reduced by 45 per cent, and total energy consumption has been reduced by 55 per cent. Incidentally, around 63 per cent of the paper used in Parliament House is now recycled. Parliament House has, in fact, won major awards—including from the Greenhouse Office and the Institution of Engineers Australia, which recognise energy and greenhouse emission reductions.

Finally, as building occupants, I encourage all members to play their part to save energy and water whilst working in this House. It is, of course, a responsibility for all of us.

PERSONAL EXPLANATIONS

Mr BEAZLEY (Brand—Leader of the Opposition) (3.20 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr BEAZLEY—Yes—serially and grievously.

The SPEAKER—Please proceed.

Mr BEAZLEY—I have been misrepresented by two sets of people about the same issue. Firstly, on the front page of the Australian today, and then by the Prime Minister in his remarks to his opening question today. Both the article and the Prime Minister allege that I am opposed to clean coal technology or that I have diminished its significance. They went on at considerable length. It is an extraordinary statement. I have been defending the importance of clean coal technology as being at the heart of our greenhouse response for a very long time. Yesterday, for example, I said that we have to be a country of clean coal. We also have to be right up there in lights, getting to grips with clean coal, to be a world leader—

The SPEAKER—The Leader of the Opposition has shown where he has been misrepresented.

Mr BEAZLEY—That is it, Mr Speaker. It also features in our blueprint, which we released some time ago. I discover that I advocated it in 1994—

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

QUESTIONS TO THE SPEAKER

Procedure Committee Inquiry

Mr McMULLAN (3.21 pm)—Mr Speaker, my question is to you but can I first, in response to your statement with regard to water savings, congratulate you. The first part of the water strategy is working—it is raining today. Congratulations on that. My question is with regard to the inquiry of the Senate Standing Committee on Procedure into question time. This is an initiative which I welcome as it is responding, as you know, to a great public interest on that matter and there have been representations to a lot of members—and I am sure to you as well as to all of us—about that. Is it open to members of the public to make submissions to that inquiry and, if so, what steps will you be taking to ensure that interested members, including those who have written to you, are made aware of that inquiry?

The SPEAKER—I thank the member for Fraser. I believe that is a point he should raise with the Chair of the Senate Standing Committee on Procedure and see whether she would accommodate his request.

PERSONAL EXPLANATIONS

Mr DANBY (Melbourne Ports) (3.22 pm)—Mr Speaker, I wish to make a personal explanation.
The SPEAKER—Does the honourable member claim to have been misrepresented?
Mr DANBY—Yes.
The SPEAKER—Please proceed.
Mr DANBY—During question time, the Prime Minister responded to my question about the Parliamentary Secretary to the Minister for the Environment and Heritage denigrating Australians concerned with global warming as latte drinkers. The Prime Minister claimed that the Newspoll I cited was an online poll and sought to minimise its credibility. In fact, the Newspoll I cited, a climate change study, was conducted nationally amongst 1,200 respondents by fully trained and personally briefed interviewers and was postweighted by the Australian Bureau of Statistics by data on age, highest level of schooling, sex and area. I seek leave to table the Newspoll.

The SPEAKER—Leave granted.

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Workplace Relations

Mr HOWARD (Bennelong—Prime Minister) (3.23 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.
The SPEAKER—The Prime Minister may proceed.

Mr HOWARD—It was a question that was asked by the opposition, so I thought they would be interested. It was the question relating to the Tristar employees. This is the advice I have received from my office and it has come from the Department of Employment and Workplace Relations. The Tristar employees are employed under a pre-Work Choices union negotiated collective agreement. Under those rules, if the company had sought to terminate the agreement, it would need to be terminated under the rules applied in the pre-Work Choices legislation, and that is a decision of the Australian Industrial Relations Commission. The Australian Industrial Relations Commission will agree to the termination only if it is in the public interest to do so under the old rules. I might also add that it should be remembered that that company is in financial difficulties because of the behaviour during the 2000-03 industrial campaigns of the relevant union. In other words, this really does not have anything to do with Work Choices.

PERSONAL EXPLANATIONS

Mr RUDD (Griffith) (3.24 pm)—Mr Speaker, I wish to make a personal explanation.
The SPEAKER—Does the honourable member claim to have been misrepresented?
Mr RUDD—Yes.
The SPEAKER—Please proceed.
Mr RUDD—I have been misrepresented in two particular areas. Today in question time the Minister for Foreign Affairs said that I had been untruthful when I said that I had been untruthful when I said that the Office of National Assessments had not done an assessment on Iraq within the last 12 months. The following brief exchange occurred in Senate estimates on Monday of this week when the Office of National Assessments appeared before a Senate estimates committee. The questions to the director of the ONA were:

Senator CHRIS EVANS—When was the last time you did one on Iraq?
Mr Varghese—Probably a year ago.
Senator CHRIS EVANS—Around October 2005?
Mr Varghese—I would have to check.
Senator CHRIS EVANS—Roughly a year ago—is that right?
Mr Varghese—In the last quarter of last year.
That, I think establishes the case.

On the second issue of a misrepresentation today, the foreign minister said that my question concerning the six Australian companies now being investigated by the AFP over possible breaches of Australia’s sanctions obligations to Saddam Hussein’s regime in Iraq potentially compromised the AFP investigation. The question I asked the foreign minister dealt with whether or not the minister or his department had approved any such contract. The question did not ask any matter of detail concerning the activities of these corporations. In fact, the minister is seeking to hide behind the AFP in order to avoid parliamentary accountability.

The SPEAKER—The member has made his personal explanation.

QUESTIONS TO THE SPEAKER

Questions in Writing

Ms MACKLIN (3.26 pm)—Mr Speaker, I seek your assistance under standing order 105. On 29 November 2005, I asked question No. 2734 of the Minister for Education, Science and Training and question No. 2735 of the Minister for Families, Community Services and Indigenous Affairs. I would be grateful if you would write to the ministers and request reasons for their delay in answering these questions, especially when all their ministerial colleagues have answered similar questions.

The SPEAKER—I thank the Deputy Leader of the Opposition. I will follow up her request.

DOCUMENTS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.26 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:

Teaching Australia—Australian Institute for Teaching and School Leadership—Report for 2005-06.

Debate (on motion by Ms Gillard) adjourned.

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.27 pm)—I present documents on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House.

Gosford Hospital obtaining an MRI licence—from the member for Shortland—22 Petitioners
The installation of a mobile phone facility in Lane Cove—from the member for Warringah—174 Petitioners
The inclusion of the drug Taxotere on the PBS—from the member for Ballarat—2112 Petitioners

SPECIAL ADJOURNMENT

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.27 pm)—I move:

That the House, at its rising, adjourn until Monday, 27 November, at 12.30 pm, unless the Speaker fixes an alternative day or hour for the meeting.

Question agreed to

MATTERS OF PUBLIC IMPORTANCE

Workplace Relations

The SPEAKER—I have received a letter from the honourable member for Brand proposing that a definite matter of public importance be submitted to the House for discussion, namely:
The Government’s attack on wages and conditions at a time of rising interest rates.

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

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

Mr BEAZLEY (Brand—Leader of the Opposition) (3.28 pm)—We have just witnessed one of the most addled and bombastic question times I have seen in a very long time from this government. It was an extraordinary set of performances from the Prime Minister and the Treasurer, marked by complacency, hubris, pathological hatred of the opposition, dishonesty and deceit, massive defensiveness and a sense of entitlement across the frontbench that only they are possible, only they should be and that they need to answer for nothing.

In the course of it, as usual with this Prime Minister and his ministers, they erected a series of straw men, knocked them down and believed they had mounted a defence of their position. One of their favourite straw men was to suggest that when we debated the industrial relations legislation of last year, Labor Party speakers—me, in particular—got up and talked about the sky falling in, mass sackings and horrible things happening immediately. I remember very well the analogy I used for the operation of this act at that time, because it is the analogy I have used ever since—that is, the operation of this act in the industrial relations conditions of ordinary Australians would be like an infestation of termites, slowly crumbling away, and that has precisely been the experience.

Because this government is so deeply dishonest and so appallingly defensive, it is gradually shutting down points of criticism and analysis where embarrassment is likely to occur. We saw another example of it here today. We saw the Prime Minister mocking the member for Perth when the member for Perth stood up and gave a set of statistics from the OEA on their initial survey, last May, of the first set of AWAs under the new regime applying to AWAs, and the impact that those had on the rights and the awards of ordinary Australian workers. I am going to go through those statistics because this is now a very historical and important document. This is the last time we will see the truth. It is the last time the Australian people will have an understanding of this—at least for 12 months. When we get into office of course we will reveal all.

The OEA discovered then, from their sampling of the AWAs to that point, these things: 100 per cent of them excluded at least one protected award condition; 64 per cent of them removed leave loadings; 63 per cent removed penalty rates; 52 per cent removed shift work loadings; 41 did not contain gazetted public holidays; 31 per cent modified overtime loadings; 29 per cent modified rest breaks; 27 per cent modified public holiday payments; 22 per cent did not provide for a pay increase over the life of the agreement; and 16 per cent excluded all award conditions and replaced them with the government’s legislated minimum standards. That was the last time the Australian people had a window on the truth, because those AWAs, as we know, once signed by the businessman concerned and the person who receives them, become secret documents, not to be penetrated by anyone else on pain of a massive penalty and an offence. We saw then, for the last time, the truth of what the government’s legislation was producing for ordinary Australians.

When we went back at Senate estimates to see these figures updated—and remember there are many thousands of AWAs which have come into place since then—we found that these figures are no longer being col-
lected. This is pure eastern European circa 1950s Stalinism—pure Stalinism; that’s all there is to it—in which information is simply shut down because the truth is inconvenient. The truth goes to the heart of the malevolence of this minister—inoffensive though he is, largely, as a human being—and the Prime Minister, deeply offensive though he is, when he was still of a mind to do things in other than a totally addled way.

We now have a circumstance where the government cannot be trusted with the basic living conditions of ordinary Australian families, and that is the subject of our MPI today. This government has massively breached trust. This government has turned against Middle Australia. On the industrial relations front, the government said nothing in the last election campaign about what it intended to do, but it has introduced a system that will enable it to slash wages, smash awards, scrap penalty rates, scrap overtime, scrap shift allowances and scrap redundancy pay. This minister has put in place an infestation—a cancer—in the industrial relations system, which will fatally undermine, over time, the conditions of ordinary Australian workers and therefore of ordinary Australian families, none of it announced during the last election campaign.

That, of course, is not the only piece of deceit that we are dealing with in this MPI. The second piece of deceit—which also goes to the heart of the living conditions of Middle Australian families and the effectiveness of their pay packets in supporting their aspirations in life—is that statement made by our political opponents that they would keep interest rates at historical lows. You have to understand, absolutely, that families of Middle Australia are paying more for their mortgages under John Howard than they ever were under any of his predecessors, and that includes Paul Keating. They are paying more for their mortgages.

The Prime Minister gets up here in this chamber and he thinks he has a defence in talking about 17 per cent versus eight per cent or whatever. The simple fact of the matter is this: the interest rates now being paid by Australians take a higher percentage of their income than was ever the case while Paul Keating was in office. The Prime Minister conveniently forgets one other piece of history, and that is that when he was last Treasurer interest rates rose to 22 per cent and had to be dealt with, in that particular instance, by small business.

The simple fact of the matter is that, as a result of these interest rate rises, families are having to close down their activities very quickly indeed. Interest rate rises will affect the family holiday at the beach. They will affect the kids’ sport. For those who are heavily mortgaged—and many have been encouraged to be heavily mortgaged by this government—this is going to be a lean Christmas.

The member for Wentworth has suggested what I have just had to say is overdramatisation. The members for Hughes and Herbert say the rise is unimportant to their constituents. We all know that the Treasurer has said that he will not be concerned because he thinks that any rate below 10 per cent is low. Young families in our capital cities find themselves these days burdened with payments on mortgages of upwards of $300,000 and they find also that household debt has ballooned to 150 per cent of household disposable income. What we are watching here
is a picture of aspirational Australia trying to get on top of what they need to do now to pay for the school fees, trying to get on top of what they need to do now to pay for childcare fees, trying to get on top of what they need to do now to pay for health benefits and trying to get their families into a situation where they can have a decent roof over their heads that gives their family a capacity to grow.

The consequence of all of that is that they have borrowed to the eyeballs, and many of them may have made that calculation over the last five years. Many of them have made that calculation on the basis of what they have heard from the propaganda of the Liberal Party and the Prime Minister when they have said things like, ‘We will keep interest rates at historical lows,’ when they have said things like, ‘Keep re-electing us and you’ll be able to do these things,’ or when they have listened to the Liberal Party propagandists urging them to take up things like private health insurance and the opportunity to send their kids to private schools.

When they have listened to the Liberals and to John Howard, they have listened with belief. They have believed that John Howard would never turn against them, that John Howard had their interests in mind, and now they have discovered the ideological John Howard. Now they have discovered the Howard of the big end of town. Now they have discovered, after 10 years in office and a tonne of hubris on the part of this Prime Minister, what he really means to them, and what he really means to them is growing hardship.

The Prime Minister compounded all of this a week ago when he went into the radio station to send the clearest possible signal to the Reserve Bank. The Prime Minister does not do anything without calculation. He particularly does not go on at great length in an interview about interest rates unless he means a message to get out. What the Prime Minister said to the Reserve Bank was this: ‘Raise the rates. A stitch in time saves nine. Raise the rates. You have the Prime Minister’s clearance. Get out there and do it. We want the rate raised before Christmas’—in the hope, of course, that a rate rise will not be necessary next year. What was he worried about here? What he was worried about here was simply this.

Ms George—Survival.

Mr BEAZLEY—He is about political survival. He is about—hopefully, from his point of view—creating a set of conditions where Australians will not be reminded again of his broken promise next year, short of the election. The only people who do not matter in this are the Australian people. The only people who do not matter in this are the people paying the mortgages.

Did we see the Prime Minister stand up and say, ‘We have the second highest interest rates in the industrialised world, Reserve Bank—don’t act any further’? Did we hear the Prime Minister stand up and say, as the Treasurer has been saying, ‘We’re going backwards in growth terms’? He says that is because of the drought, but he also now appears to think it is because Australians are saving more. Did we hear any of that constraint from the Prime Minister? No, no. We heard the Prime Minister’s pure political calculation: ‘Raise them now, fellas. Raise them now. Get this monkey off my back before Christmas. Do it under the cover of the Melbourne Cup but get on with it.’ ‘Slug them,’ is what the Prime Minister said to the Reserve Bank. So we have this one-two punch now in operation—a whack from the Prime Minister with a clear signal to the Reserve Bank: ‘Don’t worry about my promises and undertakings on historical lows. Rack them up and make sure things are okay politically.
next year. And then there is the second punch, which we’ll also conceal.’ This will be a rabbit-killer from behind, and that is what happens with the industrial relations laws.

If this government were honestly proud of what it was doing in the industrial relations laws, if it believed that these AWAs were about bringing conditions up as opposed to putting them down, it would be proud of the statistics that it could produce. There is only one reason to conceal these AWAs, and it is not the truth. The reason to conceal these AWAs is to protect the political position of the government. We are going to fight this government right the way down to the line to the next election. The Australian people understand this is no longer the government of Middle Australia; this is a government of deceit and for the big end of town. It is the Labor Party now that stands for Middle Australia, the Labor Party with their future our concern. (Time expired)

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.43 pm)—When I hear the Leader of the Opposition I am reminded of that television show The Weakest Link, because the reality is that that is what we have in the Leader of the Opposition. It is interesting this afternoon that he comes in here and wants to pretend that things which he said in the past year about industrial relations changes he did not say. He said today at the outset of his speech: ‘I didn’t say that the sky would fall in. I didn’t say that there would be mass sackings.’

Ms Annette Ellis—He didn’t.

Mr ANDREWS—Let me take you to a few quotes. I am interested that the member opposite says he did not say that. Let’s actually see what the Leader of the Opposition did say. In relation to productivity growth:

... there is no productivity agenda here.
National Press Club, 1 February this year.
Or:
This will hurt the economy.
Kim Beazley, the Leader of the Opposition, on ABC’s PM program just on 10 October last year. On industrial disputation he said in a speech to the Tasmanian ALP state conference on 6 August 2005:
These extreme changes risk dragging us back into an era of heightened industrial conflict.
Let’s turn to wages growth. Again, let me quote what the Leader of the Opposition said. This was at a press conference on 10 October 2005:
This is about slashing wages; make absolutely no doubt about that.
On 28 March of this year, the member for Perth—I will come to him in a moment—said that the minimum wage would go down. On the issue of jobs, we have the Leader of the Opposition reported on the AAP news wire service on 23 October 2005 as saying that these changes would not lead to the employment of more Australians, yet he comes in here today and says, ‘I didn’t say that the sky would fall in. I didn’t say that there would be mass sackings.’ The reality is that when you go back through the record—and we keep records about the Leader of the Opposition—to what he has said in the past, what he said to the Australian people and to the workers of this country and their families was that these changes would lead, in effect, to the sky falling in so far as their economic future was concerned.

He even says today, ‘What I was saying was that this would lead to a slow crumbling away of your conditions.’ Let us even accept that for a moment and take the charges as they were made against Work Choices by the opposition. The first charge was in relation to jobs. As I said, the Leader of the Opposition was quoted as saying that these changes
would not lead to the employment of more Australians. Let me take a few other statements that were made by representatives of the labour movement in Australia. Mr Greg Combet, the secretary of the ACTU, said on the John Laws show on 2UE radio on 27 March of this year:

Laws: You don’t agree that these changes would provide any sort of job growth?
Combet: Oh I can’t see it.

What about Bill Shorten, famously quoted—perhaps infamously, some would think now—in Workplace Express on 26 May 2005:

Make no mistake: today is green light for mass sackings.

Here is Mr Shorten, a celebrated union official in Australia, saying that the Work Choices package would be a green light for mass sackings in Australia. What has happened? Again we hear the Leader of the Opposition saying that this is a major insult to Middle Australia. That is what he said today. Let us have a look at Middle Australia in terms of jobs growth since Work Choices came into operation on 27 March: 205,000 jobs have been created in Australia in the months of April through to September of this year. Let me put this in historic context: the average jobs growth in Australia for the months of April through to September for the past 20 years has been about 75,000 jobs.

At a time when Mr Beazley and the union movement were saying that this would lead to a reduction in jobs in Australia, we have seen almost three times the average number of jobs created in Australia in the last six months. We see that reflected in the unemployment rates. We have a 30-year low unemployment rate in Australia of 4.9 per cent, having falling to 4.8 per cent, and the highest participation rate—that is, the highest number of Australians confident to go out there and seek a job—that we have had in Australian history. The first charge that the Leader of the Opposition made against Work Choices was that it would slash jobs—even though he wants to run away from it today because the inconvenient truth is that this has led to greater economic conditions for Australians—and that has been proven to be totally and absolutely wrong.

Let me go to the second core criticism that was made of Work Choices: it would slash wages. The Leader of the Opposition said at his press conference on 10 October of last year:

This is about slashing wages; make absolutely no doubt about that.

Surely that was saying that the sky was going to fall in for workers in Australia. I remind the member for Perth, who is no doubt following me in this debate, of what his media release from March of this year said:

... the Minimum Wage will not rise in real terms under the Australian Fair Pay Commission.

What have we seen? Let us look at the empirical data—not the claims that I am making, not the claims that the opposition is making—about what has happened since Work Choices came into operation. The Australian Bureau of Statistics labour price index shows that total rates of pay, excluding bonuses, increased by 1.1 per cent in the June quarter of 2006 and by 4.1 per cent over the year to the June quarter. Here we have the ABS data—the official collection of data in this country—showing that wages, on an annualised basis, are increasing by 4.1 per cent. If you look at the data relating to collective agreements in Australia, what it shows is that collective agreements have wage increases built into them, usually in the area of four to 4½ per cent. It is hardly a slashing or dragging down of wages in Australia.

As the Prime Minister pointed out in question time today, real wages for Australians
over the past 10 years have increased by 16.4 per cent. Let us compare that to the previous 13 years of Labor government, including the time when the Leader of the Opposition was last co-responsible for the economy of Australia as the Minister for Finance and the Minister for Employment, Education and Training. What happened to real wages when Mr Beazley was last in charge of the economy in Australia? Real wages went backwards over 13 years by 0.2 per cent. In 13 years of Labor government, real wages go down. In 10 years of a coalition government, real wages have gone up by 16.4 per cent. I ask Middle Australia: which outcome would you prefer? The Leader of the Opposition says today that this is some assault on Middle Australia. The reality is that this has been to the advantage of Australians. On top of that, we had the recent decision of the Australian Fair Pay Commission.

Had you stopped to listen—if you were not one of those Australians that had given up listening to what the member for Perth and the Leader of the Opposition have been saying about these things because they have been caught out so many times misleading in their comments about industrial relations—over the last few weeks and months to the Leader of the Opposition and the Labor Party, their clear and simple message about the Australian Fair Pay Commission was that it would drive down wages in Australia. What did we have last week? The Australian Fair Pay Commission came out and awarded a $27.36 increase in wages not just for those on the federal minimum wage but also for those earning up to $700 a week. In other words, about one million of the lowest paid award-reliant Australians are getting a $27.36 increase in their wages as a result of the Fair Pay Commission, and for about another 250,000 Australians who are award-reliant and earning more than $700 a week—remembering that these days most people are not award-reliant; they are on agreements because they are better off—there was a $22 increase in their wages as well. Is this the driving down, the slashing or the green light for wages going backwards in Australia? Hardly. Once again, wages have been going up. So the second charge, the second core criticism that is made of Work Choices, namely that it would drive down wages for Australians, has also been proven wrong.

Let us go to the third criticism that has been made over the past few months about the Work Choices legislation: that it would lead to heightened industrial disputation in Australia. Again, let me quote, so that nobody thinks I am making this up or putting words into the mouths of those opposite in the Labor movement. The Leader of the Opposition told the ALP state conference in Tasmania: These extreme changes risk dragging us back into an era of heightened industrial conflict.

Or Senator George Campbell, on AAP:

... the sort of relationship that’s now been established in the workplace is going to encourage that sabotage to take place ...

Let us look again at empirical data produced by the Australian Bureau of Statistics in relation to what has happened to industrial disputation, strikes and the like in Australia. The June quarter of 2006 revealed that there were just 3.1 working days lost per 1,000 employees, which is the lowest quarterly rate of disputes ever recorded in this country by the Australian Bureau of Statistics. Let me put this in context. If you go back to when the Leader of the Opposition was the minister for employment in Australia in the early nineties—although some of us think he was the minister for unemployment at that time—
there were 104.6 working days lost per 1,000 employees in December 1992. We are comparing 104 working days lost per 1,000 employees in the latest data from the ABS. And yet the claim was made that this would lead to greater industrial disputation and a dog-eat-dog environment in Australia. The opposite has occurred as a result of the workplace changes that we have put in place, not just recently but going back to 1996 as well. So on the third criticism, that there would be greater industrial disputation—not on my say so or on my colleagues’ say so but on the data produced officially for us, as it is year after year, by the Australian Bureau of Statistics—the data shows that, once again, the criticisms made by the Leader of the Opposition and those around him have simply been wrong.

The Leader of the Opposition has also criticised Work Choices on productivity growth. He said to the National Press Club on 1 February this year: ‘There is no productivity agenda here.’ He said on PM, on ABC Radio: ‘This will hurt the economy.’ Let us again look at the data. Don’t believe me; look at the ABS data that has been produced. Figures released yesterday show that labour productivity grew by 2.2 per cent this financial year. So labour productivity is growing in this financial year under these changes that have been put in place. And there is other data beyond that. When you strip away all the frenzied rhetoric that comes from the Leader of the Opposition and go to the core criticisms of Work Choices, the reality is that they have been proved wrong.

Take retrenchments, for example. The latest data on retrenchments shows that the number of retrenchments is 58 per cent lower compared with when the Leader of the Opposition was the minister for employment in the Hawke-Keating-Beazley Labor government back in the early 1990s. So, whether we are talking about jobs growth, wages growth, industrial disputation, productivity growth, retrenchments in the economy or the unemployment rate—six critical measures of the Australian economy—on each of these measures the claims that were made by the opposition in relation to these matters have been proved to be absolutely wrong. Yet we had the Leader of the Opposition come in here today and say that this is an assault on Middle Australia. This could only come from somebody who said in the early 1990s that he had given up on the unemployed in this country. He said words to the effect that the employment portfolio, which he then had, was the one that he had the least interest in of all the portfolios that he had had.

One thing that you never hear about from the opposition is job creation. You never hear about how we grow the economy in this country. It is economic growth that creates jobs in this country. It is the ability of people to get out and have a go, which is what this is all about. People want to be able to get out, have a go and be rewarded for having a go. Yet what the Labor Party would do with their radical re-regulation of the workforce in Australia would take away those incentives from ordinary Australians.

Ordinary Australians know, on the basis of their experience, what has happened as a result of this government’s policy. There is a great disconnect between what the Leader of the Opposition rants on about in this place each day and what ordinary Australians know. We will continue to make the changes necessary to make the reforms, because they are about the future of this country. We are about the future of this country. We are about the national interest. Regrettably, the Labor Party is still about the vested interests of its union bosses.

Mr STEPHEN SMITH (Perth) (3.58 pm)—This MPI is very straightforward: it is
cost of living up, take-home pay down. In question time the Prime Minister was questioned about seven consecutive interest rate increases. His response to that was to say that the economy is magnificent. The magnificent seven interest rate increases! That is the Prime Minister’s message to working Australian families. That is the Prime Minister’s message to Middle Australia.

We have inflation up, interest rates up and the grave danger that the Reserve Bank next week will increase interest rates on the eighth consecutive occasion. Why does the Reserve Bank say there is upward pressure on inflation and interest rates? Because of the government’s complacency on skills and infrastructure. Its complacency on skills is putting upward pressure in the wages area where there are skills shortages and its complacency on infrastructure is causing capacity constraints. So to those Australians working hard, battling to make ends meet, trying to pay their mortgages, trying to pay the cost of putting food on the kitchen table and trying to pay for their childcare, the Prime Minister is saying: ‘Next week, Melbourne Cup day, when the Reserve Bank meets—seven magnificent interest rates increases.’

When it comes to the capacity of working Australians to meet that cost and that burden, the government’s approach is to say, ‘We’re going to attack your take-home pay, we’re going to attack your penalty rates, we’re going to attack your overtime payment, we’re going to attack your leave loading and we’re going to attack your shift allowance.’ How do we know that is the government’s approach to take-home pay? Because at Senate estimates at 9.20 today we saw a red-hot scandal, a red-hot cover-up. At 9.20 today the government refused to allow the Senate, the parliament and the Australian people to have the evidence—the government’s own empirical data, the government’s own statistics—about the government’s attack on take-home pay.

This was put to the Prime Minister during question time today. The first time we put this to the Prime Minister it was put in a different context. We get used to the Prime Minister being a serial misleader when it comes to industrial relations matters. Every time something is put to the Prime Minister he will blackguard whoever puts it to him. He will do anything, say anything, cover up anything and mislead on anything to try and avoid the adverse political, social and economic consequences of his extreme and unfair industrial relations legislation. In question time the member for Capricornia put to the Prime Minister something she had innocently found on the website of Brisbane law firm Connor Hunter. It said:

The Federal Government’s work Choices amendments offer you the opportunity to reduce your overheads significantly.

Employers can remove award conditions ... without compensating the employee at all. This affords employers the opportunity to reduce weekly pay through making cuts to penalty rates, overtime rates, leave loading, shift allowances and other forms of remunerating employees.

The member for Capricornia simply asked the Prime Minister, ‘They’re right, aren’t they?’ He would not answer the question and he went on like a blackguard. Why would he not answer the question? Because on 29 May the Office of the Employment Advocate provided to Senate estimates all the evidence, the empirical data, about how AWAs were impacting on the so-called protected conditions. Courtesy of Connor Hunter, other firms and our own analysis, we know that there is no protection. These conditions can be wiped out, for no compensation, at the stroke of a pen. In Senate estimates in May were we told that, between 27 March and 29 May—a period of a couple of months—
per cent of AWAs excluded at least one of the protected award conditions of leave loadings, penalty rates and shiftwork allowances. We heard that 64 per cent removed leave loadings, 63 per cent removed penalty rates, 52 per cent remove shiftwork loadings, 41 per cent did not contain gazetted public holidays and 16 per cent excluded all of the protected award conditions.

No wonder the government did not want the up-to-date information out. The OEA could give it out on 29 May, but they cannot give it out today. Why is that? Because the government knows that the adverse implications which will flow from that empirical data being released will again throw a spotlight on their attack on the take-home pay of working Australians and their capacity to make ends meet through their penalty rates, their overtime, their leave loadings and their shift allowances.

The minister, in his contribution, said: ‘We keep records. The government keeps records. We keep a record of everything that the Leader of the Opposition says and we make it public.’ They also keep a record of what AWAs do, but they refuse to make it public. They engage in red-hot cover-ups—a scandal of the highest order.

Ms Plibersek—Where is the data?

The DEPUTY SPEAKER—The member for Sydney has been warned!

Mr STEPHEN SMITH—The minister also said it is important to look at the empirical data. You have the empirical data, you just refuse to release it at Senate estimates.

Mr Albanese interjecting—

The DEPUTY SPEAKER—I would have thought the member for Grayndler might have learnt something yesterday.

Mr STEPHEN SMITH—You have the empirical data but you refuse to release it because you know that it shows an attack upon the take-home pay of working Australians. In his contribution, the minister also referred to the minimum wage. When the Fair Pay Commission last week awarded $27 to Australia’s lowest paid employees, no-one was more surprised than John Howard and Kevin Andrews. No-one was more surprised than the government. And do you know why? Because if the government’s submissions to the Australian Industrial Relations Commission had been agreed to, on Thursday the minimum wage would have been $50 a week, or $2,600 a year, lower. If ACCI’s submissions—and I very much enjoyed their dinner last night—had been agreed to by the Industrial Relations Commission, the minimum wage would have been $95 a week, or $4,490 a year, lower.

Over the last decade, the government has continually been making submissions that seek to reduce the minimum wage. In its formal submission to the Fair Pay Commission less than three months ago, the government said:

For example, a 10 cents per hour increase in all minimum rates is estimated to reduce employment by 0.33 per cent or 32,800 jobs.

In other words, the government’s submission to the Fair Pay Commission was that, if you increase the minimum wage by $27, as the Fair Pay Commission did, you will increase unemployment by 236,000 jobs—because for decades the Prime Minister, the Liberal Party and the Howard government have been saying to the Industrial Relations Commission that if you increase the minimum wage you will automatically increase unemployment. No wonder we saw such an adverse reaction from the ACCI, which has also held that view.

The government’s response to the Fair Pay Commission decision was massively hypocritical. For a decade the government has been saying to the Industrial Relations
Commission, ‘Reduce the minimum wage.’ If the government’s submissions had been agreed to, the minimum wage would be $2,600 a year lower. And do not let anyone be fooled as to the magnitude of this increase. The government uses the headline figure, but, over a 12-month period, in September 2006 dollars this is actually a 0.7 per cent increase in real terms in the minimum wage. It is less than that if you take the startup point as being 1 December—which it is. In real terms it is half the average increase in the minimum wage over the last five years and the equal second lowest increase in a decade. That is the real increase in the minimum wage over the last 11 years. The increase we saw last week—0.7 per cent in real terms—was the equal second lowest in a decade and the lowest in five years.

This government is engaged in an attack upon the take-home pay of working Australians that is primarily focused on penalty rates, leave loadings and shift allowances—all the take-home pay components that working Australian families have relied upon for so long to make ends meet. The government, having been sprung on that when it released the empirical data in May, is now engaged in a red-hot scandal and cover-up today.

The Prime Minister is a serial misleader when it comes to industrial relations matters. He told the Australian public, at the Liberal Party’s launch of its industrial relations policy in 2004 at the last election, that he would make no changes to these so-called ‘allowable matters’—no changes to the things that he now refuses to release information about. Do you know why? Because he has got his magnificent seven interest rate increases, with penalty rates, leave loadings, shift allowances, take-home pay components and public holiday penalty rates all down. That is the Howard government’s and the Liberal Party’s formula for working Australians: cost of living up, take-home pay down—and they will cover up anything to avoid that conclusion being drawn. They will do anything, say anything, mislead on anything and cover up anything to avoid that conclusion being drawn, but that conclusion will be made by the Australian public at the next election.

(Time expired)

Mr BARRESI (Deakin) (4.08 pm)—The Leader of the Opposition and the member for Perth and all their fellow travellers on the other side of the chamber are again engaging in the absurdity and farce that they are fast becoming famous for: making wild claims and broad generalisations. But as always there is nothing of substance. The inconvenient truth for the Leader of the Opposition is the fact that real wage increases have taken place since this government came into power 10 years ago and since the start of WorkChoices on 27 March this year.

The inconvenient truth is the 205,000 jobs that have been created since March. For the same comparable period for the last 20 years an average of 79,000 jobs have been created. So we have seen a real increase in jobs: 205,000, compared to an average of 79,000 over the same period of time for the last 20 years, and 184,000 of these have been full-time jobs. The inconvenient truth is that the participation rate in this country is 64 per cent. There are more people in jobs and there are more jobs available for people who are seeking work. The inconvenient truth for the Leader of the Opposition is that unemployment is at a record low and industrial disputation is low. The inconvenient truth for the member for Perth is that unemployment is at a record low and industrial disputation is low. The inconvenient truth for the member for Perth and the Leader of the Opposition is that we have seen the Fair Pay Commission, the very commission that they derided and want to abolish, come down last week with a wage increase of $27 per week. How can this possibly be construed as an attack on wages and conditions? It shows how out of touch the ALP is with working Australians. In a mo-
ment I will contrast the record of the government with that of the member for Brand, but firstly there are a few things that need to be said.

This opposition has now started a new fear campaign. The Leader of the Opposition, in his contribution to this MPI debate, started a new fear campaign. Not content with saying that there is going to be mass unrest and disputation, not content with saying that this is going to be a race to the bottom in terms of wages and not content with saying that marriages are going to break up because of Work Choices, he is now saying that people’s summer holidays are going to be affected; people will not be able to go on their summer holiday. I tell you what: if the Leader of the Opposition’s claim has any validity, when I drive down to the Mornington Peninsula this summer, in January, with my children, I will expect to see the beaches vacant. I will expect to see a mass of beaches available to me to enjoy my time with my children. Of course that will not happen, because once again the Leader of the Opposition is going into a fear campaign.

He says that people will not be able to afford their mortgages because of interest rate hikes and because of the attack by this government. Mr Deputy Speaker, I will tell you what the people of Australia can afford: they can afford to take out a mortgage and pay it off. Why can they do that? Because there are 1.9 times as many Australians in jobs under this government than under the previous government. We have seen more jobs created. People are able to have a job, go to the bank and take out a loan if that is what they desire.

In fact, on our visit to Queensland last week, the Hon. Joe Hockey, the Minister Assisting the Minister for Workplace Relations, and I went to a business that negotiated AWAs and collective agreements, a combination of the two, and we actually had the blue-collar employees—diesel mechanics, fitters and tradies—say to us, ‘We have all moved from casual to full time without losing any of our conditions. What this means is we can now go to the bank and ask for a loan.’ These are real Australians who have had their conditions improved because of changes in the industrial relations setting that have enabled them to negotiate better conditions and move from casual to full time. What we have also seen on some of these visits is that the workers, despite a union campaign in some of the workplaces, have refused to join a union. We had one classic case where not one single member of an organisation had decided to take up union membership, despite the fact that a union was picketing that employer’s premises, trying to fight a case. It failed of course.

So we have a new fear campaign. We can add that to the absurdity of what the Leader of the Opposition is on about. The Leader of the Opposition has in fact breached the trust of the Australian public. He says the Prime Minister has breached its trust. Mr Deputy Speaker, let me tell you this: the Leader of the Opposition has done that. He has failed to engage with the Australian public in an honest and open way. The Leader of the Opposition is not able to make one industrial relations policy announcement without running it past the unions—past the ACTU, which determines what is to be the case. He has said he is going to rip up AWAs. These have delivered real improvements in wages and conditions to a lot of the workers that we have met on our travels. He has failed to enunciate industrial relations policy without the consent of the ACTU. In fact, I note that the word ‘accord’ is starting to creep into some newspaper reports. And we all know what took place during the Hawke-Keating era and we all know about the high level of interest rates—17 per cent—and also about
the unemployment level of 12 per cent. He has failed to acknowledge the real benefits that have flowed to a lot of low-income earners in Australia through the Fair Pay Commission’s decision last week.

He has also decided he is going to reintroduce good faith bargaining. Good faith bargaining is a nice term. It has a nice, flowery little image that this is all going to be hunky-dory and we are all going to get on well with each other. What good faith bargaining means is that the unions will have access to your workplace whether one of your employees is a member of the union or all of them are. It means access by the union to the workplace and it means access to the financial records of the organisation. Eventually this so-called good faith bargaining and access to all negotiations that take place will flow through to what is called ‘pattern bargaining’. That means that an employer’s individual circumstances and situation will no longer be taken into account because they will be roped in like everybody else. They will be roped into providing the conditions and wages of every other company in the same industry, regardless of the circumstances at that particular location—regardless of whether it is a location that requires seasonal work and regardless of other circumstances which differentiate it from other organisations.

The Leader of the Opposition has also failed to acknowledge the role that the Office of Workplace Services has provided and the protection it has given to a lot of Australian workers. Since 1997 the OWS has won back over $43 million in unpaid wages for all Australians. Since 27 March this year it has recovered over $5 million for over 3,000 Australian workers. Where it is required, 193 inspectors and officials across 26 locations are out there fighting for these conditions on behalf of employees, and they are also able to initiate prosecutions. The ALP want to abolish this. Why do they want to do that? Do they want to abolish it because the OWS is not doing its job? Are they going to abolish it because it is not recovering unpaid wages? Are they going to abolish it because it is not initiating prosecutions if employment laws are broken? No, they do not want to abolish it for any of those reasons; they want to abolish it because they realise the OWS has filled the gap which the unions believe they should be occupying.

This campaign is all about the union movement’s survival. If members on the other side believe that I am making that up, I only have to recall a conversation last week with an ACTU official who said, ‘We are fighting for our survival.’ He did not say, ‘We are fighting for workers,’ or, ‘We are fighting for workers conditions,’ or, ‘We are fighting for jobs.’ He said, ‘We are fighting for our survival’—the survival of the union movement. It has absolutely nothing to do with the workers and it has nothing to do with creating jobs. In fact, you never hear the words ‘job creation’ come out of the mouth of the Leader of the Opposition; it is all about the union movement and its position. The campaign by the union movement, Your Rights at Work, is a sham and I look forward to making further contributions on it. (Time expired)

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

AUSTRALIAN CITIZENSHIP BILL 2005
Report from Main Committee

Bill returned from Main Committee with unresolved questions; certified copy of the bill and schedule of the unresolved questions presented.

Ordered that this bill be considered at the next sitting.
AUSTRALIAN CITIZENSHIP (TRANSITIONAL AND CONSEQUENTIALS) BILL 2005

Report from Main Committee

Bill returned from Main Committee without having been fully considered; certified copy of the bill presented.

Ordered that this bill be considered at the next sitting.

ABORIGINAL AND TORRES STRAIT ISLANDER HERITAGE PROTECTION AMENDMENT BILL 2005

Second Reading

Debate resumed.

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

Mr HAASE (Kalgoorlie) (4.20 pm)—As I was saying before question time on the Aboriginal and Torres Strait Islander Heritage Protection Amendment Bill 2005, this kind of uncertainty, uncorrected, would discourage overseas institutions from ever allowing items from their collections to be exhibited in Australia. Australia’s reputation as a borrower of cultural materials was damaged by a series of declarations under the Victorian provisions of the act in 2004-05 that stopped Museum Victoria returning Aboriginal artefacts to the UK lenders, despite a certificate under the Protection of Movable Cultural Heritage Act 1986.

The Metropolitan Museum of Art in New York is an example of an overseas institution which owns and displays Aboriginal artefacts. The Arts of Africa, Oceania and the Americas collection contains more than 11,000 pieces, including 40,000-year-old rock paintings and Aboriginal artefacts dating from the 18th century to the 20th century. Another is the Captain Cook Birthplace Museum in Middlesbrough, England. It houses the largest collection of its kind outside Australia, comprising mostly artefacts donated by the Aboriginal and Torres Strait Islander Arts Board of Australia. The British Museum in London has a substantial collection of ethnography dating back to 1798, including weapons, tools and hunting equipment. It was this institution which was embroiled in the previously mentioned incident.

The amendment ensures political correctness does not go mad and damage our international reputation or deny us the opportunity to experience visiting exhibitions. Yes, protecting Aboriginal and Torres Strait Islander heritage is important; but it should not automatically have precedence over actions which benefit all Australians. I commend this bill to the House, but once again I underline the fact that exploration and mining and the resources industry generally are vital for the continued vitality of the Australian economy and the welfare of the people of Australia. It is also vital for future generations of Aboriginal people.

These resources are primarily located in remote areas of Australia that have a substantial population of Aboriginal people. The main bugbear for these communities today is the fact that they have no outlet for real employment. There is also the consideration that presently there is very little readiness and preparedness for job training for specific tasks within the resource development industry. A future change of attitude amongst the populations of those Indigenous communities would see full attendance at educational institutions during the primary years, building a foundation of education that would allow them to go on to secondary school and hopefully in some cases tertiary education.
That would change the tide and allow the resource developers in remote Australia to employ a substantial part of their workforce from those desert communities. This would present a whole new opportunity for employment and all of the self-esteem that comes from being financially independent—something that is sadly lacking at present amongst the general style of desert community.

In commending this bill to the House, of course I have reservations. I know that this proposed act will be used by many to filibuster, to obfuscate and to generally get in the way of the opening up of land for the development of mineral deposits—remembering that 6.5 per cent of the economy of this nation is contributed to by the resource development sector. It is vital that we maintain an understanding of that issue, an issue that is dear to the hearts of the majority of my constituents within the Kalgoorlie electorate.

Far too often I hear stories and solid evidence of various claimant groups making varied decisions about the significance of particular areas of country, such as one group insisting that it is vital and that large sums of money will have to change hands before approval can be given, and then, when negotiations are completed and the exploration company believes that it can legitimately move into country to explore it, because it has approval to do so, at the eleventh hour the company will be thwarted by yet another claimant group insisting that the wrong claimant group was called to advise on the significance of that country and that another heritage survey must be carried out. Of course, that survey will involve, yet again, the payment of persons to carry out a survey. Those persons will need to be supported, in every way, financially for the duration of that survey.

All of this leads to many prospectors walking away from country that they have legitimately taken exploration leases on, and for Australia that means that greenfields are possibly left undiscovered. The impact on the Australian economy in the long term is phenomenal. We have it on good authority that, for a greenfield to come into production, it often takes 25 years from the date of initial exploration. We do not have 25 years to wait for so many of those very important and very rich resources that are being developed and marketed today. We do not have 25 years to wait for future developments and future discoveries; we need to start that process now. Impediments to the process of exploration and the development of greenfields should be addressed. There are many. We suffer from a playing field here in Australia that is not level. We need to have a process whereby exploration is encouraged by investment in the exploration industry—a share known as the flow-through share would enable that to be encouraged. (Time expired)

Mr GARRETT (Kingsford Smith) (4.27 pm)—In the short time available in this debate before the adjournment debate, I rise to speak on the Aboriginal and Torres Strait Islander Heritage Protection Amendment Bill 2005. I will make some general observations about history. Understanding the past and learning the connections that run from the past to the present enables people, and the institutions that they grant power and authority to, to better understand and make sense of the present and to make decent laws in the present which reflect their understanding of the past.

But when you see the past through the prism of ideology you are unable to do that. That is the big issue that lies in this bill before the House because, if you see the past through the prism of ideology, as the Prime Minister consistently does on Indigenous
issues, then what you are attempting to do is to make the past malleable. If there are a set of certainties attached to it that you do not agree with then you try and make the past malleable. This is the stuff of the ‘Thought Police’, a phrase that was brought to prominence in George Orwell’s *Nineteen Eighty-Four* and referred to by the Prime Minister quite recently in his speech to the *Quadrant* magazine anniversary dinner.

I was intrigued that the Prime Minister should refer to Orwell and *Nineteen Eighty-Four* given this legislation before the House and its character, because the subtext of this legislation is the Howard government’s fixation with the reconfiguring the past to suit its present prejudices. That particular way of treating legislation—which is both implicit and explicit in this Aboriginal and Torres Strait Islander heritage protection bill—needs to be commented on, noted and understood not only by those in this parliament but also by those who are listening outside as bills are debated in this House. This legislation needs to be looked at in the context of the amendments to the Environment Protection and Biodiversity Conservation Act, which we have also debated in this House. When that legislation came into the House, the Parliamentary Secretary to the Minister for the Environment and Heritage, the member for Flinders, assured us in his second reading speech that that legislation strengthened the protection of the environment. It does no such thing. In fact the government even voted against a climate change action amendment that we wanted to see made to that legislation.

Debate interrupted.

**ADJOURNMENT**

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

That the House do now adjourn.

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**Mr Peter Norman**

Mr CREAN (Hotham) (4.30 pm)—I rise to acknowledge the passing of a great Australian athlete and a great humanitarian. I speak of Peter Norman, who died suddenly last month at the age of 64. I had the privilege of knowing Peter. Our families went camping together one year.

At his death he still held the Australian 200 metres record, set at the Mexico City Olympics in 1968. That record still stands—20.06 seconds—an amazing achievement almost 40 years later. That time would have won him a gold medal at every Olympics until 1984. Peter won five straight 200 metres national titles from 1966 to 1970. He was in the bronze medal winning team for the four by 110 yards relay at the 1966 Commonwealth Games.

In Mexico City, in setting that unbeaten record, he ran second to Tommie Smith. John Carlos came third. Both were black American athletes. What happened next became a defining moment in Olympic history and the history of the US civil rights movement: Smith and Carlos stood shoeless, heads bowed, with clenched fists raised in a Black Power salute in protest at racial discrimination in the United States—all this whilst the American national anthem was played. Peter Norman stood with them, wearing a civil rights badge. He had earlier suggested to Smith and Carlos that each wear one glove after Carlos forgot to bring his gloves to the podium. It was a powerful and indelible image, flashed around the world.

The actions of Smith and Carlos stirred enormous controversy in the United States. They were sent home the following day. Norman, while not sent home, was heavily criticised on his return, but he remained steadfast in his belief that what he did was right.
Peter was a humble man. He was raised in the Salvation Army and his parents taught him to take care of people who could not take care of themselves. He believed in civil rights. ‘Every man is born equal and should be treated that way,’ he said. And, when put to the test, he rose to the occasion magnificently.

Australian Olympic Committee President John Coates has described Peter as a superb athlete and a man to whom social justice was important. After his retirement Peter continued to contribute to athletics and a range of sports, helping with Olympic fundraising and Olympic education.

Throughout his life, and in that glorious moment in Mexico City, Peter Norman embodied true moral courage and generosity of spirit. Recently in Australia we have been having a debate about Australian values and what it means to be Australian. Peter Norman embodied what is good about Australia and Australians: good humour, respect, tolerance, humility, honesty, moral principle and great courage. We salute him for his great sporting achievements and his values.

He remained good friends with Tommie Smith and John Carlos until his death. They were pallbearers at his funeral. At his funeral John Carlos said:

Peter put his life out there for us all those years ago and carried it to his death. He never flinched. Peter is survived by his second wife Jan and their daughters Belinda and Emma, and by his first wife Ruth and their children Gary, Sandra and Janita. To them I send my condolences.

**Tasmania: Environment**

Mr MICHAEL FERGUSON (Bass) (4.34 pm)—I rise tonight to bring to the attention of the House a potential disaster in the city of Launceston. The city, which is the main population centre of my electorate of Bass, is at risk of being hit by a major flood. This is of great concern to the Launceston City Council and, of course, ultimately every single person living in the north of Tasmania. Later this month the Minister for Local Government, Territories and Roads, Jim Lloyd, will visit northern Tasmania and I have arranged for him to be briefed by council officials on the risks of a 100-year flood event.

A report shows that there is a 40 per cent chance of a flood causing more than $100 million damage in the next 50 years. To consider the effects, we can turn to history. In April 1929 a devastating flood inundated parts of Launceston, forcing more than 3,500 people to flee their homes in just one night. Flood waters converged from east and west on the Tamar Valley, causing the river to rise to record levels. A torrent of water poured through Cataract Gorge, combining with floodwaters from the North Esk, inundating more than 1,000 houses in the low-lying parts of Launceston—we call it Invermay. The major and historic power station at Duck Reach was simply washed away. Throughout northern Tasmania during those frightening days of April 1929, 22 people died.

If the natural circumstances of 1929 were to reoccur, it would simply be a national disaster, potentially again causing loss of life, certainly much more loss of property and without doubt the paralysis of the city of Launceston. For these reasons, this issue does demand recognition and action from all levels of government, including the Commonwealth. While the prime responsibility for Launceston’s flood protection rests squarely with the state government of Tasmania, it still remains a matter for all levels of government to share some responsibility for. The Launceston City Council certainly deserves credit for making the flood levee issue its top priority, and I am committed to continue to work positively and constructively with the council to find a long-term solution.
We as members of parliament cannot afford to sit on our hands. History has taught us, through events like the 1929 disaster and more recently the flooding from Hurricane Katrina in the United States, that floodwaters can be catastrophic, both for the area inundated and indeed for greater surrounding areas which can be paralysed because of the demise of sections of infrastructure such as roads, power, water, sewerage, places of employment and, of course, housing. The Launceston City Council has made fixing the flood levees its No. 1 priority. Its mayor, Ivan Dean, said:

... it’s our number one priority, it’s top of our funding list. And all elected members see it that way. We need to push this forward.

In the early 1970s the state government handed control of the newly built flood levees to the Launceston City Council. An act of parliament enshrined an annual payment of around $150,000 per annum for upkeep. That was unindexed and, more than 30 years later, remains the same. I would say that that decision at that time was an act of abandonment. I do not know and I do not care what party was in power back then, but it simply should not have happened. The Flood Protection Authority should have been left in place with an enduring mandate to protect Launceston from flood. The mayor of Launceston City Council is committed and his aldermen are behind him. The issue ought not be lost on the Tasmanian state government and apparently it is not. In response to a question in state parliament from my state Liberal colleague Sue Napier, Premier Lennon said:

I assure this House, the people of Launceston and particularly the people of Invermay that the Tasmania Government stands willing to contribute with all levels of government, including Canberra, to ensure that there is an effective solution to the flooding risk ...

It is indeed very encouraging to hear the state Premier make this commitment. I thank him for it, and I also thank the Launceston City Council for their strong and obvious commitment. I, too, look forward to working productively with local and state levels of government to help prevent a flooding disaster. This commitment has taken many years too long, but it is welcome, nonetheless. This afternoon, in closing, I call on the federal government to be prepared to seriously consider a call for funding when it materialises and, for the sake of our beautiful city of Launceston, I personally am committed to working this matter through to a successful conclusion.

Member for Lindsay

Mrs IRWIN (Fowler) (4.39 pm)—The Prime Minister abandoned Middle Australia when he won control of both houses. Now, one of his favourite members of parliament, the member for Lindsay, has followed suit. While the member for Lindsay would have you believe that she is working hard for the people of Lindsay, the truth is she has given up. While families in her electorate have their household budget attacked through interest rate increases and their wages cut by the extreme Work Choices legislation and while there is a hike in petrol prices, the member for Lindsay is more concerned about global matters than local matters.

The member for Lindsay has travelled overseas no fewer than three times in the first six months of this year, all courtesy of the taxpayer. In homes across Lindsay, magnets are chasing the bills around the fridge. Meanwhile, their local member is chasing frequent flyer points with overseas travel. Rising interest rates, record petrol prices and
John Howard’s wage-slashing AWAs are all of no concern to the Prime Minister’s favourite member. She was far too busy travelling the world.

The member for Lindsay started off the year well with her calls in January for the Howard government to fix the child-care crisis. She said that ministers should stop ‘doing their own thing’ and work together to respond to the escalating problem. But it was all down hill after that. In March this year she travelled to the USA for 14 days. In April she travelled to Turkey and, again, to the USA. On this trip she spent more than one month overseas. During the budget sittings, the people of Lindsay were on their own, while their member was in the States.

Then, to top this off, she had a European adventure for two weeks in June and July. This was while she tripped the light fantastic on ice. She is the face of the Howard government: out of touch and could not care less. She is more concerned about duty-free purchasing than anything her constituents want to discuss with her. What time did the member for Lindsay have for her constituents during her overseas trips? Who was dealing with the concerns and problems of her constituents? What was happening when the people of Lindsay—decent, honest, hardworking local people—who needed her help were calling, writing or emailing her?

She says that she understands the concerns of the people of Lindsay, but she is truly a world away—three overseas trips, dancing on ice and tending to her multimillion-dollar property portfolio. Like the Prime Minister and her out-of-touch Liberal colleagues, the member for Lindsay has abandoned the very people who put her in parliament. Her constituents back in Penrith have a right to know, and they have a right to ask their member why she would give up on them in favour of jetsetting around the world like a celebrity princess.

I think I know the reason. The member for Lindsay made a judgement that the Prime Minister would step down as captain, which would provide her with a suitable exit as a loyal cabin crew member. Her world excursions were her farewell gift to herself. But the member for Lindsay is in for a surprise: the Prime Minister is staying and now so is she.

So she must now explain why she has spent so much time overseas this year, instead of looking after her electorate. Most families in Lindsay have to choose between making a living and having a family holiday, not what world landmark they want to visit next. But, while they struggle to balance the family budget, the member for Lindsay is swanning around the world and ice-skating. The people of Lindsay voted for a voice in this place—a person who would stand up for them; a member who would work for them. Their farewell gift to her will be to dump her at the next election.

I speak to the people in Lindsay. I actually had the pleasure of working with the people of Lindsay for six years. ‘Bring it on,’ they are saying to me in the high street, in Penrith Plaza, at the Panthers stadium and on the M4 Freeway as they check the petrol prices and wonder whether they can manage the mortgage if they cut down on groceries. They know they are on thin ice and so is the member for Lindsay. Bring on the 2007 election, because the member for Lindsay will not be here in the parliament after that. The member for Lindsay does not deserve it, and the member for Lindsay has definitely let down her constituents.

Miles State High School

Mr BRUCE SCOTT (Maranoa) (4.44 pm)—I rise this afternoon to place on record the wonderful achievement of Miles State
High School in my electorate in winning this year’s federal government Anzac Day Schools Award. For the benefit of people who may be listening who do not know just where Miles is, it is a beautiful little country town that sits on the crossroads of the Leichhardt and Warrego highways—the headquarters of the Murilla shire. It has not always been called Miles; originally, it was called Dogwood Crossing. It was called Dogwood Crossing because it sits on the trail that was blazed by the explorer Leichhardt when he went through that area in 1844. It was not until about 1878 that it was renamed and took its current name, Miles. At that time, the Hon. William Miles was the state member for Maranoa and he was the Minister for Railways. In his honour, Dogwood Crossing was renamed Miles, and that is its name to the present day.

The students of the Miles State High School entered the federal government’s Anzac Day Schools Award this year. I am very proud to represent Miles and, of course, to raise the achievements of the students from the Miles State High School in this place. Not only did they win the national category for all contenders across Australia, they won the state award as well. I will be there with these students on Monday, presenting them with their plaque. I feel very proud and they should feel very proud, as should their parents and the community generally feel very proud of the achievements of the students in a small rural country town that have taken on the nation and larger communities where there is more money and more resources. Here is a little country community with a small high school where the students have won a national award.

The students of Miles State High School have been recognised for their creative project in which they undertook research on the local wartime history and the young people of the time who came forward to serve in the great wars that we as a nation have been involved in—in particular, one soldier, Private Thomas Bush, who was killed at Gallipoli. From the research that they did on Private Bush, they put together a performance entitled, *The Love Letter from Z Beach*. They developed that into a rock eisteddfod. The students presented that performance at Anzac Day in Miles this year.

At the time of the two world wars, 60 per cent of Australia’s population lived outside metropolitan Australia. At any visit to a war memorial, wherever it is—but particularly in our rural communities—I often look at the rolls of honour of those who served our country. I will be saying to the students on Monday when I meet with them and present them with their prize and the plaque that they will receive as part of the award: imagine what it would be like if you took the number of young people who are on the honour roll on your memorial out of your community today. Imagine how it would be. How could you survive? How could the shops continue? How could the farms continue to run? How could the council continue its work?

I think Remembrance Day, which is in nine days time, is an opportunity for us all, for those students in Miles and, I hope, for members of this place when they visit their communities and schools, to look at the names of the people on the rolls of honour who have served our country, and to encourage—as I will the students on Monday; and I am sure they will—the community generally across Australia to give a minute of their time on 11 November at 11 o’clock. I do not believe it is too much to ask to give a minute of our time to remember those who gave their lives. *(Time expired)*

**Procedure Committee Inquiry**

Mr PRICE (Chifley) (4.49 pm)—Today is a rather sad milestone for this parliament and the House Standing Committee on Pro-
procedure. Let me say that I have had the pleasure of working with the honourable minister at the table, the member for Eden-Monaro, and the member for McPherson, as deputy chair and chair of the committee. In fact, I have served in four parliaments on the Procedure Committee and never before have we had a vote on that committee. But today we had a vote and a casting vote of the chair. What was it all about? It was about question time.

The SPEAKER—Order! The Chief Opposition Whip would be aware that the private deliberations of a committee should not be revealed.

Mr PRICE—Fine. Mr Speaker, you have received many letters to your office from members of the public about how question time is conducted. I presume some are supportive, but some have ideas and some are critical. As Australians, they have that right. You have reminded me of some of their criticisms—quite rightly; I do not object to that. You and your predecessors have said many times in question time that it is within the wit of the House—that is, the government—to change standing orders to make question time work better.

I welcome this inquiry into question time. The opposition are taking it very seriously. We will be putting in a submission about changing question time procedure. I want to say this, Mr Speaker, and no-one in this place will prevent me from saying it: the people of Australia have a right to be heard. If they have a view about question time, then I believe this Australian parliament, where we represent the people of Australia, has a responsibility to listen to what they are saying about what they think about question time and how question time can be improved. I think it is an utter outrage that they are going to be denied that opportunity. People in my electorate, people in your electorate, Mr Speaker, and people in the electorate of the member for Watson have the right to comment. We might not like it, we might not think it is helpful—they may be very critical—but I believe that they have the right to make submissions to that inquiry and the government and members of the committee have a responsibility to listen. We have a responsibility to take into account what they think.

We might not agree with them. We might not enact what they say they would like to see, but as Australian citizens they have the right to comment about the conduct of the Parliament of the Commonwealth of Australia. If anything demonstrates how out of touch the government is, how arrogant the government is and how it will not listen to what Middle Australia is thinking and saying, then this demonstrates it. In fact, this government takes Middle Australia for granted.

Mr Speaker, you know that I have served as your deputy—I have served a number of committees—and I think that, overwhelmingly, in the committees I have been involved in we have tried not as members of the Liberal Party or the Labor Party but as members of parliament to do things in the national interest, on behalf of the people. That is what they expect of us. But they do not expect to be cut out of the action. They do not expect to be treated as deaf, dumb and mute, not able to make a submission, not able to be heard and not able to be listened to. I think this is one of the darkest days for the Procedure Committee, and I am the longest ever serving member. It is a day of shame. I think that this was not just a mistake. If it were a mistake I could live with it. This was deliberate action, and I object strongly to it. I think it is a terrible thing, and I am outraged by it. I believe the people of Australia will not cop their being denied a
voice in improving how this parliament works.

**Agribusiness**

Mr BAKER (Braddon) (4.54 pm)—I rise today to speak of an ongoing crisis facing Tasmanian and, for that matter, all Australian farmers. Tasmania is known as one of Australia’s greatest farming regions, growing some of the highest quality produce that you will find anywhere in the world. Yet the livelihood of these farmers and all Australian farmers is at stake, as cheap imports are flooding our shelves and threatening local jobs. Generic food labels are available at all leading supermarkets, enticing consumers with cheaper pricing and destroying Australia’s own vegetable industry. Supermarket giants need to take some responsibility for the state of Australia’s agribusiness. Walk into any Woolworths store and what you will find is their Home Brand packaged fruit and vegetables that are imported. These brands are appealing to a lot of Australians due to their cheaper price tags.

Let us not forget that Australian produce is recognised for quality and safety, which is something that cannot be said for a lot of the cheaper imported goods. Australia has one of the most stringent food codes in the world, where Australian produce is tested for some 61 chemicals. However, international trade standards require that imported produce need only to pass a 25-chemical test. So, yes, imported goods may be cheap, but at what price? As Tasmania, in particular north-west Tasmania, packages more than 80 per cent of Australia’s frozen vegetables and is a major producer of crops such as potatoes, carrots, beans, peas and fruit and some 50 per cent of the world’s poppies, this trend of cheap imports will come at a huge price to Australia’s economy, and the biggest price will be paid by our farmers and regional Australia.

Australia’s vegetable growers are finding it harder to compete on the global vegetable market for key commodities such as peas, potatoes and corn, principally due to our higher food safety standards, which are an increased production cost to our farmers that our global trading partners do not have to incorporate. However, let me state that I would advocate not the decreasing of our standards but, rather, that Australia’s producers be rewarded for this effort by loyalty from our retailers and consumers.

Simplot, another of Tasmania’s major vegetable packagers and suppliers, lost its position as the sole supplier of french fries to McDonald’s in Australia. Most Australians are aware that buying ‘Australian made’ means they are doing their bit for the economy. Australians are committed to the idea of keeping the money and the jobs in this country. However, food labelling on packaged goods can be confusing and not represent a true indication of country of origin. The labels ‘Made from local and imported goods’ and ‘Packaged locally from imported goods’ do not give consumers a fair indication of place of origin; therefore, they do not have the information to make an informed decision about the foods they are buying and what is best for their health and their budget—although we should note the proactive approach of Birds Eye through their Australian grown label.

Throughout Australia, and particularly in Tasmania, we have seen major companies make one decision after another which have had serious impacts on the livelihoods of farmers and on our rural communities. I believe that, in light of the ongoing crisis affecting vegetable growers, we as a country should take a hard look at corporate responsibility. An example I would offer, which underlines my strong views on corporate and social responsibility, is the manner in which Australian vegetable growers have been
treated by some in corporate Australia. Last year, we had the situation where McDonald’s chose for the sake of a $4 million profit to decrease their intake of Tasmanian potatoes by some 50 per cent. It raised in the minds of my constituents and people throughout Australia the question of whether such corporations have a social conscience.

Today, long-term ramifications for the vegetable industry are being felt not only in Tasmania but throughout Australia, so in the future I hope corporations like McDonald’s—and I ask that they do—will start to fry Australian potatoes and not Australian farmers! Corporate and social responsibility is not about dictating to companies such as McDonald’s that they cannot make decisions in the best interests of their shareholders but about encouraging companies to consider the social and environmental impacts of their actions as part of their decision-making process.

To help drive growth in the vegetable industry, the federal government has provided more than $3 million in financial support for the development and implementation of Vegvision, a strategic plan for the vegetable industry. Their role is to oversee the investment of the $3 million via the implementing of Vegvision, with the vision being to double the current value of fresh, processed and packaged vegetables in real terms by stimulating consumer preference for Australian produce in domestic and global markets. For this industry to flourish, the corporate sector must also play their part—empower consumers and companies and use their powerful position to assist the agriculture and vegetable industry throughout this country.

Debate interrupted.
Thursday, 2 November 2006

The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Climate Change

Mr GEORGANAS (Hindmarsh) (9.30 am)—I have said on numerous occasions in this place that Adelaide’s western suburbs are some of the best suburbs in Australia and I have said how much I love living in the western suburbs in the electorate of Hindmarsh, where I have lived all my life. So you can imagine how transfixed I became when a reputable newspaper’s front page showed climate change and rising sea levels flooding almost all of Adelaide’s western suburbs and effectively the entire federal division of Hindmarsh. That was reported in the *Advertiser* a short while back.

Losing my seat because of the will of the electorate is one thing, but losing my seat to rising sea levels is something else. I certainly do not want to lose my seat to global warming and an advancing shoreline. This is what many people in Adelaide saw in the *Advertiser*’s article headed ‘Climate change “terror”’ on Thursday, 28 September 2006: rising sea levels threatening to submerge the vast majority of the electorate of Hindmarsh, with flooding extending from well south of Holdfast Bay inland over the entire Adelaide Airport and over much of what is currently Port Adelaide—in total, up to a quarter of an Australian capital city.

With all the variables, the calculations must be almost impenetrable. My research on these issues from the Parliamentary Library suggests complexities in air-to-sea temperature transfers, differing degrees of thermal expansion around the world and, consequentially, different changes in sea level notionally from one country to the next. Added to this is the continually changing land we now see as our coast. Harvey, who is a science writer, and many others wrote in 2002 that at various points along the coastline of greater Adelaide both rises and falls in sea levels are evident relative to the land. Port Pirie, in northern Gulf St Vincent, South Australia, has lifted itself higher above sea level. The coastal areas of the western suburbs have, in contrast, been sinking due to the effects of development, groundwater extraction and the like. Add erosion to that, and the coastlines are difficult to predict even without climate change.

The CSIRO informs us of the length of time it will take—centuries—for the effects of global warming to stabilise, which brings me to my conclusion. I am saying this to anyone who is listening or will read this in the next day or two; this Howard Liberal government does not pay any more than lip-service to the threats that we face as Australians, as global citizens and as regional neighbours. This Saturday, 4 November—the International Day of Action on Climate Change—the Walk Against Warming is taking place. I will be walking in Hindmarsh from the airport to West Beach, and I encourage other MPs, senators and anyone else to join in this movement of people against government complacency and denial of global warming.

Remembrance Day

Gallipoli

Mr BAKER (Braddon) (9.33 am)—I rise today to recognise an important date, 11 November. 11 November, or ‘Poppy Day’—Armistice Day as it is known by many—is a date which,
together with 25 April, or Anzac Day, lives deep in the Australian psyche. It is the day on which we commemorate the sacrifices and service of Australians during World War I and honour their memory. As we will not be in the House on that important day, I wish today to pay my respects to the memory of all of those who served in the Great War. The Somme, Pozieres, Ypres, Villers-Bretonneux, Bullecourt, Amiens, Passchendaele and the Hindenburg Line—the names of these places and the battles that were fought in them are part of the collective Australian memory. My own grandfather, Arthur Horden Baker, served with the Australian Army in France and gave his life there. Let us take a few moments of our time on this busy day to quietly reflect on the service and sacrifice of those who served, to honour their memory and to recall the significance of the First World War not only for Australia but for all of the peoples of the world.

I vividly remember my emotions when I had the privilege of attending the Anzac Day service in Gallipoli in 2005. I was assailed by a sense of history, by feelings of great sadness and by feelings of great pride. In particular, I felt a great sense of personal debt to those countrymen who had been there before me in that place—those who were there at a time which history now records as one of Australia’s finest hours.

Australian troops earned a reputation for their gallantry and courage under dreadful conditions. Gallipoli, Simpson and his donkey, the charge of the light horse at Beersheba: all of these reinforced the narrative of mateship, endurance and courage which underpin our Australian culture. As CEW Bean, the official war historian, so eloquently wrote, Australian troops were:

Steadfast until death—just the men that Australians at home know them to be. Into the place with a joke; a dry, cynical Australian joke as often as not, holding fast through anything that man can imagine. They’re not heroes. They do not intend to be thought or spoken as heroes. They’re just ordinary Australians, doing their particular work as their country would wish them to do it.

From Gallipoli to Long Tan, from 1914 to the present day, Australians have always served their country with courage and distinction. To those who served in the Great War, we owe more than can ever be repaid. We honour their memory. We do remember them. And to paraphrase the words of CEW Bean, we pray to God we are worthy of them. Lest we forget.

Gellibrand Electorate

Ms ROXON (Gellibrand) (9.36 am)—I want to speak today about a project that I have undertaken three times now with Victoria University in my electorate, and particularly its Advanced Diploma of Arts (Graphic Design) students. I want to particularly take the opportunity to congratulate Adam Vardy, who is the winner of this year’s competition. The collaboration that goes on between my office and these students is that they treat me as a client and I set a project for them. For the benefit of the chamber, this is the result of the previous project: a map of my electorate setting out all of the major historical sites that people living in the electorate might not know about.

This year’s project—and we have done it every two years—was called ‘Gellibrand, a secret worth sharing’. The map that the students were asked to design highlighted all of the environmental and recreational attractions in the electorate—that is, lakes, river ways and parks—that maybe not everyone has used to the extent that they could. People still tend to think of the west of Melbourne based on its industrial history, even though it has a great many attractions along the Maribyrnong River, Newport Lakes, Williamstown and Altona Beach—all of which
are included in the map that the students have designed. All the students designed a map, after which we announced six finalists. All the students exhibited their maps at the Altona Meadows library for two weeks, which was a great opportunity for local businesses and councils and others to come and have a look at their fantastic work.

The winning map, which was designed by Adam Vardy, will now be reproduced as part of my quarterly newsletter and will be distributed to 55,000 houses in my electorate. Like this trusty copy that I have shown you of the previous winner’s work, no doubt I will be able to have a copy of the new map in my window in my parliamentary office for all of my colleagues to see what we have to offer in the area when they are coming to visit.

All of the students did a fantastic job, particularly the six finalists. The winner, however, had a great piece of work and particularly met my needs as a client, which is, of course, an important part of the job; the students need to get used to the idea of not just using their design skills but making sure they are particularly tailored to the needs of a client.

He incorporated all of the required elements. It is quite a hard project to use the icons and mapping skills, but he has designed a modern, attractive, interesting and very user-friendly design. Adam wins a $500 prize and will design the rest of the newsletter that will go with the reproduction of this map. It is a great collaboration between members of the community and the university, and I am very proud of the work that the university does in my electorate. I want to particularly congratulate and thank Tony Aszodi, the staff member responsible for keeping this project running. I hope that the reproduction of this one will work well and that we will do it again in the future. (Time expired)

**Hinkler Electorate: Green Corps**

Mr NEVILLE (Hinkler) (9.39 am)—I recently attended the graduation of 10 Green Corps participants from a project which focused on the rehabilitation of Bundaberg’s Norville Park catchment area. This site has historic and environmental significance. It was one of the early cultural settlements of the South Sea Islanders and is very fondly remembered by them.

I was very impressed with the outcomes and the dedication of the young people who worked on the project. They developed stormwater pollution prevention strategies for the area, including regeneration of native bushland and the reconstruction of a dry creek bed to reduce surface water run-off. Over the six months of the project the team built a contour drainage system and put in 300 metres of aggregate pathways and 200 metres of fencing around the area. They also propagated 1,000 native plants, removed around five hectares of weeds and collected native seeds from the area. All this has gone to reduce the surface run-off and improve the quality of water running into the Burnett River.

But these young people went even further by carrying out a community education project to let local people know how important it is to keep rubbish out of local waterways. The participants also gained qualifications in first aid and, for career development, learned how to put resumes together, how to deal with selection criteria and various techniques to use at job interviews. What I found most remarkable was that nine out of 10 of these young people either had a job or were about to commence a job by the end of the course. To get a nine out of 10 strike rate is truly exceptional. Three of these young people are going to the Department of Primary Industries and Fisheries, two have started their own business, two have been em-
ployed by a landscaping company, one is working with a local fencing company, one has gone to the Army and one is looking forward to being employed by a cabinet-maker.

I congratulate the graduates, along with the Bundaberg City Council and Impact, who supported the valuable work carried out at the Norville Park catchment area, and in particular I congratulate the group’s quite exceptional leader, Gary O’Sullivan, who led, motivated and skilled these equally exceptional young people.

Since Green Corps was introduced in 1997, teams have planted 13 million trees, erected 7,000 kilometres of fencing, removed 37,000 hectares of weeds, collected more than 9,000 kilograms of seeds and built and maintained more than 5,000 kilometres of walkways, boardwalks and pathways. The collective value of this to the Australian environment and to recreation across Australia is hard to estimate, so I congratulate all those associated with it. Well done!

National Manufacturing Forum

Mr RIPOLL (Oxley) (9.42 am)—I want to say a few words regarding the report of the National Manufacturing Forum, which came out of the National Manufacturing Summit held in December last year. Firstly I want to congratulate the forum participants—that is, representatives from industry, industry organisations, the trade unions and research institutions. I also want to mention that this initiative was fully supported by all the states and territories.

The outcome of the forum was to make a number of recommendations for a strategic action plan to boost Australian manufacturing—something which is very important. It is also worth noting that there was a high degree of consensus on the outcomes and that there was an overwhelming desire from all the participants that all the arms of government work more closely and cooperatively. The report and the recommendations covered four strategic areas: globalisation priorities; investment priorities; innovation, research and development priorities; and skill priorities—something that we, the Labor Party, on this side of the House have been talking about for quite some time. These four strategic areas of concern are in relation to manufacturing and also the economy, which is something that the government should pay a lot more attention to.

In recognising the globalisation priorities, it is important to note the holistic impact that the manufacturing sector has on the economy. It is also important to note how trade agreements and other arrangements impact on the way that manufacturing is done in Australia. There is also the issue of export market development and encouraging manufacturers to export more. Obviously the key to being a successful manufacturer is not only to have a well-established domestic market but also, very importantly, to get out into the world and have a very strong export market.

The report also highlighted the need for encouragement of industry capability networks—that is, trying to get organisations such as Austrade, state and territory agencies and other bodies to work together, promote together and better coordinate the services they provide. In the area of investment and priorities, what is needed is more assistance to get firms out of just domestic markets and into export markets and the provision of infrastructure that will support them. We need to build stronger links between investors and the finance industry in a range of other areas.
In the area of innovation, research and development, obviously it is very important that there is more investment, that manufacturers share information and that we encourage technology diffusion and best practice—and the government can play a significant role in that area. In the skills area, I think without doubt a boost to our educational institutions is needed to strengthen the national skills base that we have in this country and to encourage mature-age workers to broaden their skills.

This is a fine report, one which gives us an opportunity over the next five years, I believe, to set a new manufacturing agenda, to grow jobs, to grow the economy, to grow industry and manufacturing and make sure it has a viable future. (Time expired)

Active After-School Communities Program

Mr FORREST (Mallee) (9.45 am)—Thank you for an opportunity to encourage and speak about seven schools in my electorate in the Wimmera region of Mallee which are taking an opportunity to utilise a program administered by the Australian Institute of Sport. It is called the Active After-school Communities program. As part of a publicity campaign to encourage support for this program, I had the opportunity last week to visit two schools which will be moving into this program in the new year.

The seven schools include the St Arnaud Primary School, Horsham Lutheran Primary School, Horsham North Primary School, Dimboola Lutheran School, Rupanyup Primary School, Rainbow Primary School and Hopetoun Primary School. These schools are spread across a huge region of north-west Victoria. It is good to see them taking an opportunity to utilise programs funded by the Commonwealth through the Australian Institute of Sport. All these schools are being headed up in the program by one teacher, a physical education teacher, Murray McKenzie. It was great to meet him at St Arnaud last Wednesday and again on Friday at the Horsham Lutheran school. I had a game of tennis with the youngsters at the Lutheran school. It was quite invigorating. There were 15 of them up one end and me and my state colleague Hugh Delahunty, the member for Lowan, at the other end. They soundly trounced us.

The objectives of this program are to enhance the physical activity of Australian primary school aged children. It is nationally coordinated so it could build to bigger things and the establishment of competition. The reason so many schools are needed is to combine small communities to get a football team—especially primary schools like Rainbow.

Mr Quick—Hey!

Mr FORREST—I know Mr Quick is acquainted with Rainbow, having been born and raised there. We are hoping that with some publicity we will encourage more schools to participate in this program. It is going to give increased opportunities for inclusive participation in quality, safe and fun structured physical activities, especially after school. One of the great challenges today is obesity—it is a huge challenge, especially with children of a younger age. This program will enhance attention on health and vigorous activity in youngsters, so that they are less of a burden when they get to our age—our generation having not learnt soundly the need for vigorous physical activity. I commend those schools. I wish Murray McKenzie all the best. He has taken on a huge challenge and I look forward to opportunities to play some more tennis, football or netball with the youngsters, to give them the encouragement they deserve.
Lily Taylor-Climpson

Ms HALL (Shortland) (9.48 am)—Lily Taylor-Climpson is an 85-year-old who lives in Shortland electorate. What an interesting life she has had. She lived her life on the road, following shows, and has compiled a manuscript reminiscing on life on the road and on the show characters and performers she met, including the freaks, the circus families, sideshow alley, the first person fired from a cannon, the first golf ball, the first water closet invented, Jimmy Sharman and his famous boxing crew, Tex Morton, Maisie and George Sorlie, the Perry family and the tribes of gypsies who travelled Australia during the early days of the shows. Lily met and knew these gypsies. Lily eloped with Mickey Gordon Taylor. She took part in Wild West pantomimes with her husband, who threw daggers and knives around her unprotected body while balancing on the tightwire.

She provided information about agricultural shows and their beginnings in New South Wales. Lily described how the Showmen’s Guild came about and the unity of the unions. Lily was the first woman secretary of the Showmen’s Guild. She mentioned struggles along the way and the fights that they took up against the rules and regulations regarding proposed strict laws against travellers sleeping in their vans which were intended to force people out of travelling.

Lily had personal battles and tragedies, such as her successful battle with alcohol, attaining long-term sobriety in excess of 20 years—realising after attending AA that one drink is one too many and 100 is not enough. Tragedy struck again when her first-born son, Michael, accidentally drowned. Pieces of verse written by Lily are also included in the book. A comprehensive recollection of historic events is covered—the Great Depression, the opening of parliament in Canberra in 1927, the Aboriginal ‘King Billy’ and the first opening of Luna Park in Sydney.

Despite exhaustive research to find a means of publishing this book of immeasurable worth about a very entertaining and interesting life covering a large sector of Australia’s colourful past, a publisher has not been found. Lily has had the manuscript typed by her family. However, the problem was finding a suitable grant which fits the category covered by Lily’s manuscript and finding an establishment which has the resources to edit and format the transcript. It is Lily’s dream to see the transcript published in her lifetime. Sadly, it seems that time is a factor against this happening. In failing health, aged 85, Lily has almost given up hope.

Time is also a factor which has worked against the publishing of the manuscript—the time it would take to professionally edit and format the manuscript into a form suitable for publication and time to find someone willing to publish a valuable piece of Australian history which may be lost forever. Unfortunately, in this day and age, time equals money and for Lily that means that her manuscript will not be published. This is very sad, because an important part of Australia’s history will be lost. (Time expired)

Stirling Electorate: Graffiti

Mr KEENAN (Stirling) (9.51 am)—Local communities and councils, particularly my local council, the City of Stirling, are suffering under the weight of what is a chronic problem with graffiti. The state Labor government is totally shirking its responsibilities to our communities and to local councils by ignoring this issue. Graffiti vandalism has a significant effect on people’s feeling of safety and the perceived fear of crime within a community. As I am
sure a lot of people are aware, sometimes the fear of crime is as bad as the acts themselves, because it certainly can imprison people in their own homes. The feeling that they are not safe on the streets is very detrimental to people’s wellbeing. When speaking to local families and small business owners, I am constantly told that people are sick and tired of feeling unsafe in their own neighbourhoods. Graffiti vandalism exacerbates this feeling.

I am fully aware of the costs of graffiti. We have several billboards sited around the electorate that somebody is forced to clean on a regular basis. Each time it costs us hundreds of dollars. In fact, the cost of graffiti to the community as a whole in Australia is well in excess of $100 million. Just for the record, I am certainly not a warmongering fascist and I have never set fire to anybody’s grandma.

However, instead of listening to the people of Western Australia, the Carpenter Labor government has abandoned its responsibilities by refusing to reinstate the graffiti task force that was established by the Court Liberal government in 1996. This task force was not expensive. It cost the government $400,000 and it had the effect of reducing graffiti vandalism by 50 per cent. It diverted the young people who were spending their time perpetuating this crime into more positive projects that benefited the community. At its peak, this program encompassed 12 local councils, including the City of Stirling.

Labor abolished this task force in 2002, smugly shirking its responsibilities to the community by forcing the costs of graffiti clean-up onto local councils. For a saving of $400,000, this seems a remarkable thing to have done, considering the Western Australian government is currently running surpluses in excess of $2 billion. Labor continues to force local councils to spend huge amounts of money on something that should be a state responsibility—money that these local councils would better spend on roads, recreation facilities and local parks. Once again, the state Labor government is not listening to the concerns of the Western Australian people. Rapid removal of graffiti is a great deterrent to would-be offenders. I ask that the Western Australian government reinstate the graffiti task force. (Time expired)

National Security

Mr MURPHY (Lowe) (9.54 am)—Despite all of the Howard government’s bravado on national security, how can any of us believe for one moment that the Minister for Justice and Customs or the Minister for Transport and Regional Services are doing all they can on national security at Sydney airport? In an era when the notion of efficiency is the buzzword for the Howard government’s fire sale of Medibank Private, I have to deal with a stale and arrogant ministry that is negligent in its failure to properly answer my questions which strike at the heart of national security at Sydney airport.

In short, there is a cover-up by this government of the multiple breaches of security at Sydney airport. In May 2005 I asked the then Minister for Transport and Regional Services whether security cameras at Sydney airport had been stolen or interfered with. It took nine months for the minister to provide the most appalling and perfunctory response—that his department did not operate cameras at Sydney airport. The minister was derelict in his duty in failing to provide proper answers to me—and, more importantly, to the public—so we could access this vital information. The Minister for Justice and Customs has barely been more forthcoming with his responses about an incident at Sydney airport where CCTV cameras in the baggage make-up areas were found to be pointing at brick walls and out of focus.
I would be less alarmed today if the Howard government were more alert to the security shambles at Sydney airport. Since 2004, at Sydney international airport there have been four incidents of trespass and an incident where a person imported an inert grenade. This begs the question, of course: what if it had not been inert and, moreover, how did this grenade get past security and onto an aircraft before it was discovered at Sydney international airport? Since 2004 there have been 16 incidents and corresponding court decisions of narcotics offences involving incoming passengers; a further incident of corrupt behaviour by a baggage handler, involving narcotics, at Sydney international airport; another incident of the arrest of three airline employees for narcotics offences at Sydney Airport; and now an investigation into a drug syndicate operating within the Sydney international airport.

If you look at today’s Notice Paper, I have asked numerous follow-up questions in response to the latest response I received from the minister for customs this week, which was yet another perfunctory response. It is absolutely farcical that I have to put a question on the Notice Paper following my request to the Speaker under standing order 105(b) to get answers from the ministers—further questions about the questions that I have asked previously, about when I am going to get an answer. At least I can pay tribute to the prosecution of these very serious matters by the Daily Telegraph, including its intrepid reporter Mr Luke McIlveen, who is interested in the safety of the public. I am demanding that the minister answer these questions because our security at Sydney airport is in a shambles. (Time expired)

**Waite Institute**

**Dr SOUTHCOTT** (Boothby) (9.57 am)—I would like to speak about the Waite Institute, in my electorate of Boothby. The Waite Institute is a world-class research institute in the area of agricultural research. It was established as part of the bequest of Peter Waite. It includes the University of Adelaide undergraduate and postgraduate teaching in the area of ag science, the CSIRO, the South Australian Research and Development Institute, the Australian Wine Research Institute, Provisors and also since 2002 the Australian Centre for Plant Functional Genomics. I am advised that, around the world, the Waite Institute is one of the top two or three agricultural research institutions. The Australian Wine Research Institute, part of the Waite, was recently described by France and the United States as leading the world’s best grape and wine R&D grouping.

Australia has had tremendous success in recent years with exports of wine. We have very successfully exported to the British market and the American market, and this has been underpinned by a focus on innovation and R&D. But, as we look to the future in the wine industry, we can see that there are pressures there—there is a pressure from oversupply, but also we can expect intense competition in international markets in the future. That means it is critical that Australia, to maintain its competitive advantage in this area, focus on innovation and R&D.

With this in mind, all of the groups at the Waite Institute have formed a wine innovation cluster and they will be looking to continue Australia’s advantage in this area. This is a very important innovation and initiative. It is one that I will be doing my best to support. Michael Porter, the Harvard business lecturer and economist, talked about the competitive advantage of nations. He spoke about clusters, and the idea of a cluster was to have universities, industry and research functions all co-located. That is what we have at the Waite Institute. That is im-
important to underpin the future success of the Australian wine industry. The wine innovation cluster is an initiative we should support. (Time expired)

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

AUSTRALIAN CITIZENSHIP BILL 2005

Cognate bill:

AUSTRALIAN CITIZENSHIP (TRANSITIONALS AND CONSEQUENTIALS) BILL 2005

Second Reading

Debate resumed from 1 November, on motion by Mr McGauran: That this bill be now read a second time.

upon which Mr Burke moved by way of amendment:

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

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

(1) opposes the increase in residence requirement to 4 years.

(2) notes that the government consulted with the Council of Australian Governments (COAG) on increasing the period from 2 to 3 years on national security grounds but undertook no consultation on the increase to 4 years and has given no adequate reason for this measure;

(3) opposes the discriminatory treatment of people who lost their Australian citizenship under section 17 of the old Act (acquisition of citizenship of another country) and those who lost citizenship under section 18 (renouncing of citizenship) given that it fails to provide equitable treatment for a number of groups, but particularly the Maltese community; and

(4) notes that a stateless person would be denied citizenship if convicted for an offence of greater than 5 years even if it were a trumped up conviction under a brutal and oppressive foreign regime”.

Mr QUICK (Franklin) (10.01 am)—I, like other members who have spoken in this debate, welcome the opportunity to speak on the Australian Citizenship Bill 2005 and the Australian Citizenship (Transitionals and Consequentials) Bill 2005. Citizenship is a rather strange area to talk about. Basically, most people in Australia take for granted the fact that they are Australian. They do not worry too much about the rights and responsibilities of being Australian. I know it will take a certain form this Boxing Day, when we are playing the Ashes test against the English. There will be two groups of people, the Poms and us, and there will be banter between the English and Australian supporters. At Olympic Games and Commonwealth Games we become very jingoistic and accentuate the positive attitudes about Australia.

But it is different when you actually leave the shores of Australia for another country and you front up to the immigration and customs desk and get your passport out. When you visit London you are in the ‘Others’ group. I remember the first time I left Australia, in 1966—40 years ago. My brother and I decided to emigrate to Canada. We had to go through all the initial requirements to be considered for Canadian citizenship. We had to have chest X-rays to see whether we had tuberculosis. We had to give evidence that we had jobs. We had to name the sponsors who were sponsoring us to go to Canada and, when we arrived at the Canadian-American border in Washington state and were about to be allowed into Canada, we had all the required documentation. We were in the dilemma of still being Australians—we still had
our Australian passports—but in those days, 40 years ago, I believe we were British citizens. We had the Governor-General sign a declaration to that extent, so we were basically British subjects rather than Australian citizens.

Then, after two years, I decided to come back to Australia. I did not take up my Canadian citizenship but still have a strong affinity with the Canadians, and I admire many things about them, especially the fact that they have their own flag. I then met and married someone who had Lithuanian nationality. My mother-in-law came out in 1949 in one of the first waves of immigration. She and my wife speak Lithuanian at home because my mother-in-law had difficulty learning English. She is fluent in Polish, Russian, German and Lithuanian because, as you rightly know, Lithuania is in that area where waves of conquerors have gone backwards and forwards over the years, especially in the first and second world wars. My children and I have learnt Lithuanian phrases to be part of that Lithuanian family.

Mention has been made of the emphasis to learn English, and it has been touted as a fact that, if you do not speak it, you are somehow less of a person. I think that is a load of BS; I really do. If you come from another country for a variety of reasons—such as persecution or intolerance—and you seek solace in this place, the fact that you might not be fluent in English is, to my mind, somewhat irrelevant. If you are fluent in English, you can be a most undesirable person but you have one attribute in the tick box compared to a person who might have a hell of a lot more to contribute to Australian society but who does not get the tick in the box because their language skills are deficient for a variety of reasons—basically, a lack of opportunity; the fact that they have not had the opportunity to go to school because of the conflict within the country that they came from.

Another fact that really worries me is this extension of the waiting period to four years. Personally, I think it is driven by the fact that we have this fear of people who dress differently and who come from a region of the world where there is mayhem, intolerance or terrorist cells, and the easy way out is to say, ‘We’re going to raise the bar, and if you come out here we are going to punish you by extending the period from two to three to four years.’ If things get worse, as they probably will in the world, are we going to raise it to five or six years and make it harder and harder for people? I think we should encourage people to take up citizenship, not make it harder for them to acquire it.

My eldest daughter married an Englishman recently, and luckily for him he is within the two-year period. My daughter availed herself of the opportunity to take up British citizenship so that now she has Australian and British citizenship, so when she goes to England with her husband they can walk through the easy gate rather than lining up with the others. Michael, to his credit, wants to become an Australian citizen because he sees that this country has a lot to offer him, not only in job opportunities but also because he can make a real commitment and contribute to Australia. This almost psychopathic fear of certain parts of the world and hence the raising of the waiting period from three to four years is the wrong way to go; it really is.

But this government seems to have its blinkers on. It is determined to whip up an almost hysterical feeling in the community to get the flag out and wave it and say, ‘The only way we can keep these undesirables under control and deter them is to force them through this little narrow channel and, once they are in here, we’re going to raise the bar and we’re going to make them conform to all these things.’ Australians around the world are basically considered to be nice, laid-back, laissez-faire people who, when they are confronted with intolerance and
injustice, contribute to peacekeeping roles involving their armed forces. We have been involved in conflicts in the various wars we have contributed to, but the rest of the time, if people come to our country, we accept them.

I am old enough to remember the first wave of migrants when I was a kid at Port Augusta High School. I vividly remember a guy called Rudi Gerdroitlin, a German kid who came out. He wore lederhosen to school. The kids in Port Augusta High School were dumbfounded. Here was this kid in these leather lederhosen rocking up when the rest of us were in shorts and blue shirts going to Port Augusta High School. This kid had real trouble, but he soon fitted in. He could speak half-a-dozen languages. We saw the positive things that he could contribute to our society in Port Augusta. Then the other waves started coming along.

That is the right way; inclusion rather than exclusion should be the way we tackle these things. To raise the waiting period from three to four years—and have the possibility of five if the world goes absolutely turtle and turns inside out—is the wrong way to go. But this Attorney-General is fixated; this government is fixated with deterring people.

I think we ought to really look at this issue rather than becoming jingoistic and sabre rattling and saying, ‘This is the way to go and we’re going to make it harder’—I really do. We are a nation of many races. My relatives came out in 1853. They were Cornish tin miners. The alluvial gold ran out in Ballarat and the mine owners went over to St Ives and said, ‘We want you to come to Australia to sink the shafts, to contribute to Australian society.’ So the Quick family came out in 1853 and have contributed to Australian society in many ways.

They helped form Australia as we know it. One branch of the family, Sir John Quick, helped write the Australian Constitution—he helped form the concept of federal parliament. I consider myself to be part Cornish, part English, part Lithuanian, part Australian, part Canadian. The people who come from other shores in their thousands, as we welcome them, have much to contribute. But we should not say we only want white, English-speaking, conformist, church-going people—‘You can easily enter the door.’ For goodness sake, we are probably the most tolerant society that I know—and I have visited most parts of the world. We have got it right, but we do have pockets where people are causing concern. But, rather than focusing all our resources and energy on that small festering sore, let us look at all the positives when we discuss citizenship.

If you go to citizenship ceremonies, as other speakers have said, there is a real pride. We enjoy conferring our citizenship on other people and they enjoy receiving it and wish to contribute, and in many cases have shown real contributions in that period between when they arrive and when they actually get the piece of paper.

As a teacher, I did not make an overt attempt to highlight to my students the facts about Australian citizenship. I did it in a calm, perhaps unorthodox, way to highlight the fact that because we have so many things going for us, living in such a wonderful nation where we want for nothing, we have a responsibility to contribute to the welfare and wellbeing of people less fortunate than we are. If that means opening our doors as a result of conflicts, we should do it. But we should not then say, ‘There are some people who have snuck in who are out to cause mayhem, so let’s focus all our legislative endeavours to sort them out.’ To my mind, that is the wrong way. It is easier to be involved in initiatives in other countries where we can provide the example rather than, as the Americans do, try to keep a lid and a clamp on the unrest, social mayhem and disorder.
They are my concerns. We are going to lose. The waiting period is going to be four years. The government is determined. In the event that we win the next election—I will not be here, but when we do win the next election—I would like to think that some of these issues will be resolved and we will make it easier rather than harder.

Finally, there is one positive thing. When our committee did the report on overseas adoption, we highlighted some of the things that needed to be sorted out when it came to children coming from overseas and the problems they faced with citizenship. I welcome the fact that, of our 27 recommendations, the government agreed to 24, which was great. Amendment (30), citizenship for persons adopted in accordance with the Hague convention on intercountry adoption, inserts a new subdivision AA, relating to citizenship for persons adopted in accordance with the Hague convention on intercountry adoption. The purpose of this new subdivision is to allow children adopted overseas by Australian citizens to become Australian citizens in a similar way in which children born to Australian citizens overseas can become Australian citizens.

The new provisions implement the government’s response to a recommendation made by the House of Representatives Standing Committee on Family and Human Services in its inquiry into the adoption of children from overseas, and I congratulate the minister. As someone who has visited China and seen the need for us to simplify and clarify some of the things regarding overseas adoption, I welcome the minister’s quick response in this. I thank the House for the opportunity to say a few words on this issue.

Mr Byrne (Holt) (10.18 am)—I rise today to speak about the Australian Citizenship Bill 2005 and the Australian Citizenship (Transitionals and Consequentials) Bill 2005 and welcome the member for Franklin’s contribution. I just want to put on the record how much he will be missed when he departs. He has been a fantastic member of parliament. He has been an ornament to this parliament and to this place and to the Australian Labor Party. Certainly I, along with many of his other colleagues, will miss him after the next election.

Mr Byrne—I endorse that.

Ms Hall—So do I.

Mr Byrne—Thank you. When someone becomes an Australian citizen, and as a politician I have in fact witnessed many people becoming citizens in this country—people from many diverse backgrounds, people from war-torn backgrounds and people from more affluent backgrounds—it is an amazing reminder of what can make our country great, because, in taking that act of citizenship, they are renewing the lifeblood of our country. Particularly given our decreasing fertility rates in this country, we need to bring more and more people into this country to keep our country strong. One of the great privileges I have as the federal member for Holt is attending City of Casey citizenship ceremonies. The City of Casey, for those who are not familiar with it, is I think the largest shire in Victoria. It has a population of about 230,000 people, with some 65 families shifting in per week, and it has a very unique citizenship ceremony—and I will touch upon this because the symbolism of the Australian citizenship ceremony that is embodied by the City of Casey says a lot about the debate we are having about this bill today.

It is interesting that in the period from November 2005 to October this year the City of Casey welcomed over 1,700 new citizens, according to the Mayor of the City of Casey, and these
new citizens came from a great variety of backgrounds, with just under 70 different nationali-
ties represented in this particular period. What is particularly striking and particularly notice-
able about those who attend these citizenship ceremonies is that the ceremony is a rite of pas-
sage. There is no doubt about that. Some have taken a very long step from different and far-
flung countries; some a much shorter step. But, in taking that step, they are making our com-
community and our country much stronger. In my observation, regardless of their backgrounds—
whether they are Islamic, Hindu, Jewish, English or whatever—each of these people treats the
ceremony with the same sense of reverence. They know that, in taking that incredibly long
step or that short step, they are making a significant commitment.

It is not easy to leave the country of your birth, for whatever reason, and set up your future
life and the lives of your children in another country. It is not an easy thing. It is not an easy
transition. If you look at people who shift from state to state for employment opportunities,
you will see that it is not an easy transition. There is the issue of dislocation, the issue of the
difficulties of leaving family and friends behind. But these people make that journey—some
pushed because of war-torn circumstances or other circumstances in their country; some
pulled by the attraction of this country. But when they reach that threshold point, when they
become citizens, as I said, they add to the lifeblood of the community.

The City of Casey has a unique ceremony. It has a very intimate, very personal ceremony.
At the end of the ceremony, you are handed an Australian native plant. After citizenship has
been conferred upon you, you are handed an Australian native—and I have very proudly
handed an Australian plant to a large number of people who have become citizens in the City
of Casey. In the speeches that I give to these people, the symbolism for these people in receiv-
ing that plant is that they are like the plant, because becoming Australian citizens is like them
putting roots into the soil of our country. By putting roots into the soil of our country, they are
embraced, embedded, in our country. They become a greater part of our country, a greater
whole of our country. In doing so, they also transform the landscape of our country—they
change our country. They become embedded within it, but they can change it at the same
time. They can change the landscape of our country.

It is interesting in the context of the debate about citizenship and some of the provisions of
this particular bill which we are examining today. We need to really reflect upon what it
means to be an Australian citizen—the expectations that we put on people who become Aus-
tralian citizens and what their beliefs are, what their expectations are and what their under-
standing is of the country that they are becoming part of. They are becoming the very roots of
the soil of the country. They, in becoming Australian citizens, can determine the future of our
country by voting for who will represent them. So it is an incredibly significant step.

I wonder what many of those who have become citizens—particularly those people who I
have dealt with recently who had a sense of exuberance, a sense of joy and a profound sense
that they knew exactly what they were doing—would say about the provision that extends the
permanent residency requirement from two years to four years. I have heard media reports
which effectively say, ‘I have seen some people walk out.’ In fact I have heard it from the par-
liamentary secretary—‘Some people walked out of a citizenship ceremony.’ We know the
sorts of groups of people he is talking about.

I will tell you one thing: in every citizenship ceremony that I have ever been to, for every-
body that I have seen undertake that citizenship, it is almost like a sacred ceremony—it is a
sacred rite of passage. We have to be very mindful of this when we consider this particular bill, for those people who take that very sacred rite of passage are adding to the lifeblood of our community, are strengthening our community, are becoming citizens and are strengthening us economically—for without them our economy starts to peter and to die. We do need them, and that is reflected in the increased uptake of immigrants in this country. We do not need to demonise any of them. When we ask them to become part of us, we ask all of them to become part of us, not just some of them.

I do not understand this provision and what we are saying in terms of the citizenship ceremony. When you come into the country as a permanent resident you would have an expectation that after two years you could really become part of this country, that you could exercise your rights to determine who represents you and become a fully integrated part of the community. The argument that we have in this country is about integration. It is about people from all parts of the world becoming part of our country. Gareth Evans, my predecessor as the member for Holt, talked about it as a ‘salad bowl’—people from different parts of the world making up the salad bowl of our community.

What are we saying to these people? Instead of two years, which is what it was, or instead of three years, which was what was agreed to as a consequence of security concerns by the premiers in COAG, we are now saying four years. For what justification? What are we saying? On the one hand we are saying we want you to become part of our community, we want you to integrate into our community and we want you to understand Australian values—in fact, the discussion paper that the parliamentary secretary put forward talks about all of this. But on the other hand we are saying: ‘Well, we have changed our minds. Instead of being two years, we have some security concerns about you we wanted ticked off, so the states agreed it was to be three years, but now it is four.’ I do not understand that. What signal are we sending to people who come to this country—that they are not good enough?

What we need is the complete antithesis of what we are saying. On the one hand we are saying, ‘Become part of our country, integrate’—I hate to use the word assimilate, but I mean become a deeper part of our community—and accept our values.’ Let’s talk about ‘accepting our values’. We have a discussion paper which talks about English testing, for example, and how we should qualify for citizenship. But where is there in this something which categorically and clearly defines what it means to be an Australian—about the sense of fairness, egalitarianism and equality?

I see nothing in this. I see some slogans, but what about what I do not see? If you are going to put a discussion paper before the House, including before the Australian people, and talk about English testing and a whole range of other things, and punitive things, what about what it means to be an Australian? What about what Australia is and what it hopes to be, and how these people can shape the country? When these people become citizens, they shape the future of our country. So where is the debate? We have a debate about English testing; we have a debate about accepting history and geography, but what do we have about what it really means to be an Australian? In this community at the present time there is a great debate about what it means to be an Australian. What we see in the community and what I see in the outer suburbs of the electorate I represent and the electorates that others represent is a great debate, a sense of dislocation from the community, a sense of ‘what does it really mean?’ because Australia has changed.
In the suburbs that I grew up in in the 1970s there was a very strong sense of community. People knew each other. Now you might know someone 40 kilometres away but not someone who shares a residential apartment next to you. Australia has changed. So what are we saying to these people who come from far-flung places with different cultures and different ideas about what Australia represents? Is Australia as fair a place as it was 20 years ago? I would say no. Is Australia a less equal place? I would say yes. But where is a discussion about this?

If we are going to have a discussion about English language testing, to be more productive let us have a discussion about where we are at in Australia at the moment, the problems that we confront, the issues that we are dealing with and what it really means. If you look at America as a society, it has a very powerful national narrative. When people come from all parts of the globe to become part of America, there is a very powerful narrative that they become part of. What I see this legislation are the bandaid measures. For some reason that is still ill-defined, citizenship permanent residency requirements are now going to be shifted from two to four years. But where is the national narrative? Where is the national discussion? We are in the midst of the great culture wars at the present time. Where is the freedom of expression when a unique program called The Glass House gets taken off television? Where is that discussion about where we are as a society?

A society is defined by its narrative. It is defined by how it defines itself. At the present time I would argue that, particularly as a consequence of globalisation and as a consequence of market forces and how they have affected our communities, many people are very uncertain about what their society represents. We are fiddling around at the edges with this sort of legislation. Worse than that, we are creating that great thing called the wedge—a wedge that wedges some portions of the community off against other portions of the community.

When I first came into this place in 1999, in my first speech I spoke about my great fear that what governments would do in order to win government and to hold government was to wedge sections of the community against each other. I had seen some of the worst examples of that with the rise of Pauline Hanson. In those days my electorate represented Dandenong and areas like Springvale South, Noble Park and Keysborough. These were areas that were very heavily multicultural. In fact, we had areas that represented people from 142 different countries. The interesting thing about it, before Ms Hanson came along, in my view was that that area operated better than anywhere else in the world in terms of tolerance, acceptance, understanding and them becoming part of our society. Yet Ms Hanson came out and basically said that, because people come from a different part of the world with different ideas and different cultures and different backgrounds, they should be stigmatised and demonised. So people I knew who did not have the name Smith or Jones or Peters but maybe Truong or Nguyen or something else were being vilified and abused while walking down the streets of Dandenong, one of the most multicultural electorates in the country.

It is up to us, in national government, as the legislators to set the national tone in this place to define what is acceptable as a community standard but also to help define who we are as a people, what we are as a country and where we go as a country. I certainly believe that we have failed in the past 10 years. We have gone from being an outward-looking country, with an understanding that we live in a changing world and have to have tolerance and understanding, to a more inward-looking society. We can see the costs of that within our community through the divisions that exist.
These are the issues that need to be addressed by this government but which have not been addressed, and in fact they have been exacerbated by some of the provisions in the bill that I see here, because, again, what market signal is being sent? What rational justification is there for extending the permanent residency waiting time from two to four years? There are some tinkering amendments which allow people covered under various sections of the act to gain citizenship, and I welcome them. But there are others, covered under section 18, which affect a lot of people of Maltese background, who have not been affected and whose conditions have not been changed. That is one of the amendments that we have moved. I have about 1,200 people of Maltese background who live in my electorate. So, if the government is serious aboutremedying these things, even with a bandaid measure like this, why hasn’t that been addressed? I say to the government: when you go down the path of creating division in the community, however well constructed the language is and however well structured it is, you rend the fabric of our community. I know, and my residents tell me and a lot of other people I know tell me, that Australia is a less fair place.

Our national anthem says: ‘Advance Australia Fair’. What a lot of people are saying in our country is that it is ‘advance Australia less fair’, because it is a less fair place than it was 20 years ago. What this government sends in a subliminal way through the community is that there are some people who are less equal than others, depending on where they come from or on what religious belief they have, contrary to the rhetoric that you read in the minister’s discussion paper. That is the message that is clearly being sent to those people in those communities. Governments are here to lead. If there are fears within a community, governments are here to assuage those fears and to unite a community, because any government knows that a government and a country that are disunited cannot function as a country, cannot become the great country that it could become. Australia is a great country, and it can become a much greater country.

This bill is a bandaid measure in its tinkering around the edges; it does not address the very serious issues that we confront. We need to have a proper national debate about what it really means to be an Australian and about where we are really going as a country, and the people who come from different parts of the world need to be part of that. They do not need to be excluded. They do not need to be subliminally told that they are going to be excluded. They need to be involved. If we can do that, then instead of facing the divisions that we saw in the Cronulla riots I believe we will have a more united country, a fairer country, a more Australian country. I look forward to the day when that debate happens in this place.

Mr EDWARDS (Cowan) (10.39 am)—I welcome the opportunity to involve myself in this important debate on the Australian Citizenship Bill 2005 and the Australian Citizenship (Transitionals and Consequentials) Bill 2005. I want to start off by congratulating the member for Holt on his very strong, impassioned words. This is an issue that does evoke emotion and passion. How can we possibly talk about these bills without having strong feelings about the issues that are involved in the discussion paper which the minister circulated and, indeed, the bills? Like the previous member who spoke, I have over nearly 30 years, through service in state parliament, local government and federal parliament, attended countless citizenship ceremonies. Indeed, as far as I am concerned, they have always been the highlight of my political life over the years. The cities of Stirling, Wanneroo, Joondalup, Swan and Bayswater all conduct wonderful services and ceremonies. I suppose the ones I most attend these days are

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those of the City of Wanneroo, which over many years has been one of the leading local authorities when it comes to citizenship ceremonies, particularly with regard to the one they hold outdoors every year on Australia Day—and what more fitting day could there possibly be to take out Australian citizenship on than Australia Day?

One of the other things that I do, like a lot of other members, is to attend many schools and talk to students about a whole range of issues. One of the things that has come to the fore of late in those discussions has been young people themselves wanting to talk about citizenship. One of the questions that inevitably a member of parliament is asked by these young people—and I am sure that I am no Robinson Crusoe here—is: ‘What is it that got you involved in politics?’ I explain to them that I had been involved in local government for some years and in state government for some years when I gave it away in the mid-nineties. They say, ‘What got you back involved?’ It was the same matter raised by the member for Holt—it was the issues being raised by Pauline Hanson, the way in which those issues were being raised and the fact that the current government and the current Prime Minister seemed to be happy for Pauline Hanson to raise those issues and for that wedge type debate to be had in the community. That made me angry, because I grew up with a lot of new Australians, as they were called in those days: Italians, Macedonians, Slavs and Greeks—people who came from a whole range of European countries; people whose parents could not speak English but who learnt through their children. There were young blokes who came from Italy who went to school with us who had never seen a football or a cricket ball, and many of them ended up representing the state teams in Western Australia. That is where many of them learned their Australian values—through the field of sport—and that is where they were able to teach their parents many of the values of Australia.

I mentioned that I attend a number of schools to talk to students. I was recently at Morley Senior High School in my electorate. I met with a group of young people there and we talked about a whole range of issues. I met one particular young girl who is a Muslim. Following the meeting I had with that group she wrote to me. But I also received a letter from the school following my visit. The students said:

Dear Graham,

Thank you again for a great breakfast chat. The students greatly appreciated your views and the insight you gave regarding political life. You made a wonderful impression on all of the students, especially—and I have taken her name out—

the Muslim girl you met at the breakfast. I believe she has sent you a letter describing her life as an Australian practicing Muslim. We are very proud of—

this young girl—

and would like to thank you for your support.

I want to read into the Hansard what this young girl wrote to me, because I think it is so pertinent to this debate. She said:

Dear Mr ... Edwards,

... I am 17 years old and completing my secondary studies at Morley Senior High School in Perth. I arrived in Australia in the year 1994 from Pakistan. I am a practicing Muslim of Afghan origin. I passionately believe that I am one of the very few lucky young women to grow up in a country so multicultural, diverse and modern as Australia. I have been brought up in a country alien to me but I have
learned to appreciate and embrace the values and beliefs of the Australian way of life. On a regular ba-
sis, I might see images and stories of poverty in Sudan, hunger in Zimbabwe and war in Iraq and Af-
ghanistan. I watch with sadness and disbelief. I try to grip these images and come to terms with what is
happening around me, then I think to myself how lucky I am to be in Australia. If only others were
given a fair chance and had the opportunities and prospects I have today.

However, I have faced many obstacles in my life as have many other Muslim men and women. Al-
though I am a practicing Muslim, I do not wear the veil. When I meet people, I am frequently told I do
not appear a stereotypic Muslim; I would have been guessed European or Persian. It is difficult to avoid
the parochial views towards Muslim men and women. Even today, marginalisation of the Muslim race
is evident and stronger than ever before. It comes as no surprise to me anymore hearing the words Islam
or Muslim being associated with topics of terrorism, violence, chaos and corruption. In fact, I’m sur-
prised when the connection is not made!

I will come back shortly to that statement. Her letter continues:

There does exist a minority of extreme Islamists among the Muslim race but why should everyone be
judged on the basis of a few people’s actions. This is not only apparent in the Muslim population, but
also among the Jewish, Christian and Hindu communities.

Another issue I have given a lot of thought to is the government’s intention of implementing new citi-
zenship laws. By sitting a short test comprising of general knowledge and Australian culture, I do not
understand the underlying purpose of the test. It is argued that “foreigners” may come to terms with
Australian morals and should be aware of the values and attitudes upheld in the Australian society.
From my perspective as a young Australian, I believe this is sending an unclear and impractical view of
Australia. I’ve placed myself in others shoes and thought that if I were a migrant and intended on living
in Australia, the idea of a test creates feelings of insecurity and mistrust towards the Australian commu-
nity. To me values cannot be forced upon someone or tested; they are developed from personal experi-
ences and teachings. I do not think I would have been the same person I am if I had to be educated
about Australian culture before I came to terms with the Australian way of life. Whatever happened to
the Australian value of fair go?

I can clearly remember Peter Costello’s attitudes towards the issue earlier this year. He claimed that if
you don’t believe in democracy and aren’t prepared to embrace the Australian culture, don’t come here.
It came as a shock to me at first. When I thought about his speech even more I was confused and hurt,
angry with him and ashamed of my cultural and religious beliefs. But then further thought made me ask
why I should have to discard of my religious beliefs or prevent them from shaping my opinion? Why
should my own moral standings be reduced so that others become content? I think it is inappropriate to
recommend the rejection of one’s beliefs simply because he lives on different land and territory. Maybe
a better response to the situation would have been a recommendation of uniting the person’s own beliefs
and the beliefs and values of Australia. I was positioned to view Mr. Costello’s statement as an obvious
attack on the Islamic population and I do not believe I was alone in thinking this.

I sincerely hope for an improved and more appropriate approach to the arrival of immigrants into Aus-
tralia. Everyone should have the opportunity to demonstrate their full potential and talents in a country
so expanse and open to integration and growth. After all, isn’t that what Australians stand for, equality?
I, myself came to Australia at the age of five and could not speak a word of English. I am 17 now and
strive eagerly towards University degrees and a full time career. I have complete trust and belief that I
may achieve anything I stand for and who could ask for more in a country so willing to acknowledge
my intentions!

Thank You for your attention.

I was very impressed and I thought it was an incredibly strong letter. It was an incredibly ma-
ture letter for a young girl to have written. I can understand exactly why the year 12 coordina-
tor said, when the school wrote to me, that they were very proud of this young lady. I want to go back to a sentence from this letter. I will repeat it:

It comes as no surprise to me anymore hearing the words Islam or Muslim being associated with topics of terrorism, violence, chaos and corruption. In fact, I am surprised when the connection is not made!

I was going past the library the other day, and I noticed a display of books. I stopped to have a second look because, in that display, there were books titled: *Holy Terror; 7/7: The London Bombings; Terror on the Internet; The Koran for Dummies;* and *The Osama bin Laden I know.*

In with those books about terrorism were: *Basic Principles of Islam* and *Muslims: Their Religious Beliefs and Practices.* I wonder why it is that books of that mixture would be on display. I have seen similar sorts of books in other book shops, all together and on display. I could not help but think back to the words of that young girl about the association between Islam and terrorism. She said, and I repeat: ‘In fact, I am surprised when the connection is not made.’ I just wonder how it is possible to debate the issues and not to be influenced by the connection to Muslims in displays such as these. I do not think they are intentionally put together to associate Muslims with terrorists, but it seems to me that the connection is being made—perhaps subconsciously, but it is certainly being made. It was a bit of lesson for me to think of her words and then to think of that display.

When I speak at citizenship ceremonies I say to people that, just because they have come from different countries, it does not mean they have to discard their heritage, their customs or their religion but I do ask people to bring their customs, heritage and other beliefs and fold them into the country that is Australia. Australia is a diverse nation. Our strength as a nation is drawn from that diversity. We should celebrate that diversity and all that comes with it.

I think we should also be cautious about playing the wedge and playing politics with these issues, which go to the basic, everyday lifestyle of Australians. We need balance and open debate but, at the end of the day, we also need compassion, understanding, support and encouragement for those people who, often, have come to Australia in incredibly difficult and dangerous circumstances.

The young lady whose letter I read mentioned the phrase ‘fair go’. I always say at our citizenship ceremonies that, if Australia stands for one thing, it is for the thing that I was brought up to believe in most about our nation—that is, a fair go. I was always taught as a young bloke that you never ask for a fair go unless you are prepared to give a fair go. That is the important thing about being Australian. Unfortunately, the ethos and the importance of a fair go seems to have been lost in today’s Australia and in today’s society. If we could get back that whole approach to a fair go—giving a fair go and asking for a fair go—we would be much richer and much better off as a nation.

One of the things that we have to ensure that we stay away from is the politicisation of these issues. By politicising these issues, we are tossing away any chance of a fair go for some of these people whose future and whose children’s future lies in Australia. Australia must be tolerant. We must be compassionate, we must be strong, we must be patient and, above all, we must not lose sight of the fact that our greatest strength as a nation is our diversity. I support the amendment.

*Mr ROBB* (Goldstein—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs) (10.56 am)—In summing up, I would like to thank all those who have made
a contribution to this debate over the last couple of days. It has been an extensive debate; it is an important bill. The Australian Citizenship Bill 2005 and the Australian Citizenship (Transitions and Consequentials) Bill 2005 will replace the Australian Citizenship Act 1948. The bills deliver better structured, clearer and more accessible Australian citizenship law, drafted in the language of the 21st century. In this regard the second body of improvements has stemmed from the original Australian Citizenship Council report. The major and significant response to that report was embodied in amendments in 2002.

The changes maintain and reinforce the notion that Australian citizenship is a positive and unifying force and that Australian citizenship lies at the heart of our national identity. It gives a strong sense of who we are and our place in the world. Importantly, citizenship allows people who come to Australia to fully participate in Australian life and to take advantage of the great opportunity this country provides. Australia is also the richer for the unique experiences and perspectives which migrants bring to our country. Diversity makes us stronger, but only when those who bring this important diversity also support the values—our values—which are the glue that maintains and has sustained such a cohesive society.

The act of becoming an Australian citizen is a significant one. It involves a formal commitment to Australia and its people. Australian citizenship brings with it privileges but also responsibilities. Importantly, the bills retain the principle that Australian citizenship is a privilege and not a right. This is underpinned by the retention of the existing discretion to refuse an application for citizenship despite the applicant being eligible to be approved. This has been a consistent feature of naturalisation legislation through the Commonwealth for over 100 years and reflects the role of the state in determining citizenship and that it is a strong bipartisan matter. Australian citizenship is a very valuable status. It cannot and should not be undervalued.

The risk of fraud is continuous. A major change in this bill allows the consideration to be given to the revocation of Australian citizenship where a third party has been convicted of fraud in relation to an application. Following amendments made by this bill, it will be possible to revoke citizenship where a person has obtained approval to become a citizen on the basis of third-party fraud. The revocation provisions have also been strengthened to allow for revocation for a conviction of a serious criminal offence committed at any time before the person becomes an Australian citizen.

Applicants for citizenship by descent are required to have an Australian citizen parent at the time of their birth. Importantly, a new provision makes explicit that a person born overseas who did not have an Australian citizen parent at the time of their birth will be taken never to have been an Australian citizen. One other important area of change to the citizenship by descent provisions is the removal of the age limit. Currently persons must apply for citizenship by descent before they turn 25. The Australian government recognises that there are some people who have an entitlement to citizenship by descent but have not been registered for whatever reason.

The inclusion of a personal identifiers framework is an essential addition to our citizenship legislation. It will increase the government’s ability to authenticate and identify a person making an application for Australian citizenship and to combat identity and document fraud in the citizenship program. The bill explicitly states that a person cannot be approved for Australian citizenship unless there is satisfaction as to their identity. Another significant measure aimed

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at safeguarding Australian citizenship is allowing for an application to be refused if the person is assessed as being a direct or indirect threat to the security of our nation. This provision applies to all applications, whether a person is applying to become a citizen by descent, by conferment or by resumption of their Australian citizenship.

On the matter of resumption of Australian citizenship, the Australian government recognises that, over the years, many people have lost their Australian citizenship—some without knowing because of the operation of Australian law, while others have knowingly renounced their allegiance to Australia. The government has amended the legislation to provide that the only requirement for those people to resume their citizenship is that they be of good character and, as indicated above, that their identity can be confirmed. Provisions for resumption by people who renounce their citizenship were first introduced by this government in 2002. The removal of the age limit represents a very significant concession. Citizenship has been a powerful force in the development of this nation, and these bills will ensure it continues to be so.

I now turn to some of the points raised during the debate on these bills over the last couple of days. Firstly, there is a proposal in the current bill to increase residency requirements to three years and an amendment foreshadowed by the government to increase that to four years. This proposal to increase residency requirements to four years from the current two years has been raised, in one way or another, by nearly all speakers. The existing bill proposes an increase in the residential qualifying period of not less than two years in Australia in the previous five years to a period of three years. However, the government will propose a further amendment, which has been circulated, which proposes new residency requirements of a minimum of four years before being able to apply for Australian citizenship.

These new requirements recognise the changes in the migration program over the past four years. Increasing numbers of people spent significant periods of time in Australia as temporary residents prior to becoming permanent residents. This is why only one of the four years spent in Australia, as proposed in the amendment, will need to be as a permanent resident. This will also include those who have been here on temporary protection visas; they will qualify for three of the four years for citizenship. So three of the four years residency will be a requirement before people will be eligible to apply for citizenship.

Also, absences from Australia of up to 12 months will be allowed during the four-year period, but people will not be allowed to spend more than three months away from Australia in the year before applying for citizenship. People who are already permanent residents will only be required to meet the current two-year residential qualifying period provided they apply for citizenship within three years of the commencement of the act. This is not intended to be retrospective in that sense.

They are the mechanics of what is proposed. This measure has come in for particular attention by those opposite during the course of this debate. I must say I have found the arguments that I have listened to by those opposite against extending the residential qualifying period to four years to be totally unconvincing. The opposition are quite happy to support an increase from two to three years; however, the proposal to take the period from two to four years instead of two to three has brought, in the main, a sort of 'shock, horror!' response, which sounds to me more like playing to an audience than a response based on any plausible argument.

Opposition members interjecting—
The DEPUTY SPEAKER (Hon. BK Bishop)—Order! The parliamentary secretary is entitled to sum up and to pay attention to the arguments that were raised by the opposition and other members in the House. I think it is reasonable that you listen to his response.

Mr ROBB—There have been cries of ‘marginalising people’, ‘putting up the barriers’, ‘discriminating against new arrivals’ and ‘no new national security arguments to justify the change’. All of these statements that I have heard in the last two days ring pretty hollow when most of those speakers in the next breath have waxed lyrical about the significance of citizenship and referred to the importance of rights and responsibility. The comments also ring pretty hollow when all speakers totally ignored the principal argument for extending the residential period to three years advanced in the second reading speech by my predecessor, the member for Parkes. The principal reason for going from two to three years advanced by the member for Parkes has been ignored in every contribution made by those opposite over the last two days. It was the sole reason advanced by me in September when announcing the intention to extend the resident requirement to four years. So the sole reason I have advanced for extending it to four years and the principal reason advanced by the member for Parkes when he made the second reading speech has been ignored in every contribution made by those opposite who have opposed the two to four year proposition. In the second reading speech, my colleague the member for Parkes said:

The increase in the residential qualifying period will allow more time for new arrivals to become familiar with the Australian way of life and the values to which they will need to commit as citizens.

He went on:

It will also strengthen the integrity of the citizenship process by giving more time for the identification of people who may represent a risk to Australia’s security.

So there are reasons. The principal reason is to give people more time to understand the Australian way of life. The member for Watson, in his contribution, spent 20 of his 30 minutes entirely focused on the national security part of that argument, as though that was the only reason. It is still a legitimate reason, a good reason, which you supported, to go from two to three years, but you spent all your time on the national security argument as to why it should not go from three to four or, in this case, in total from two to four. That was conveniently ignoring, I think, the critical issue of how long it takes for new arrivals to understand the way of life they are signing on to when they make the very serious pledge of citizenship. If, as all those opposite claimed, they believe so strongly—as I am sure they do—in the significance of citizenship and the commitment that goes with it, why did every one of them completely ignore any consideration of the time needed for those seeking citizenship to understand just what they are committing to? That is the crux of the argument for going from two to four years.

I can assure the House that the sole motivation in advocating an increase from three to four years, on subsequent consideration by the government of these changes for the resident requirement, was to do with new arrivals, especially those from new and emerging communities, who nowadays are often from countries with cultures far removed from the Australian culture. Over 200,000 people in the last 10 years have come from the Middle East and Africa. It makes no reflection on the merits of any culture. It is just a fact that it is more difficult if you come not from Europe but from other cultures that are far removed from the Australian
culture to get some understanding of what it is that makes Australia tick—what is the way of life that you are committing to as you take that pledge.

Of course, many people who come from cultures far removed from the Australian culture do not have English language skills when they arrive, and they need sufficient opportunity to understand exactly what they are committing to when they make the citizenship pledge. When people take out citizenship, they are committing to a way of life. As the new citizenship ads say—and these ads encouraging people to take out citizenship were a matter of some discussion in the debate over the last two days—citizenship is more than just a ceremony. And that is the point: it is much more than just a ceremony; it is a huge commitment. When people take the pledge, they need to have the English language skills to understand exactly what they are committing to and they have to have a sense of how Australia works—Australian values and the essence of the Australian way of life—because they are committing to signing up to that way of life.

A lot of my motivation for recommending these proposals to the cabinet was my experience moving around every state across dozens of new and emerging communities and seeing the difficulties some of these people are experiencing in just coming to grips with the new environment. They are highly motivated and they are going to make great citizens, but they need the opportunity and the time, if they are going to commit to our way of life, to get a true sense of Australia. Two years is certainly inadequate. Three years is very difficult. Four years, in my view, is an absolute minimum. When you look around the world, four years is pretty much a minimum. It is not unreasonable to expect these people to have a reasonable opportunity to get a real sense of what it is to be Australian—what it is to make a contribution; what it is to commit to the Australian way of life.

In fact, what I have found in the last few weeks since announcing our intention to move a further amendment to take this to four years is that a number of African community members have said to me that they have a sense of some relief and that they have been feeling under pressure with a two-year requirement to understand Australia within that two-year period. They are saying they feel some relief that there is not an expectation for them to acquire a sense of the Australian way of life and take out citizenship within a two-year period. I am confident that this extension is a sensible proposal that will only serve to further enhance the effectiveness and the privilege of citizenship.

On another matter, the opposition has moved an amendment to provide access to citizenship for children born to Maltese citizens who had previously been Australian citizens. Under the new act, all people who were born in Australia and voluntarily renounced their Australian citizenship will be able to resume their citizenship, subject to character and national security considerations and verification of their identity. I think that is an important and a major provision in the bill which obviously is supported by those opposite.

However, Australian citizenship is a privilege; it is not a right. Provision has not been made for the children of the Maltese citizens who had previously been Australian citizens. In the government’s view, they do not have sufficient connection with Australia for automatic provision to be made for them. Their parents consciously renounced Australian citizenship and at the time of doing so could have had no expectation of being able to resume it without migrating to Australia. The Senate Legal and Constitutional Legislation Committee, in their inquiry into the bills, accepted the proposed provisions, stating:
The Committee considers that this matter has been fully considered by the Government over a number of years and that renunciation is properly regarded as a more significant and conscious relinquishing of the bonds of allegiance to Australia.

That was in contrast to the many people who had unconsciously lost Australian citizenship under section 17, which, of course, has now been withdrawn from the bill. However, these people under section 18 had consciously renounced their citizenship and, according to the committee, it did present itself as a more significant and conscious relinquishing of the bonds of allegiance to Australia.

So we have made a major concession and a proper concession to all of those Maltese citizens who had previously been Australian citizens—that is an important provision—but not for their children, who were not born here, have never been in Australia and have been Maltese citizens from birth. Importantly, though, there is still a path for such children to gain citizenship if they so wish. Presumably either of their parents who seek to renew their Australian citizenship, as Australian citizens, can sponsor their non-citizen children. (Time expired)

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

Question agreed to.
Original question agreed to.
Bill read a second time.

A division having been called in the House of Representatives—

Sitting suspended from 11.18 am to 11.38 am

AUSTRALIAN CITIZENSHIP BILL 2005

Consideration in Detail

Bill—by leave—taken as a whole.

Mr BURKE (Watson) (11.38 am)—by leave—I move the following opposition amendment circulated in my name:

Clause 21, page 18 (line 2), after “17”, insert “or 18”.

Some of these issues have already been raised in the right of reply by the Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs. This amendment, while not confined explicitly to the Maltese community, effectively impacts upon the Maltese community. The government has been willing to regulate and fix the citizenship problems for the parents who were forced to relinquish their citizenship, but it has chosen not to do so for their children. For those people covered under section 17 the situation is fixed for their children, but for those people covered under section 18 it is not. No credible argument was offered in that right of reply to explain the reason for that distinction.

Labor believes we are opening up a ludicrous situation where the argument from the government is, ‘They don’t have a connection to Australia,’ yet their parents have enough of a connection to Australia that we are moving special legislation to try to fix their citizenship. What is their connection to Australia? Labor calls it ‘mum and dad’. That is the connection to Australia. I know that the government is having trouble reconciling just how close that nexus
is, but Labor views it as a particularly close nexus. I will leave it to the member for Gorton and the member for Prospect to raise some specific examples they have seen in the Maltese communities in their own electorates.

We should not be opening up a ludicrous position simply to cover for an error made by a previous minister. This was an announcement made in 2004, as I understand it, by the minister who is now the Minister for Vocational and Technical Education, who made a gaffe and said the government would fix it for one but not for another. It is not fair to somebody who is now running pretty much half the operations of the Department of Immigration and Multicultural Affairs to have to cover for a junior minister who mucked things up. That is the only reason we are in this situation now. To be running an argument in the Parliament of Australia that there is not a sufficient nexus, when the nexus is called mum and dad, is a ludicrous situation that Labor oppose. We therefore seek what is a pretty modest amendment, I have to say: if we are fixing it for the parents, let us fix it for the kids in the same hit.

Mr ROBB (Goldstein—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs) (11.40 am)—I do not wish to add a great deal to my comments in summing up a few minutes ago. I would just like, though, to make the point that the government sees—and also, as I said earlier, the Senate Legal and Constitutional Legislation Committee in its inquiry into these bills saw—a very clear distinction between those people affected by section 17 of the Australian Citizenship Act 1948 and those affected by section 18. The fact is that, for those who had been previously affected by section 17, it did not allow Australians to acquire another nationality and retain their Australian citizenship. Many people unknowingly lost their citizenship under that section, together with the right of access to Australian citizenship for their children, as a result of the application of Australian law. The impact of section 17 was recognised appropriately and addressed long ago, in 1984, and addressed conclusively with the repeal of that section by the parliament in 2002.

However, the circumstances of people who ceased to be Australian citizens under section 18 are totally different. It is a totally different matter. In this case, cessation of Australian citizenship was the result of an application. People had to physically make an application. In the case of former citizens in Malta, it was the result of a conscious decision of the individual in response to the laws of Malta. For all of those who took a conscious decision, we have sought appropriately in this legislation, and supported by those opposite, to redress that, and they will have the opportunity to take out Australian citizenship.

But for their children—who have never been here and have never been Australian citizens—we think that it is only appropriate that there be a conscious decision by those children to establish some real bonds with Australia if they are going to take out Australian citizenship; not to live in Malta, never come back to Australia and just go down to the embassy and get citizenship. But if they wish, these children who have never had a bond with Australia and were not born here—those who were born here will be eligible for citizenship—will have a pathway if they wish to be Australian citizens and their parents have taken out citizenship. They have to come to Australia and apply for citizenship. There is a pathway. If they wish to establish a bond then that is a good thing, and there is an opportunity here to do it. That is why we think—and the Senate committee thought—the legislation goes far enough, and it still provides an opportunity for those children who genuinely wish to become Australian citizens in due course. They have to establish some formal bond with Australia to do that.
Mr BOWEN (Prospect) (11.43 am)—I would like to strongly support the amendment moved by the honourable member for Watson and express my disappointment in the remarks just made by the Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs. I must say that many of those children of people who revoked their citizenship under section 18 will have found the parliamentary secretary’s contribution particularly insulting and disappointing, to hear that they have no bond with Australia. They will say they do have a bond with Australia, and they will be very disappointed to hear a senior representative of this government say they have no bond. Many of them have spent a lot of time in Australia. It is not true to say that they have left Australia and have no bond with Australia. They will be particularly insulted to hear that contribution.

The parliamentary secretary says: ‘Well, they revoked their citizenship, and therefore they cut their links with Australia.’ It is worth remembering the circumstances under which they were forced to do so. Under Maltese law at that time, they would not have been allowed to own property in Malta. They would not have been allowed to study in Malta. They would not have been allowed to work for the Maltese government.

The Maltese community makes a great contribution to this nation and has done for many years, but it is a community which still feels particular links with Malta. There are many Maltese people who move back and forth on a temporary basis between Malta and Australia. For the people who were forced into this position, thankfully the Maltese government have now changed that law. The Maltese government have seen the error of their ways; they have seen that it is possible to have a great and abiding loyalty to Australia and also a loyalty to Malta, but the Australian government is failing to make this correction. The parliamentary secretary says: ‘We have fixed it for people who revoke their citizenship. It’s okay if somebody revoked their citizenship—they can get it back. But we’re going to exclude the innocent son or daughter who had no say in whether their parents revoked their citizenship. If their parents lost their citizenship automatically, that is okay, but if their parents took a deliberate decision, forced onto them by Maltese law, then they are going to be excluded.’

The amendment moved by my honourable friend the member for Watson is a very simple one; it is not complex: insert ‘or 18’. It is only two words, but those two words would have a great impact for those 2,000 or 3,000 Maltese citizens who are very keen to see their existing bond with Australia certified and restored by citizenship. The parliamentary secretary’s predecessor and previous Minister for Citizenship and Multicultural Affairs, the member for Parkes, talked in his second reading speech about section 17 and made no mention of section 18. However, his predecessor, the minister for citizenship before him, the member for Moreton, announced that the government would fix section 18. He went out in a fanfare and was welcomed by the Maltese community. He said it in a speech at the Sydney Institute and no doubt sent out press releases to the Maltese papers. He said, ‘We will fix this for the children of people who renounced their citizenship under section 18.’

His successors, the member for Parkes and the member for Goldstein, have reneged on that commitment to the Maltese people for no good reason. They draw the false distinction and the false dichotomy that the children of people who lost their citizenship under section 17 can get their citizenship back but the children of people who revoked it under section 18 cannot. It is a false distinction; it is a disappointing one. The Maltese community in Australia—Australian-Maltese people—have a right to be very disappointed in this government and to say, ‘We have
been let down and, frankly, we have been misled, because we were told by a minister in this
government that this would be fixed.’

You would think from the parliamentary secretary’s contribution that these people are go-
ing to be some sort of a burden or a drain on Australian society if they are granted Australian
citizenship. I say I have yet to find a Maltese-Australian who is a burden or a drain on Aus-
tralia. Go and talk to the Maltese chicken farmers in my electorate and, no doubt, the electorate
of the member for Gorton who have been working in Australia for 40 or 50 years and hear
about their cousins or nephews and nieces who have been denied Australian citizenship. *(Time
expired)*

**Mr BRENDAN O’CONNOR** (Gorton) (11.48 am)—I associate myself with the com-
ments made by the member for Watson and the member for Prospect. There seems no logic to
this. There is no common sense in the government’s position when they suggest that they will
fix the anomaly in sections 17 and 18 with respect to the parents and not fix the existing
anomaly for the children of parents who come under those sections. I have been dealing with
the Maltese community in my own electorate. I have had people contacting me from Malta
who were born here and are seeking to come back here as citizens.

We should understand the history of this matter. As the member for Prospect indicated,
people who were born here and went back to Malta were under duress when they chose to
relinquish their Australian citizenship so they could remain in Malta. That law was a bad law.
That was an onerous and unfair law in Malta, and it has been rectified. In 2004, the former
minister for citizenship indicated that they would fix this anomaly for the parents who were
coerced into relinquishing their citizenship so they could remain in Malta and for their chil-
dren. The parliamentary secretary today has indicated that he will not do so because those
children have no association with this country. As I think the member for Watson quite rightly
said, could there be a stronger bond than being children of Australian citizens or of parents
who were born in this country and are eligible to become Australian citizens? How can chil-
dren who are minors be asked to wait and not be able to automatically become citizens when
their parents are able to become citizens?

So I ask the parliamentary secretary if he believes that Lillian and Steve Schembri’s chil-
dren, Glenn, Clint and Chereece—who are going to school in Kings Park, a suburb in my
electorate—are not suitable to become Australian citizens. Could he explain to those parents
why they are in a position to be eligible for citizenship but their three children are not? It is an
illogical position for the government to suggest that it cannot accept the amendment moved
by the member for Watson to include section 18 in clause 21 of the bill. Section 18 should be
inserted. As I said in my first contribution on this matter, we are happy that the government
has chosen to remove the anomaly that exists between those who renounce their citizenship in
order to acquire and those who renounce in order to obtain. That is, we are happy that that
anomaly in sections 17 and 18 will be rectified once this bill has been enacted, but we are not
happy that the government has stopped short of removing all anomalies by treating the chil-
dren of these two categories differently. There should be no distinction in the way in which
the government treats these children that are residing in this country. Indeed, we realised there
was an unfair provision with respect to the parents. Through this legislation, that will now be
rectified but the one relating to the children will not be.
So I have to return to my electorate and explain to the Maltese community there that, whilst the government has fulfilled its undertaking to rectify the anomaly between sections 17 and 18 for the parents, it will not fix it for the children. Those parents who were forced to relinquish their citizenship because of an unfair law in Malta and who have returned here—Australian born, like Steve and Lillian Schembri—cannot tell their children that they can become Australian citizens like their parents. I think that is an awful situation to place those parents in, and I think the government should attend to this matter and fix the anomaly—or go out and explain to the Maltese community why it has decided to break its word to that community, because it is an absolute travesty and a disgraceful and contumacious attitude towards the Maltese community in this country.

Question unresolved.

The DEPUTY SPEAKER (Mr Quick)—As the question is unresolved, in accordance with standing order 188, the question will be included in the report on the bill to the House.

Mr ROBB (Goldstein—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs) (11.54 am)—by leave—I present a supplementary explanatory memorandum to the bill. I move government amendments (1) to (76):

(1) Preamble, page 1 (line 4), before “formal”, insert “full and”.
(2) Clause 2, page 2 (table item 2), omit “3”, substitute “2A”.
(3) Page 3 (after line 3), after clause 2, insert:

2A Simplified outline
The following is a simplified outline of this Act:

<table>
<thead>
<tr>
<th>What this Act covers</th>
</tr>
</thead>
<tbody>
<tr>
<td>This Act sets out how you become an Australian citizen, the circumstances in which you may cease to be a citizen and some other matters related to citizenship.</td>
</tr>
</tbody>
</table>

Becoming an Australian citizen
There are a range of ways you can become an Australian citizen.

Acquiring citizenship automatically
Generally, you become an Australian citizen automatically if you are born in Australia and one or both of your parents are Australian citizens or permanent residents when you are born.

There are some other, less common, ways of automatically becoming a citizen. Division 1 of Part 2 has details about acquiring citizenship automatically.

Also, if you were a citizen under the old Act immediately before the day that this section commences, you will continue to be a citizen: see subsection 4(1).

Acquiring citizenship by application
The other way to become an Australian citizen is to apply to the Minister. This is covered by Division 2 of Part 2. There are 4 situations in which you can apply for citizenship.

The first is citizenship by descent. Generally, you would apply for this if you were born outside Australia and one or both of your parents were Australian citizens when you were born.

Citizenship by descent is covered by Subdivision A.

The second is citizenship for persons adopted in accordance with the Hague Convention on Intercountry Adoption: see Subdivision AA.

The third is citizenship by conferral. Generally, you would need to be a permanent resident and willing to make a pledge of commitment to apply for citizenship by conferral. There are
some less common circumstances in which you can apply for citizenship by conferral. Citizenship by conferral is covered by Subdivision B.

The fourth is resuming citizenship. In certain cases where you previously ceased to be an Australian citizen, you can apply for your citizenship to resume. Resuming citizenship is covered by Subdivision C.

The Minister must be satisfied of your identity for you to acquire citizenship by application. Rules about identification are in Division 5 of Part 2.

The Minister may be required to refuse your application on national security grounds.

**Ceasing to be an Australian citizen**

There are a number of ways that you can cease to be an Australian citizen.

You can renounce your citizenship.

If you did not automatically become an Australian citizen, the Minister can revoke your citizenship in certain circumstances.

There are some other, less common, ways of ceasing to be a citizen.

Division 3 of Part 2 has details about ceasing to be a citizen.

**Evidence that a person is an Australian citizen**

You can apply to the Minister for evidence of your Australian citizenship. This is covered by Division 4 of Part 2.

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(4) Clause 3, page 3 (line 18), omit “3”, substitute “2A”.

(5) Clause 3, page 3 (lines 20 and 21), after “is a personal identifier”, insert “provided under Division 5 of Part 2”.

(6) Clause 3, page 3 (line 21), after “provide”, insert “unauthorised”.

(7) Clause 3, page 3 (after line 21), at the end of the definition of disclose, add:

Note: Section 42 deals with authorised access to identifying information.

(8) Clause 3, page 3 (before line 22), before the definition of foreign law, insert:

entrusted person means:

(a) the Secretary of the Department; or

(b) an APS employee in the Department; or

(c) a person engaged under section 74 of the Public Service Act 1999 by the Secretary of the Department; or

(d) a person engaged by the Commonwealth, the Minister, the Secretary of the Department, or by an APS employee in the Department, to do work for the purposes of this Act or the regulations or of the Migration Act 1958 or the regulations made under that Act.

(9) Clause 3, page 3 (line 24), after “identifier”, insert “provided under Division 5 of Part 2”.

(10) Clause 3, page 3 (line 25), after “from any”, insert “such”.

(11) Clause 3, page 3 (line 27), after “analysing any”, insert “such”.

(12) Clause 3, page 3 (line 28), after “from any”, insert “such”.

(13) Clause 3, page 4 (line 1), after “any”, insert “such”.

(14) Clause 3, page 4 (line 2), after “from any”, insert “such”.

(15) Clause 3, page 4 (after line 6), after the definition of identifying information, insert:


national security offence means:

(a) an offence against Part II or VII of the Crimes Act 1914; or

(b) an offence against Division 72 of the Criminal Code; or

(c) an offence against Part 5.1, 5.2 or 5.3 of the Criminal Code; or
(d) an offence against the Australian Security Intelligence Organisation Act 1979; or
(e) an offence against the Intelligence Services Act 2001; or
(f) an offence covered by a determination in force under section 6A.

(16) Clause 4, page 5 (lines 20 to 25), omit subclause (1), substitute:
(1) For the purposes of this Act, Australian citizen means a person who:
(a) is an Australian citizen under Division 1 or 2 of Part 2; or
(b) satisfies both of the following:
   (i) the person was an Australian citizen under the Australian Citizenship Act 1948 immediately before the commencement day;
   (ii) the person has not ceased to be an Australian citizen under this Act.

(17) Page 7 (after line 12), after clause 6, insert:
6A National security offences
(1) The Attorney-General may, by legislative instrument, determine that:
   (a) an offence against a specified provision of a specified Australian law or a specified foreign law; or
   (b) an offence against an Australian law or a foreign law involving specified conduct;
       is a national security offence for the purposes of paragraph (f) of the definition of national security offence in section 3.
(2) A determination under subsection (1) applies in relation to:
   (a) applications made under this Act after the determination takes effect; and
   (b) applications made under this Act before the determination takes effect that have not been decided before the determination takes effect.

(18) Clause 10, page 9 (line 15), omit “will promote one or more”, substitute “is necessary for either or both”.


(20) Page 11 (before line 4), before clause 12, insert:
11A Simplified outline
The following is a simplified outline of this Division:

The most common way you become an Australian citizen under this Division is by being born in Australia and by having a parent who is an Australian citizen or a permanent resident at the time of your birth. There are some other, less common, ways of becoming an Australian citizen under this Division. These cover:
• citizenship by being born in Australia and by being ordinarily resident in Australia for the next 10 years: see section 12; and
• citizenship by adoption: see section 13; and
• citizenship for abandoned children: see section 14; and
• citizenship by incorporation of territory: see section 15.

(21) Clause 13, page 11 (line 20), omit “of”, substitute “in force in”.

(22) Page 13 (before line 5), before clause 16, insert:
15A Simplified outline
The following is a simplified outline of this Subdivision:
You may be eligible to become an Australian citizen under this Subdivision in 2 situations:

- you were born outside Australia on or after 26 January 1949 and a parent of yours was an Australian citizen at the time of your birth: see subsection 16(2); or
- you were born outside Australia or New Guinea before 26 January 1949 and a parent of yours was an Australian citizen on 26 January 1949: see subsection 16(3).

You must make an application to become an Australian citizen. The Minister must approve or refuse you becoming an Australian citizen.

You must be eligible to be an Australian citizen to be approved.

The Minister may be required to refuse your application on grounds relating to:

- non-satisfaction of identity: see subsection 17(3); or
- national security: see subsections 17(4) to (4B); or
- cessation of citizenship: see subsection 17(5).

You will be registered if the Minister approves you becoming an Australian citizen.

You do not become an Australian citizen, even if the Minister approves you becoming an Australian citizen, unless a parent of yours was an Australian citizen at a particular time: see section 19A.

(23) Clause 16, page 13 (line 15), after “Subdivision”, insert “or Subdivision AA”.

(24) Clause 17, page 14 (after line 10), after subclause (1), insert:

(1A) The Minister must not approve the person becoming an Australian citizen unless the person is eligible to become an Australian citizen under subsection 16(2) or (3).

(25) Clause 17, page 14 (lines 12 and 13), omit “be so approved”, substitute “become an Australian citizen under subsection 16(2) or (3)”.

(26) Clause 17, page 14 (lines 18 to 24), omit subclause (4), substitute:

National security

(4) If the person is not covered by subsection (4B), the Minister must not approve the person becoming an Australian citizen at a time when an adverse security assessment, or a qualified security assessment, in respect of the person is in force under the Australian Security Intelligence Organisation Act 1979 that the person is directly or indirectly a risk to security (within the meaning of section 4 of that Act).

(4A) If the person is covered by subsection (4B), the Minister must not approve the person becoming an Australian citizen if the person has been convicted of a national security offence.

(4B) A person is covered by this subsection if:

(a) at the time the person made the application under section 16, the person:
   (i) is not a national of any country; and
   (ii) is not a citizen of any country; and
(b) at the time of the person’s birth, the person had a parent who was an Australian citizen.

(27) Clause 19, page 15 (line 6), omit “(1)”.

(28) Clause 19, page 15 (lines 9 to 15), omit subclause (2).

(29) Page 15 (after line 15), after clause 19, insert:

19A When a person does not become a citizen despite the Minister’s approval

Despite section 19, a person does not become an Australian citizen under this Subdivision, even if the Minister approves the person becoming an Australian citizen, unless:

(a) if the person was born on or after 26 January 1949—a parent of the person was an Australian citizen at the time of the person’s birth; or
(b) if the person was born before 26 January 1949—a parent of the person became an Australian citizen on 26 January 1949.

(30) Page 15 (before line 16), before Subdivision B, insert:

Subdivision AA—Citizenship for persons adopted in accordance with the Hague Convention on Intercountry Adoption

19B Simplified outline

The following is a simplified outline of this Subdivision:

You may be eligible to become an Australian citizen under this Subdivision if you are adopted outside Australia in accordance with the Hague Convention on Intercountry Adoption by at least 1 Australian citizen.

You must make an application to become an Australian citizen. The Minister must approve or refuse you becoming an Australian citizen.

You must be eligible to be an Australian citizen to be approved. You may be refused citizenship even if you are eligible.

The Minister may be required to refuse your application on grounds relating to:
- non-satisfaction of identity: see subsection 19D(4); or
- national security: see subsections 19D(5) to (7); or
- cessation of citizenship: see subsection 19D(8).

You will be registered if the Minister approves you becoming an Australian citizen.

19C Application and eligibility for citizenship

(1) A person may make an application to the Minister to become an Australian citizen.

Note: Section 46 sets out application requirements (which may include the payment of a fee).

Eligibility

(2) A person (the applicant) is eligible to become an Australian citizen if:

(a) the applicant is adopted in a Convention country by:
   (i) a person (the adopter) who is an Australian citizen at time of the adoption; or
   (ii) 2 persons jointly, only one of whom (the adopter) is an Australian citizen at the time of the adoption; or
   (iii) 2 persons jointly, both of whom (the adopters) are Australian citizens at the time of the adoption; and

(b) an adoption compliance certificate issued in that country is in force for the adoption; and

(c) under the Intercountry Adoption regulations, the adoption is recognised and effective for the laws of the Commonwealth and each State and Territory; and

(d) the legal relationship between the applicant and the individuals who were, immediately before the adoption, the applicant’s parents has been terminated; and

(e) if subparagraph (a)(i) or (ii) applies and the adopter is an Australian citizen under Subdivision A or this Subdivision at the time of the adoption—the adopter satisfies subsection (3); and

(f) if subparagraph (a)(iii) applies and each adopter is an Australian citizen under Subdivision A or this Subdivision at the time of the adoption—either or both of the adopters satisfy subsection (3); and
(g) if the applicant is aged 18 or over at the time the applicant made the application—the Minister is satisfied that the applicant is of good character at the time of the Minister’s decision on the application.

(3) An adopter satisfies this subsection if the adopter has been present in Australia (except as an unlawful non-citizen) for a total period of at least 2 years at any time before the applicant made the application.

Definitions

(4) In this section:

adoption compliance certificate has the same meaning as in the Intercountry Adoption regulations.

Convention country has the same meaning as in the Intercountry Adoption regulations.


19D Minister’s decision

(1) If a person makes an application under section 19C, the Minister must, by writing, approve or refuse to approve the person becoming an Australian citizen.

(2) The Minister must not approve the person becoming an Australian citizen unless the person is eligible to become an Australian citizen under subsection 19C(2).

(3) The Minister may refuse to approve the person becoming an Australian citizen despite the person being eligible to become an Australian citizen under subsection 19C(2).

Identity

(4) The Minister must not approve the person becoming an Australian citizen unless the Minister is satisfied of the identity of the person.

Note: Division 5 contains the identity provisions.

National security

(5) If the person is not covered by subsection (7), the Minister must not approve the person becoming an Australian citizen at a time when an adverse security assessment, or a qualified security assessment, in respect of the person is in force under the Australian Security Intelligence Organisation Act 1979 that the person is directly or indirectly a risk to security (within the meaning of section 4 of that Act).

(6) If the person is covered by subsection (7), the Minister must not approve the person becoming an Australian citizen if the person:

(a) if subparagraph (7)(b)(i) applies to the person:
   (i) has been convicted of a national security offence; or
   (ii) has been convicted of an offence against an Australian law or a foreign law, for which the person has been sentenced to a period of imprisonment of at least 5 years; or

(b) if subparagraph (7)(b)(ii) applies to the person—has been convicted of a national security offence.

(7) A person is covered by this subsection if:

(a) at the time the person made the application under section 19C, the person:
   (i) is not a national of any country; and
   (ii) is not a citizen of any country; and

(b) either:
(i) the person was born in Australia; or
(ii) the person was born outside Australia and, at the time of the person’s birth, the person had a parent who was an Australian citizen.

_Cessation of citizenship_

(8) If the person has at any time ceased to be an Australian citizen, the Minister must not approve the person becoming an Australian citizen during the period of 12 months starting on the day on which the person ceased, or last ceased, to be an Australian citizen.

_19E Registration_

If the Minister approves the person becoming an Australian citizen, the Minister must register the person in the manner prescribed by the regulations.

_19F Day citizenship begins_

A person becomes an Australian citizen under this Subdivision on the day on which the Minister approves the person becoming an Australian citizen.

(31) Page 15 (before line 17), before clause 20, insert:

_19G Simplified outline_

The following is a simplified outline of this Subdivision:

You may be eligible to become an Australian citizen under this Subdivision in 7 situations:

- you satisfy the general eligibility criteria: see subsection 21(2); or
- you have a permanent physical or mental incapacity: see subsection 21(3); or
- you are aged 60 or over or have a hearing, speech or sight impairment: see subsection 21(4); or
- you are aged under 18: see subsection 21(5); or
- you were born to a former Australian citizen: see subsection 21(6); or
- you were born in Papua: see subsection 21(7); or
- you are a stateless person: see subsection 21(8).

You must make an application to become an Australian citizen. The Minister must approve or refuse you becoming an Australian citizen. You must be eligible to be an Australian citizen to be approved. You may be refused citizenship even if you are eligible.

The Minister may be required to refuse your application on grounds relating to:

- non-satisfaction of identity: see subsection 24(3); or
- national security: see subsections 24(4) to (4B); or
- non-presence in Australia: see subsection 24(5); or
- offences: see subsection 24(6); or
- cessation of citizenship: see subsection 24(7).

You may need to make a pledge of commitment to become an Australian citizen.

(32) Clause 20, page 15 (line 19), omit “approves”, substitute “decides under subsection 24(1) to approve”.

(33) Clause 21, page 18 (lines 17 to 27), omit subclause (8), substitute:

_Statelessness_

(8) A person is eligible to become an Australian citizen if the Minister is satisfied that:

(a) the person was born in Australia; and
(b) at the time the person made the application, the person:

(i) is not a national of any country; and
(ii) is not a citizen of any country; and
(c) the person has:
   (i) never been a national of any country; and
   (ii) never been a citizen of any country; and

(d) at the time the person made the application, the person:
   (i) does not have reasonable prospects of acquiring the nationality of a foreign country; and
   (ii) does not have reasonable prospects of acquiring the citizenship of a foreign country; and

(e) the person has:
   (i) never had reasonable prospects of acquiring the nationality of a foreign country; and
   (ii) never had reasonable prospects of acquiring the citizenship of a foreign country.

(34) Clause 22, page 18 (line 29) to page 19 (line 2), omit subclause (1), substitute:

(1) Subject to this section, for the purposes of section 21 a person satisfies the residence requirement if:
   (a) the person was present in Australia for the period of 4 years immediately before the day the person made the application; and
   (b) the person was not present in Australia as an unlawful non-citizen at any time during that 4 year period; and
   (c) the person was present in Australia as a permanent resident for the period of 12 months immediately before the day the person made the application.

Overseas absences

(1A) If:
   (a) the person was absent from Australia for a part of the period of 4 years immediately before the day the person made the application; and
   (b) the total period of the absence or absences was not more than 12 months;

then, for the purposes of paragraph (1)(a), the person is taken to have been present in Australia during each period of absence.

(1B) If:
   (a) the person was absent from Australia for a part of the period of 12 months immediately before the day the person made the application; and
   (b) the total period of the absence or absences was not more than 3 months; and
   (c) the person was a permanent resident during each period of absence;

then, for the purposes of paragraph (1)(c), the person is taken to have been present in Australia as a permanent resident during each period of absence.

Confinement in prison or psychiatric institution

(1C) Subject to subsection (5A), the person is taken not to satisfy paragraph (1)(a) if, at any time during the 4 year period mentioned in that paragraph, the person was:
   (a) confined in a prison; or
   (b) confined in a psychiatric institution by order of a court made in connection with proceedings for an offence against an Australian law in relation to the person.

(35) Clause 22, page 19 (line 5), omit “Paragraph (1)(b) does”, substitute “Paragraphs (1)(a) and (b) do”. 
(36) Clause 22, page 19 (lines 9 to 15), omit subclause (3).
(37) Clause 22, page 19 (lines 16 to 18), omit subclause (4).
(38) Clause 22, page 19 (before line 20), before subclause (5), insert:
(4A) For the purposes of paragraph (1)(b), the Minister may treat a period as one in which the person was not present in Australia as an unlawful non-citizen if the Minister considers the person was present in Australia during that period but, because of an administrative error, was an unlawful non-citizen during that period.
(39) Clause 22, page 19 (line 20), omit “The”, substitute “For the purposes of paragraph (1)(c), the”.
(40) Clause 22, page 19 (after line 24), after subclause (5), insert:
Ministerial discretion—confinement in prison or psychiatric institution
(5A) The Minister may decide that subsection (1C) does not apply in relation to the person if, taking into account the circumstances that resulted in the person’s confinement, the Minister is satisfied that it would be unreasonable for that subsection to apply in relation to the person.
(41) Clause 22, page 19 (line 27), omit “The”, substitute “For the purposes of paragraph (1)(c), the”.
(42) Clause 22, page 20 (lines 5 to 13), omit subclause (7).
(43) Clause 22, page 20 (lines 14 to 29), omit subclause (8).
(44) Clause 22, page 21 (lines 10 to 12), omit subclause (10), substitute:
(10) For the purposes of subsection (9), spouse includes de facto spouse.
Ministerial discretion—person in an interdependent relationship
(11) If, at the time the person made the application, the person:
(a) holds a permanent visa granted to the person because the person was in an interdependent relationship with an Australian citizen; and
(b) is in that interdependent relationship;
then, for the purposes of paragraph (1)(c), the Minister may treat a period as one in which the person was present in Australia as a permanent resident if:
(c) the person held that visa during that period and the person was in that interdependent relationship during that period; and
(d) the person was not present in Australia during that period; and
(e) the person was a permanent resident during that period; and
(f) the Minister is satisfied that the person had a close and continuing association with Australia during that period.
(45) Clause 24, page 21 (after line 27), after subclause (1), insert:
(1A) The Minister must not approve the person becoming an Australian citizen unless the person is eligible to become an Australian citizen under subsection 21(2), (3), (4), (5), (6), (7) or (8).
(46) Clause 24, page 21 (lines 29 and 30), omit “be so approved”, substitute “become an Australian citizen under subsection 21(2), (3), (4), (5), (6), (7) or (8)”.
(47) Clause 24, page 22 (lines 5 to 11), omit subclause (4), substitute:
National security
(4) If the person is not covered by subsection (4B), the Minister must not approve the person becoming an Australian citizen at a time when an adverse security assessment, or a qualified security assessment, in respect of the person is in force under the Australian Security Intelli-
gence Organisation Act 1979 that the person is directly or indirectly a risk to security (within the meaning of section 4 of that Act).

(4A) If the person is covered by subsection (4B), the Minister must not approve the person becoming an Australian citizen if the person:

(a) if subparagraph (4B)(b)(i) applies to the person:
   (i) has been convicted of a national security offence; or
   (ii) has been convicted of an offence against an Australian law or a foreign law, for which the person has been sentenced to a period of imprisonment of at least 5 years; or

(b) if subparagraph (4B)(b)(ii) applies to the person—has been convicted of a national security offence.

(4B) A person is covered by this subsection if:

(a) at the time the person made the application under section 21, the person:
   (i) is not a national of any country; and
   (ii) is not a citizen of any country; and

(b) either:
   (i) the person was born in Australia; or
   (ii) the person was born outside Australia and, at the time of the person’s birth, the person had a parent who was an Australian citizen.

(48) Clause 24, page 22 (line 16), after paragraph (5)(b), insert:

and (c) the Minister did not apply subsection 22(11) in relation to the person;

(49) Clause 24, page 22 (lines 18 to 20), omit “unless the Minister considers the person is engaging in activities at that time that are beneficial to Australia”.

(50) Page 28 (before line 2), before clause 29, insert:

**28A Simplified outline**

The following is a simplified outline of this Subdivision:

- You may be eligible to become an Australian citizen under this Subdivision if you ceased to be an Australian citizen under this Act or the old Act.
- You must make an application to become an Australian citizen again. The Minister must approve or refuse you becoming an Australian citizen again.
- You must be eligible to become an Australian citizen again to be approved. You may be refused citizenship again even if you are eligible.
- The Minister may be required to refuse your application on grounds relating to:
  - non-satisfaction of identity: see subsection 30(3); or
  - national security: see subsections 30(4) to (6).
- You will be registered if the Minister approves you becoming an Australian citizen again.

(51) Clause 29, page 28 (line 8), omit “Subdivision A or B”, substitute “Subdivision A, AA or B”.

(52) Clause 29, page 28 (lines 25 and 26), omit “Subdivision A or B”, substitute “Subdivision A, AA or B”.

(53) Clause 30, page 29 (after line 13), after subclause (1), insert:

1A The Minister must not approve the person becoming an Australian citizen again unless the person is eligible to become an Australian citizen again under subsection 29(2) or (3).

(54) Clause 30, page 29 (lines 15 and 16), omit “be so approved”, substitute “become an Australian citizen again under subsection 29(2) or (3)”.

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(55) Clause 30, page 29 (lines 22 to 28), omit subclause (4), substitute:

National security

(4) If the person is not covered by subsection (6), the Minister must not approve the person becoming an Australian citizen again at a time when an adverse security assessment, or a qualified security assessment, in respect of the person is in force under the Australian Security Intelligence Organisation Act 1979 that the person is directly or indirectly a risk to security (within the meaning of section 4 of that Act).

(5) If the person is covered by subsection (6), the Minister must not approve the person becoming an Australian citizen again if the person:

(a) if subparagraph (6)(b)(i) applies to the person:
   (i) has been convicted of a national security offence; or
   (ii) has been convicted of an offence against an Australian law or a foreign law, for which the person has been sentenced to a period of imprisonment of at least 5 years; or

(b) if subparagraph (6)(b)(ii) applies to the person—has been convicted of a national security offence.

(6) A person is covered by this subsection if:

(a) at the time the person made the application under section 29, the person:
   (i) is not a national of any country; and
   (ii) is not a citizen of any country; and

(b) either:
   (i) the person was born in Australia; or
   (ii) the person was born outside Australia and, at the time of the person’s birth, the person had a parent who was an Australian citizen.

(56) Clause 32, page 30 (line 11), omit “Subdivision A or B”, substitute “Subdivision A, AA or B”.

(57) Page 31 (before line 3), before clause 33, insert:

32A Simplified outline

The following is a simplified outline of this Division:

There are 4 ways in which you can cease to be an Australian citizen:

- you may renounce your Australian citizenship: see section 33; or
- if you did not automatically become an Australian citizen, the Minister can revoke your citizenship: see section 34; or
- you serve in the armed forces of a country at war with Australia: see section 35; or
- if you are the child of a responsible parent who ceases to be an Australian citizen, the Minister can revoke your citizenship in some situations: see section 36.

(58) Heading to subclause 34(1), page 32 (line 19), at the end of the heading, add “or for persons adopted in accordance with the Hague Convention on Intercountry Adoption”.

(59) Clause 34, page 32 (line 22), after “Subdivision A”, insert “or AA”.

(60) Clause 37, page 37 (line 9), omit “written”.

(61) Clause 42, page 40 (after line 5), after subclause (1), insert:

(1A) This section does not apply if the person believes on reasonable grounds that the access is necessary to prevent or lessen a serious and imminent threat to the life or health of the person or of any other person.
Note: A defendant bears an evidential burden in relation to the matter in subsection (1A) (see subsection 13.3(3) of the Criminal Code).

(62) Clause 42, page 40 (lines 6 to 9), omit subclause (2), substitute:
(2) This section does not apply if the access is through:
(a) a disclosure that is a permitted disclosure within the meaning of section 43; or
(b) a disclosure to which section 43 does not apply because of the operation of subsection 43(1A).

Note: A defendant bears an evidential burden in relation to the matter in subsection (2) (see subsection 13.3(3) of the Criminal Code).

(63) Clause 42, page 40 (line 17), omit “one or more”, substitute “either or both”.

(64) Clause 42, page 40 (lines 28 to 30), omit paragraph (4)(g), substitute:
(g) the purposes of this Act or the regulations or of the Migration Act 1958 or the regulations made under that Act;

(65) Clause 42, page 40 (line 32) to page 41 (line 5), omit subclause (5).

(66) Clause 43, page 41 (after line 11), after subclause (1), insert:
(1A) If:
(a) a disclosure of identifying information is made to a person who is not an entrusted person; and
(b) the disclosure is a permitted disclosure;
this section does not apply in relation to any further disclosure of that identifying information by a person who is not an entrusted person.

Note 1: A defendant bears an evidential burden in relation to the matter in subsection (1A) (see subsection 13.3(3) of the Criminal Code).

Note 2: Paragraph 3 of Information Privacy Principle 11 in section 14 of the Privacy Act 1988 may apply to further disclosures of that identifying information by a person who is not an entrusted person.

(1B) This section does not apply if the person believes on reasonable grounds that the disclosure is necessary to prevent or lessen a serious and imminent threat to the life or health of the person or of any other person.

Note: A defendant bears an evidential burden in relation to the matter in subsection (1B) (see subsection 13.3(3) of the Criminal Code).

(67) Clause 43, page 41 (lines 13 to 15), omit paragraph (2)(a).

(68) Clause 43, page 41 (line 16), omit paragraph (2)(b), substitute:
(b) is for the purposes of this Act or the regulations or of the Migration Act 1958 or the regulations made under that Act; or

(69) Clause 43, page 41 (after line 20), after paragraph (2)(d), insert:
(da) is to an agency of the Commonwealth, a State or a Territory in order to verify that a person is an Australian citizen; or

(70) Clause 43, page 41 (after line 24), after paragraph (2)(e), insert:
(ea) is reasonably necessary for the enforcement of the criminal law of the Commonwealth, a State or a Territory; or
(eb) is required by an Australian law; or
(71) Clause 43, page 41 (lines 29 and 30), omit “a request for the provision of a personal identifier”, substitute “action taken by the Department”.

(72) Clause 43, page 41 (line 33) to page 42 (line 6), omit subclause (3).

(73) Clause 44, page 42 (after line 25), after subclause (2), insert:

Exception

(2A) If:

(a) a disclosure of identifying information is made to a person who is not an entrusted person; and

(b) the disclosure is a permitted disclosure within the meaning of section 43;

this section does not apply in relation to any modification or impairment of that identifying information by a person who is not an entrusted person.

Note: A defendant bears an evidential burden in relation to the matter in subsection (2A) (see subsection 13.3(3) of the Criminal Code).

(74) Clause 46, page 45 (after line 19), after subclause (2), insert:

Children aged under 16

(2A) An application under a provision of this Act by a child aged under 16 must be set out:

(a) on a form that contains no other application; or

(b) on a form that also contains an application by 1 responsible parent of the child.

(75) Clause 52, page 49 (after line 9), after paragraph (1)(a), insert:

(aa) a decision under section 19D to refuse to approve a person becoming an Australian citizen;

(76) Clause 52, page 49 (lines 21 to 27), omit subclauses (2) and (3), substitute:

Citizenship by conferral decision

(2) However, if:

(a) the Minister makes a decision under section 24 to refuse to approve a person becoming an Australian citizen; and

(b) the Minister’s reasons for the decision did not refer to the eligibility ground in subsection 21(8) (about statelessness); and

(c) the person was aged 18 or over at the time the person made the application to become an Australian citizen;

a person (the applicant) cannot apply for review of that decision unless the applicant is a permanent resident.

The government proposes amendments to the Australian Citizenship Bill 2005 and the Australian Citizenship (Transitionals and Consequentials) Bill 2005. None of the amendments change the intent of the bills, which is to deliver better structured, clearer and more accessible citizenship legislation, drafted in contemporary language and, more importantly, the continuation of Australian citizenship as a privilege and not a right. The proposed amendments respond to parliamentary committee reports, implement policy changes and rectify or clarify the drafting of certain provisions.

Following its inquiry into the bills, the Senate Legal and Constitutional Legislation Committee majority report made a number of recommendations, including recommendations for amendments to the bills. The government has fully accepted 10 of those recommendations and partially accepted one recommendation. The proposed amendments to give effect to the
committee’s recommendations are as follows. The preamble to the bill is to be amended to implement the committee’s recommendation that the preamble recognise that Australian citizenship represents full and formal membership of the community of the Commonwealth of Australia.

The amendments will insert simplified outlines explaining the operation of various parts of the bill. These amendments address the committee’s recommendation for a simplified guide to the new act to assist readers with interpretation. The government will also make a readers guide to legislation available on commencement.

The proposed amendments will also make a number of changes to the personal identifier provisions. These provisions will be more closely aligned with the policy objectives of strengthening integrity of the identification or authentication of the identity of a person making an application for Australian citizenship, and combating identity and document fraud in a citizenship program. As amended, the provisions are also more closely aligned to the Privacy Act 1988. They result from a review of the provisions of the bill and consultations with the Office of the Privacy Commissioner as recommended by the committee. The Office of the Privacy Commissioner is satisfied with these amendments.

Further amendments dealing with the refusal of applications from stateless people on national security grounds ensure that the bill complies with the convention on the reduction of statelessness and give effect to a recommendation of the committee.

The committee also recommended that the bill be amended to make clear on its face that a person who is a citizen under the Australian Citizenship Act 1948 is a citizen for the purposes of the new act. An amendment is proposed to give effect to this recommendation.

Another proposed amendment by the committee will clarify when a child may make an application for citizenship in their own right and when an application may be considered as part of the application of a responsible parent of the child.

There is also an amendment to the merits review provision ensuring that people applying for Australian citizenship on grounds of statelessness have access to merits review. This change was recommended by the committee and accords with the policy objective that existing review rights be maintained.

On 17 September, I announced changes to the residents’ requirements for Australian citizenship. Australian citizenship is a privilege, not a right. It is important that new migrants to Australia can fully participate in the opportunity that life in Australia offers. To this end, the government is focused on ensuring that citizenship applicants have spent a reasonable period of time living in Australia so that they are familiar with Australia’s values and way of life, that they appreciate the commitment they make to Australia as new citizens and that they can quickly make the most of the opportunities available in Australia.

Additionally, changes in the migration program over the years have resulted in an increasing number of people spending significant periods of time in Australia as temporary residents prior to becoming permanent residents. The amendments will give effect to these changes. The amendments will require applicants to have a total of four years lawful residence in Australia immediately prior to application for Australian citizenship by conferment, including at least 12 months of permanent residence immediately prior to application. They provide for
periods of absence from Australia not exceeding 12 months in total during the four years prior, and no more than three months in the 12-month period prior, to application.

I did spend some considerable time in my summing up of the bill (Extension of time granted) articulating the arguments in favour of this extension from two to four years. I do not propose to go back through those in any detail, except to reinforce the fact that the motivation in taking this from two to four years is primarily to ensure that new residents—especially many from new and emerging communities who often come from cultures far removed from our own—have the opportunity not only to understand Australia but also to get the language skills which enable them to fully appreciate what it is they are pledging to when they take that very important decision to apply for and to commit to Australian citizenship.

These new residence requirements will only apply to people who become permanent residents on or after commencement of the legislation. For a period of three years following commencement, people who are permanent residents before the commencement of the new legislation will only need to meet the current residence requirements. It is proposed that these arrangements be given effect through the amendments to the transitionals and consequentials bill. These changes also bring Australia into line with the residency requirements in other countries.

The amendments also implement the government’s response to a recommendation made by the House of Representatives Standing Committee on Family and Human Services in its inquiry into the adoption of children from overseas. The amendments will very properly provide for children adopted overseas by Australian citizens under full and permanent Hague convention on intercountry adoption arrangements to be registered as Australian citizens. It also provides for the necessary integrity of the adoption process consistent with the convention. I think that is a very important amendment that we have introduced to this bill. A proposed amendment to the Australian Citizenship (Transitionals and Consequentials) Bill 2005 will ensure that these new provisions apply to children adopted before, on or after commencement of the new provisions.

The proposed amendments also contain a number of technical changes. The package does not contain any amendments in relation to a formal citizenship test. Submissions in response to the recently released discussion paper on the merits of a formal citizenship test close on 17 November 2006 and consideration of this by the government is expected in the new year, before any presentation to the House. I commend these amendments to the Main Committee.

Mr BURKE (Watson) (12.03 pm)—There is some good stuff in these amendments. Obviously some of the issues about personal identifiers are issues that Labor would not have a problem with. For procedural ease, we have allowed them to be all dealt with together, but there are a couple of things in here that are completely unacceptable and that is why Labor will be seeking to divide on these amendments when they are taken together.

I find it extraordinary that one of the arguments from the parliamentary secretary is that the real reason, the big reason, that they have for wanting to move it originally to three and now to four years is primarily to ensure that the people involved have the opportunity to appreciate the Australian way of life. Why not five years? Why shouldn’t people have five years to appreciate our way of life? What were the arguments that the parliamentary secretary quoted when he introduced the bill? He said, ‘This is the real reason,’ and he quoted the member for Parkes—from a speech that was about reaching a conclusion of three years. The parliamen-

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Mr Bowen—More staff.

Mr BURKE—More staff, more power, more authority, and now we have a bizarre amendment. The amendment is bizarre for a very simple reason. The argument he gives is about the opportunity to appreciate the Australian way of life. Yes, that is an important argument. But let us not pretend that there is something magic about the number four. We know how they got to the number four—it was the equation: government policy equals Labor plus one. When Labor supported two years, they made sure that the move was to three. But, much to their surprise, Labor agreed to three. So why did we then end up with four? Because they thought, ‘Labor has agreed to three. Government policy has to be Labor plus one. So then we have four.’ Thank heavens we have never agreed to 20, because the parliamentary secretary would be in here moving that it should be moved to 21 years. He would have a good reason. He would say the primary reason for moving to people waiting 21 years—

Mr Bowen—The sole reason!

Mr BURKE—the sole reason is primarily to ensure, solely to ensure, that they have the opportunity to appreciate the Australian way of life. I want to know what is magic about the number four in that reason, because it has not come out as a result of the discussion paper he has issued. Submissions to that have not even closed, yet the parliamentary secretary has arrived at the magic number four. Other than the formula of government equals Labor plus one, I cannot understand how they get there. But I can understand why Labor will not accept it. For the parliamentary secretary, that might be the most important reason in the world, and in public policy, yes, it is an important reason. But I tell you: national security ranks higher. National security reasons will always rank higher.

When COAG dealt with this issue they did not simply decide that we needed to increase the waiting time for citizenship. They actually had to deal with an issue of balance. The citizenship delay period is an important issue of balance, because you are balancing two very serious competing considerations. You want to make sure you do not integrate into society people who you do not want to integrate—people to whom you want to say, ‘This is not the country for you,’ and occasionally that does happen. You also want to make sure you do not alienate people and create a self-fulfilling prophecy.

COAG made that decision faced with the best intelligence that was available to them in the direct aftermath of the London bombings. When they made the call to have three years, we were willing to run with it for that reason. But let us not pretend that they decided that any increase was what they wanted. No, they agreed to three. It was part of a 10-point plan on
national security. Simply wanting to trump Labor with a formula is lousy public policy. You do not do that with national security decisions. Labor cannot support that and will be voting against the amendment.

Mr Bowen (Prospect) (12.08 pm)—I would like to make some brief remarks in support of the honourable member for Watson. I was astounded to hear the parliamentary secretary in his remarks say, ‘The opposition’s reasons for opposing this are weak.’ When he had not, and his government had not, put up any reasons at all for the change. As the honourable member for Watson said, when the government proposed a change from two to three years, there was a serious national discussion. It was an agenda item at COAG. The premiers had their say. There were national security implications discussed. The minister brought it into the chamber and put up the reasons for moving to three years. Then we have the issuance of a press release and the parliamentary secretary saying we are going from three to four. No reasons. No explanation.

Mr Burke—An intelligence briefing from Mark Textor.

Mr Bowen—An intelligence briefing from Mark Textor saying, ‘The Labor Party has matched us. We have to go one further.’ As the honourable member for Watson has said, this is a terrible way to run the citizenship of this nation. For this government to play politics and say, ‘We must increase it to three. It is a matter of national importance and three is the right figure.’ After consideration—and there was some consideration in the Labor Party in our caucus about how we would respond—the caucus agreed that the government’s proposals were worthy of support. Then all of a sudden it was just changed to four. It is not on for the parliamentary secretary to come in here and use exactly the same words to support going from three years to four as his predecessor used for going from two years to three and say, ‘They are the arguments’ but give no reason, no explanation as to why four is better than three.

For the first time today we heard the sole reason. The sole reason for this change is to give people more of a chance to experience Australian life. For the first time, we heard that there are no national security implications, no other considerations to go in, but the government have decided that four years is the magical number, better than three—and they expect the Labor Party just to say, ‘Oh, well, okay, that’s all right then. You were wrong when you said three was the right figure.’

Mr Burke—They’d be worried if we agreed.

Mr Bowen—That is right. And if we agree, it will be five years! No doubt there will be a rushed amendment coming in, because the government will say: ‘We have to differentiate from the Labor Party; we can’t have the Labor Party and the government having the same policy on citizenship. There has to be differentiation.’ Mark Textor will be on the phone saying, ‘You’ve got to change this; we’ve got to have an extra year in.’ This is a disgrace, and it will be opposed.

Mr Brendan O’Connor (Gorton) (12.10 pm)—I think the one thing we agree with the government on is that citizenship is very important. Labor believes so and has always considered the importance of citizenship: being a member of the Australian citizenry is certainly an important thing. But it is also a sensitive matter. I think that where you can reach bipartisan agreement you should do so, because you do not want to alarm people in our community. You

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do not want to alarm immigrants, people who have come to this country, people who are waiting for their citizenship.

I listened earlier to the parliamentary secretary talk about the fact that he has travelled far across the country to many citizenship ceremonies. I can assure you that in my electorate—and you would know this, knowing the area I represent—there are very large citizenship ceremonies because of the nature of the area. There is an enormous cross-section, an enormous diversity, of ethnicity. I am always overwhelmed myself, not only by the sheer number of people who seek to become citizens but by the way in which they are affected, the emotion that I see in those applicants when they are considering becoming an Australian citizen. There is overwhelming emotion in that hall when I attend those ceremonies. I must admit that I enjoy being part of what is a very important day.

It annoys me—it is insulting—to suggest that it is only time, this arbitrary figure, that will count as to whether a person should be or wants to be an Australian citizen. It is very important for the government to outline, therefore, why the eligibility requirement has to be doubled from two years to four years. As other colleagues of mine have said in this debate, we understand why the government proposed the change from two years to three years. That was a considered decision. That was a decision that took into account information provided by intelligence agencies. That was the decision that was determined after discussions with state and territory governments. That was a decision that was made not by press release but by proper discussion. As a result of that process, we believed we would support the government. We were not going to play politics with such an important matter. I ask the parliamentary secretary: why not five years? I ask the parliamentary secretary: if he has to find a figure to distinguish the government from the opposition and we were to agree to four, why not five years? What is the significance of four years?

As the member for Watson indicated, not only was that decision of three years determined through proper discussion and consultation, having regard to our national security requirements and being sensitive to the way in which it will be perceived by applicants and those choosing to become Australian citizens, but we have not heard a cogent argument proposed by the government as to why we have to move from three to four. In fact, as has already been indicated, the parliamentary secretary, in explaining the move from two to four, used the arguments of the former minister when he was arguing for changing the requirement from two years to three years. So we have not heard an additional argument put by the parliamentary secretary or anyone in this government as to why it now must move from two years, as it currently stands, to four years.

I would also like to reiterate the point made by the member for Watson. There is a very delicate balance in the way in which you send a message to people who want to become Australian citizens. The message is this. Firstly—let us be clear about this—permanent residency is a very important factor in all of this, but then there is that next step, and all the entitlements and obligations that entails, to become an Australian citizen. You do not want to send the message that people are not welcome, and the fact that the government has extended the time without providing one decent reason in our view means that they have to come up with something better. They failed to do that and therefore we are questioning the reasons and the motives of this government.
Mr ROBB (Goldstein—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs) (12.16 pm)—I would like to respond to some of the points that have been made by those opposite in regard to the proposed extension from two to four years. My point in the summing up, in referring to my colleague the member for Parkes’s justification for the increase from two to three years, was to highlight the fact that his principal argument was the need for people to more fully understand Australia before they made the pledge. The secondary argument related to national security measures—which, by the way, were not a conclusion out of COAG. The COAG meeting release did not refer to these matters in any way. The decision had already been taken some weeks before, by the Prime Minister, because citizenship is a federal government matter. In the COAG material released from that meeting on 27 September 2005, the agreed outcomes from the COAG meeting made no reference to citizenship. It is not surprising, because Australian citizenship law is a matter for the federal parliament alone.

My reference to my colleague’s arguments was to highlight the fact that the principal argument of going from two years to three was not referred to by any speaker—not one speaker on the other side—as a reason against going from three years to four. Not one of them raised the matter of the time required for people to gain some decent sense, some keen understanding, of what it is they are committing to when they take out Australian citizenship. I put to this Main Committee chamber and to those opposite that Australia is virtually alone in the world with a two-year requirement. In fact, at three years it would be virtually alone in the world. It is typically five years and as high as eight or 10 years in some countries. It was a judgement that four years in Australia was a far more appropriate time, especially when you consider what is happening with the changing mix of migration in this country.

This has not been referred to or addressed in any sense. There are very strong arguments and reasons why we should extend the period from two to four years to give people who have come from cultures far removed from the Australian culture the opportunity to understand what it is and the way of life that they are signing up to when they take out Australian citizenship. As I have moved around—not just at citizenship ceremonies but, more importantly, as I have mixed in the communities, especially African communities and many of those from the Middle East—I have found that so many people do not feel that they have sufficient time within two or three years to get a keen sense of Australia and often to get the language skills to understand Australia, the values that are important here, the norms that are important here and the way of life that is so much a critical part of taking out citizenship, which is the commitment to a way of life.

These are the things which have not been addressed for one second by any of the raft of speakers we have heard on the other side. They have solely restricted their argument to national security matters, which we agree on. But the extension to four years is driven by the dynamics of a changing mix of migration to this country and the importance of maintaining the confidence within the broader community that those who come here and take out citizenship are well equipped to know what they are pledging to when they make that commitment, can become strong citizens who can realise the great opportunities in Australia and will not stumble into citizenship without sufficient time to fully understand the very important commitment they are making.
Mr BURKE (Watson) (12.20 pm)—Obviously the opposition maintains its objection, including the references that have been made a number of times to the parliamentary secretary’s argument about African communities. I do not know who out there is being told that at the moment after two years you are obliged to immediately take out citizenship. I hope that no-one is being told that and I hope that no-one is under that impression, because if anybody feels that they are not yet ready to take out citizenship they get to wait; they get to delay. I am not sure where that argument takes us.

Before making a further contribution, I want to ask a question of the parliamentary secretary concerning amendment (47) on page 13 of the document he has circulated. In amendment (47) there is reference to a new subparagraph (4A)(a)(ii). As I understand it, this amendment applies to a very small class of people who have had to meet a whole set of other criteria. My understanding of this amendment is that, if people within that subset have been imprisoned under foreign law for more than five years, the minister will have no discretion but will be obliged to reject their application for citizenship. Before I proceed with any further remarks, I want to check if that is correct.

Mr ROBB (Goldstein—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs) (12.23 pm)—That is correct.

Mr BURKE (Watson) (12.23 pm)—I just find this an extraordinary clause. If somebody has been imprisoned in a foreign land, I am quite comfortable with that raising a particular discretion or sending some extra alert signs back to the minister, saying, ‘Hang on, you might not want to approve this person for citizenship.’ I am also very comfortable with there being a commitment that, if people have committed an offence under Australian law, there is an absolute bar. I do not think you need to have ministerial discretion if the offence was committed under Australian law. But why on earth are we placing ourselves in a situation where the law of another country will determine whether or not somebody is eligible for Australian citizenship? During my speech on the second reading—and the parliamentary secretary was there at the time—I could not find this section because at the time I was looking through the substantive bill and not through the amendments, so I apologise for not raising it at that time. We are not in a position to be able to move an amendment about this right now, but it is something we will be pursuing in the Senate.

But I have to say: if there is one concept in the world that other countries should have nothing to do with, it is a determination of who gets Australian citizenship. We have legislation before us now which says if somebody who fits this class of people spent part of their life in South Africa as an anti-apartheid activist and was imprisoned for more than five years in the cell next to Nelson Mandela, they are not allowed to become an Australian citizen. We have a situation here where, if somebody was involved in internal rebellion against Saddam Hussein and was imprisoned, and they fit the class of persons covered by this legislation, the minister of Australia has no discretion as to whether or not they are eligible for citizenship because that has already been ruled out by Saddam Hussein.

If somebody has spent part of their life as an activist in Burma and they found themselves under house arrest for a period of time in the same house, let us say, as Aung San Suu Kyi, and they fit this class of people, even if the Australian minister thinks this is a good person involved in a struggle against an evil regime and even if this person accords with every single
Australian value that we would want upheld, the Australian minister is barred from allowing this person to receive citizenship.

I think if somebody has been imprisoned overseas it should be brought to the attention of the minister. It should be something which they have an extra look at. But why on earth, of all the legislation, has the government chosen to outsource citizenship—and not just outsource citizenship to our allies or to our close neighbours but outsource it to any country in the world? It does not matter what country it is. I respect that this section applies to a limited class of people, but even for any limited class I do not believe there should ever be a situation where the rest of the world takes control of who gets citizenship of Australia.

There will obviously be times when, as a member of the opposition, I will not be all that thrilled with the way a government minister exercises the discretion, but I will defend the fact that that is the person who should be exercising it—that the discretion should lie with the minister of the government of Australia, not with the criminal systems of some of the rogue regimes around the world.

This was not in the original bill. What sort of accident has caused this to end up as an amendment before the Australian parliament, I do not know. But the parliamentary secretary should make sure that by the time we come to divide on this in the House, he has sought leave to revisit this issue and take it out of the amendment. If there is one thing that Australia should have control of, it is Australian citizenship. I find it absolutely repugnant to come into the parliament of Australia and be told that we will allow any other country this power. It could have been the Taliban when they were in charge of Afghanistan and had Australians under arrest facing capital punishment for holding Bibles that were in Arabic. I do not want to know that a regime like that will actually get to determine for some class of people whether or not they are eligible for Australian citizenship. It is something that lies squarely with the responsibility of the government of Australia. Whoever is responsible for this drafting should understand that we will outsource many things; citizenship will never be one of them. (Time expired)

Mr ROBB (Goldstein—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs) (12.28 pm)—After that impassioned statement I need to make some points of clarification. Firstly, the consideration of this grew out of recommendations by the Senate Legal and Constitutional Affairs Legislation Committee. That is why we are considering elements of this. Secondly, during a number of the contributions by those opposite during the debate of the bill, the content of this provision has been misrepresented. Many speakers rose to complain that migrants who come here and have confronted the circumstances just articulated by the member for Watson could find themselves automatically denied an opportunity to take out citizenship in Australia. Of course that is not correct.

As the member for Watson was alluding to, this only applies to people who were born in Australia. So what it means is that someone who was born in Australia would need to renounce their Australian citizenship. Then they would need to take out citizenship of another country. Then they would need to lose that citizenship, be locked up for five years by another country and at that point in time seek to return to Australia and take out Australian citizenship. So it is not a circumstance in which there is any case on record that would apply. You can make the theoretical case, but it is hard to find the practical case.

However, I would like to conclude with the fact that I have listened to the contributions and I have also examined the provisions. The government is considering the issue for any circum-
stance that does not go to national security matters. That certainly should not and will not change. But, if any amendments are necessary, we would look to move those in the Senate.

Question unresolved.

The DEPUTY SPEAKER (Hon. IR Causley)—As the question is unresolved, in accordance with standing order 188 the question will be included in a schedule attached to the committee’s report to the House on the bill.

Bill agreed to with an unresolved question.

Ordered that the bill be reported to the House with an unresolved question.

AUSTRALIAN CITIZENSHIP (TRANSITIONALS AND CONSEQUENTIALS)
BILL 2005
Second Reading
Debate resumed from 9 November 2005, on motion by Mr McGauran:
That this bill be now read a second time.

Mr ROBB (Goldstein—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs) (12.31 pm)—I move:
That further proceedings on this bill be conducted in the House.
Question agreed to.

ADJOURNMENT
Mr NEVILLE (Hinkler) (12.31 pm)—I move:
That the Main Committee do now adjourn.

Television Sports Broadcasting
Ms VAMVAKINOU (Calwell) (12.32 pm)—Today I want to speak about concerns that local constituents in my electorate of Calwell have raised with me over the future of televised sporting events currently available on free-to-air television. I suspect that many of my colleagues in this place would have already received a large number of emails via the ‘Save My Sport’ campaign from local constituents equally worried about the future of free-to-air sporting events that they love to watch so dearly. As the elected representative of Calwell, I want to take this opportunity to raise the many concerns that have been put to me by my own constituents and to make sure that their views are represented in this place.

Australia’s current antisiphoning laws were introduced in 1992 under a Labor government. They were specifically designed to prevent certain events traditionally shown on free-to-air television from being siphoned off to pay TV stations, thus preventing a situation from occurring where these same events would one day only be accessible to those who could afford or choose to subscribe to pay TV. Australia’s antisiphoning laws ensure that certain sports will always be available for all Australians to watch and not just available to those who have access to cable television.

Under our current antisiphoning regime, a total of about 10 sports are listed for protection. Along with the Olympic Games and the Commonwealth Games, they are the AFL, cricket, soccer, rugby league and rugby union, tennis, golf, netball, motor sports and horseracing. Within these 10 categories are some of Australia’s seminal sporting events, including the
Melbourne Cup, the Australian Tennis Open, the AFL and the NRL grand finals, the Ashes test cricket—and of course the list goes on.

The following that these events have in Australia is well known, just as Australia’s love of sport is also well known, not only here but also around the world. It is not an exaggeration to say that sport is a national pastime in this country. As one of my constituents in Roxburgh Park put to me in a letter:

Australia has a proud sporting history and some of our greatest, most defining moments as a nation have been seen by millions on free-to-air television.

Indeed, whether it be promoting exercise or producing heroes and mentors for our kids—not all are sporting heroes, of course; many of them have clay feet, as we are experiencing in the current media with Brendan Fevola, but nevertheless many of these sporting heroes are mentors for our children—whether it be mateship that grows between those who play sport or those who barrack for the same team, or whether it be the way a sporting event can bring the whole nation together, as we saw during the last Olympics or the recent soccer World Cup, sport has long played a defining role in Australian culture.

Part and parcel of Australia’s love affair with sport is the enjoyment that many of us get from being able to watch sport on television in the weekly ritual of following the highs and lows of our favourite team or being able to follow the progress of our favourite sporting competitions. For those Australians who cannot afford pay TV or choose not to subscribe to it, the government’s changes to Australia’s media laws put free-to-air sport in jeopardy.

I want to put on record today that I share the concerns of those in my electorate of Calwell who fear that the government’s plans could result in Australians having to pay to watch major sporting events that they should be able to continue to watch for free. We know that the Minister for Communications, Information Technology and the Arts, Senator Helen Coonan, has already suggested that there are too many events listed under Australia’s current antisiphoning regime and that she believes that it needs to be pruned. Whose interests would this pruning or limitation serve? I do not believe it would serve the interests of those Australians who enjoy watching sport on television without having to pay for it. As another constituent of mine wrote:

Australia is well known for two things—its love of sport and giving everyone a fair go. Should we throw away these two vital pieces of our culture so that certain individuals can profit off of our national interests? I think not.

Another constituent wrote:

Australia is well known as a country that love’s it’s sport. It is an important part of the Australian culture. As such, it is important that all Australians are able to see sport on television. Not just those who can afford the high cost of pay TV.

As the member for Calwell in this place, it is imperative that I—and indeed government and opposition parties—serve the interests of those I am elected to represent. I fail to see how making Australians pay for sports that they can currently watch for free can be in their interests at all. As the Labor member for Calwell, I, like my colleagues on this side of the House, will continue to defend Australia’s current antisiphoning regime against any attempt that the government makes to undermine its effectiveness.
Policing Levels in Indigenous Communities

Mr NEVILLE (Hinkler) (12.37 pm)—I applaud the government’s decision to hold a three-month review into policing levels in remote Indigenous settlements in Queensland, the Northern Territory, Western Australia and South Australia. The review is a key part of the government’s $130 million package to improve law and order in Indigenous communities announced in June, with more than $40 million set aside for police stations and police housing in remote communities. The review will help determine whether adequate levels of policing exist in certain communities and where the government’s resources are most needed.

I want to place on record my respect and support for the thousands of serving police officers in the Queensland Police Service. Much has been said about the Palm Island death in custody recently, but there has been a deafening silence about the remarkable job done by our police in remote communities day in and day out. I would hazard a guess that 95 per cent of Australians have never visited a remote Aboriginal community and, sadly, have no intention of ever doing so. I think it is a real shame. If all Australians truly understood the problems and the rarely heard success stories happening in those communities, they would know that practical community-driven solutions, not platitudes and paternalism, are what is needed.

Alcohol and drug abuse cause much of the dysfunction in many Aboriginal communities, and Noel Pearson’s article in the Weekend Australian of 7 October reinforces that fact. Mr Pearson has advocated a shift to the right away from the left and paternalistic view to tackle this scourge of public drunkenness. In his article he says:

... decriminalising public drunkenness and using arrest only as a last resort is an expression of the left-liberal inability to understand that lack of social norms is not only a consequence of Aboriginal disadvantage; it is also a cause.

He appreciates the challenges of policing in these communities. He also said:

Policing in indigenous communities today is mostly a mopping-up service after serious offences have been committed. Smaller offences are ignored, which then leads to more serious offending. If you don’t deal with drunkenness, then you have the situation that Hurley faced on the morning of Doomadgee’s death.

Aboriginal families have every right to expect to be able to live in a home and a community that is free of violence. That is what our police are trying to achieve in these communities. For years now, Palm Island has been a political football for the Queensland government, and the proof is there for all to see.

On 9 September, 80 per cent of Palm Islanders voted for the Labor candidate in the Queensland elections. Four days later, Peter Beattie axed the Department of Aboriginal and Torres Strait Islander Policy. How is that for a bit of cynicism? Palm Island’s state MP happily accepted the support of the Palm Island people at the polling booth, but he was mute when the portfolio was abolished. Days later he lambasted the Queensland Police Service for not immediately suspending the officer accused of being responsible for Palm Island’s death in custody and was duly promoted to the position of Speaker of the Queensland parliament. This demonstration of populism and self-interest does little if anything for Aboriginal people, while his populist remarks about events on Palm Island stray dangerously close to compromising the principle of the presumption of innocence.

I will leave the last word to Indigenous advocate Florence Onus, who had this to say about Mr Beattie’s decision to get rid of DATSIP:

MAIN COMMITTEE
It can be seen as a racist move because our voices are not being heard once again. ... I’m absolutely appalled that the State Government is going this way and I’m sure if a lot of Indigenous people would have got wind of that ... that would have lessened the Labor vote in the last election. Florence Onus was spot on. It is about time that we recognise the work of police in Aboriginal communities and that the Queensland government start to treat Aboriginal communities with the decency and respect they deserve.

Throsby Electorate: Employment

Ms GEORGE (Throsby) (12.42 pm)—I represent a region that had the dubious distinction of recording the highest New South Wales regional unemployment rate in September 2006, of 10.9 per cent—and if you were to exclude Wollongong, the rate was 13.4 per cent. In the 12 months to September 2006, the unemployment rate of 15- to 19-year-olds looking for full-time work was a shocking 41 per cent. This figure was the highest level recorded in more than a decade.

These percentages represent real people. Two and a half thousand teenagers in the Illawarra region are jobless, and there is no excuse for this. There is no excuse, particularly because for the past few years we have run a successful apprenticeship pilot program which, with very little federal government support, has placed over 250 young unemployed people into an apprenticeship. We could do a lot better if the Howard government were prepared to commit ongoing funding to the project. It is an innovative scheme and one that does not fit neatly into any one minister’s portfolio. Every year we plead with the government to provide funding of around $100,000 for the year to keep the project viable. This lack of funding, certainty and commitment by the Howard government has seen the program lose three capable coordinators in a short period of time—and you cannot blame people for leaving the project when there is no certainty about ongoing funding.

The federal government’s contribution is very modest compared to the financial commitment which is provided by the state government to underwrite the pre-apprenticeship courses run by the local TAFE institutes. I would not think the Howard government needed to be convinced that placing young unemployed people into a secure apprenticeship in a region with high skill shortages was a far more preferable option to having these young people languishing on unemployment benefits. Doesn’t the federal government care about their plight? Is it a case of out of sight, out of mind?

Why are we seeing double standards in the programs that the Howard government is prepared to financially support? While our project cannot get ongoing funding commitments, the government has recently committed $19½ million to build a new TAFE facility in the Illawarra which, in 2009, will cater for a maximum of 315 students in training to become apprentices. One should question whether this is good public policy and a wise expenditure of public funds to deal with the skills crisis that exists today. The Illawarra apprenticeship program and the committee which I chair can place the 315 young people into an apprenticeship for less than half a million dollars, saving $19 million of taxpayer funds.

But then, of course, these new Australian technical colleges are meant to impress upon the community that the government has a plan to increase the number of apprenticeships to address the skills crisis. It should not give them the authority, however, to squander public funds on pet projects for purely partisan political reasons while at the same time putting at risk a successful local initiative. The whole situation is indefensible.
As chair of the local committee, I have today written to the Prime Minister, bringing this matter to his attention in the hope that reason will prevail. I urge the Prime Minister to commit the necessary funds to enable a successful local apprenticeship program to continue offering hope and opportunity to the 2½ thousand unemployed teenagers in the Illawarra region.

Drought

Mr BRUCE SCOTT (Maranoa) (12.46 pm)—Today I rise to talk of and put on the public record what this government is doing to help our farming communities and our families out there, in relation to the hardships they face because of this exceptional drought, and to compare that with what is happening in Queensland at the state government level.

This government has put forward more than $1 billion over the past five years to help our farming families right across Australia. In fact, that support is now going through to some 53,000 farming families across Australia. However, it has been brought to my attention, through a series of reports in last week’s edition of the Queensland Country Life, that the state government in Queensland are now planning to add to the challenge of farming during this drought. What the Premier of Queensland now wants to do is put more costs on drought-ravaged farm families in Queensland.

So whilst we here in Canberra are supporting 53,000 farm families, and are looking at what other measures are required to help small business—those small businesses that are dependent on the agriculture sector for their income—and to ensure that we can help to keep our rural communities together, we have the state Labor government wanting and planning to put more taxes on our farm families in Queensland.

What we have heard from Mr Beattie today, in terms of his drought policy, is that he wants to pray for rain. That is his latest drought policy. Prayers are fine, and we support prayers—I, like many in this parliament, have certainly joined others in our own electorates and in the parliament praying for rain—but what we are seeing from the Premier of Queensland is merely a diversion to try to get people’s attention off the failure of the Beattie Labor government.

We have an appalling situation in Queensland now where, in some of our major cities, like Brisbane, people are having to water their gardens with buckets. That has not happened in many parts of Australia since federation. It is an image like one from a Third World country, not a modern country like Australia: people—old people, young people, families—having to keep their gardens alive, gardens which mean so much to those people, with a bucket. Can you imagine old people out there with a bucket of water, watering their plants? Imagine them, watering plants that they have had in their garden for years and years—watering them with a bucket.

It is an appalling indictment and, I think, a reflection of just how Peter Beattie has failed Queensland. He has failed to plan for the needs of Queenslanders. He often talks about the 1,500 people coming up into Queensland from the southern states every week. He has been talking about that for years and years, but he has done nothing about planning to meet their needs in terms of investment in infrastructure. That situation could have been, and would have been, averted had he not been re-elected and, certainly, had he not been elected two or three elections ago.
What I find now is that the state Labor government want to bring forward a new regulation to charge farmers something like $10,000 for the construction of a new dam. They have satellite imagery of some 90,000 dams in Queensland, according to these reports. They are now going to start to target those farmers and, if they do not comply with the regulation they bring forward, charges will be made against those farmers, merely because they have a dam wall of more than eight metres high. Furthermore, there are reports that the Premier of Queensland wants to increase leasehold rents by some 2,500 per cent next year—and the list goes on.

Regarding the mulga harvesting, the Premier has failed to implement the Boyland report, which has been out there before the government. He has been re-elected, but he has not got on with the job and people out in these drought-ravaged areas of western Queensland have for decades and decades responsibly harvested that mulga to feed their livestock. The state Premier and his new ministers are failing the people of western Queensland—not only is he failing the people of Brisbane and all of Queensland; he is failing Australia’s farmers. His plan for drought policy is for new taxes that will hurt our farming communities. I call on the state Premier to join with the federal government in supporting our small businesses and our farmers during this drought. *(Time expired)*

Central Queensland Military and Artefacts Museum

Ms LIVERMORE (Capricornia) (12.51 pm)—I want to update the House today and also the many people in Central Queensland who have an interest in our Central Queensland Military and Artefacts Museum. Over two years ago, the Department of Defence decided that it would sell the old army facilities in Archer Street, Rockhampton. I was approached by a large number of constituents to see if the department would consider it being used as a home for the Central Queensland military museum. After strong representations to the then Parliamentary Secretary to the Minister for Defence, Fran Bailey, the department agreed to withdraw the property from sale and offer it on concessional terms to the Rockhampton City Council. Of course, this was always on the understanding that the Central Queensland military museum would occupy the old 42nd Battalion facilities on the site.

In the many years that I have served the people of Central Queensland in this place, I have never seen a project with so much community support, but this is probably not so surprising when you understand that Central Queensland has a great history of voluntary participation in our defence forces dating back as far as 1859. For over 100 years that proud history of military service was centred around the Archer Street training depot and drill hall in Rockhampton. A petition of 10,070 signatures was put together by the army of volunteers supporting the military museum. That petition sought to have the museum housed at the Archer Street facility.

The CQ military museum was formed in 2000 with the aim of preserving and promoting the unique military heritage of Central Queensland. The museum has developed a very substantial collection of artefacts, documents and knowledge, not to mention a formidable array of weapons. Everyone would like to see these items displayed in an appropriate setting, and surely there can be no more appropriate setting than the old Archer Street facilities.

It is worth noting that only two weeks ago the Central Queensland Military and Artefacts Museum was honoured with a special commendation at the annual Gallery and Museum Achievement Awards. This award was for the organisation’s Outreach Trailer Project, where volunteers take a mobile exhibition around Central Queensland to schools and other commu-
nity groups. The museum is currently housed in a building in Bolsover Street in Rockhampton which will shortly be redeveloped. The generosity of the building’s owner, Mr Geoff Murphy, needs to be acknowledged, particularly his willingness to allow the museum to stay on until January 2007. Mr Murphy, like everyone else who supports the museum, is hopeful that in this time the Rockhampton City Council will be able to resolve their issues and the museum will be allowed to move into its natural home.

It has been difficult for many museum supporters to understand why it has taken so long for the CQ military museum to be housed in the Archer Street facility. Many do not understand council’s reluctance since 2004 to expedite this popular and worthwhile project. It was as a consequence of this community frustration that I made further representations to the current responsible parliamentary secretary in August and September this year. This resulted in my hosting a meeting on 20 September in Rockhampton with both the Rockhampton City Council and members of the CQ military museum. This was an attempt to facilitate an outcome for what is becoming an increasingly frustrated community. I have consequently made further representations to Senator Sandy Macdonald. I wish to take this opportunity to congratulate Senator Macdonald and his staff on their willingness to do everything in their power to have this matter resolved quickly.

I have today been advised of the content of a letter from Senator Sandy Macdonald to the Rockhampton City Council with what I believe is a very good deal for the council and the Central Queensland military museum. I ask the Rockhampton City Council to accept this very generous offer from the government and to advise the museum people immediately of their agreement and to do everything that they can to have the museum operating in the Archer Street facility in January 2007. Time is running out.

Alternatively, if the council does not wish to proceed with the project then they should immediately advise Senator Macdonald and the military museum people accordingly. After 2½ years of dithering, the council must accept this offer or get out of the way to allow the government to work with me and the military museum supporters to try to get the museum into its home by January 2007.

**Flinders Electorate: Summerland Estate**

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (12.56 pm)—I want to raise an issue of concern in relation to the residents of the Summerland Estate on Phillip Island, within my electorate of Flinders. The basic situation is that these residents have been prisoners in their own homes for 21 years now. According to a letter I received today from the Victorian minister for planning, Mr Hulls, on 24 June 1985 the Victorian cabinet made a decision to acquire the properties on the Summerland Estate. They did it for reasons which I understand, but it has been a process which has been utterly unfair and is unresolved for the residents.

As the letter points out, there is a long valuation process to be undergone. What I want to do today is set out three principles. The first point is that there must be a fair offer for the residents of Summerland. The state has embarked upon a waiting game and these residents are being trapped, prisoners in their own homes, without a genuine offer of just compensation for some of the most beautiful land, some of the most scenic land, some of the most potentially valuable land in coastal Victoria.
The second point I want to make is that this is an overwhelmingly unfair situation and a dramatic problem. It is unfair because the period between 24 June 1985 and now is 21 years. It is more than the age of majority; it is the age at which most people celebrate their entry into adult society. It is a powerfully long period of time. Yet throughout that time residents have been unable to improve their houses. They have been unable, by law, to improve their land and they have been unable to onsell their land. The trap has been that they have only been able to sell their house and land to the state of Victoria in return for compensation, but the problem is that in that time their houses have degraded, their land has degraded and they are receiving much less than they would otherwise have received had a genuine process been in place. This is a real and profound issue for the residents.

The third point is that I believe the solution is very simple. The Victorian government needs to make a genuine and generous unilateral offer to the residents of Summerland rather than keep them as prisoners in their own home. In order to do that, they need to go beyond the pure standard valuation process and to take account of the following factors: firstly, the hardship that has been suffered by the residents; secondly, the loss of amenity; and, thirdly, the inability to improve the home which would have brought with it a commensurate, dramatic increase in the value of homes and land. They need to be able to, all up, assess the value of this land on the basis of what it would have been other than for the intervention of the state.

At the end of the day, what we have on Summerland is a group of good, genuine local people who have been living in an area under the threat of eviction, and they have been under that threat without having the ability to achieve real and genuine compensation for themselves and for their families. For those reasons, I call on the state of Victoria, particularly in the lead-up to an election, particularly at a time when residents of Phillip Island are waiting for a genuine offer, to make a generous and genuine offer of compensation which would leave the residents of Summerland in the position in which they would otherwise have been had this process not begun. It needs to be a lot more generous than that which has been offered.

Main Committee adjourned at 1.00 pm
QUESTIONS IN WRITING

Office of Workplace Services
(Question No. 3788)

Ms Grierson asked the Minister for Employment and Workplace Relations, in writing, on 8 August 2006:

(1) How many employers have been referred to the Department of Employment and Workplace Relations (DEWR) for alleged cash-in-hand payments to employees under the age of 25 years.

(2) Of the cases identified in part (1), how many were referred by Centrelink.

(3) How many employers have been referred to the Department of Employment and Workplace Relations for alleged under-payment to employees under the age of 25 years.

(4) Of the cases identified in part (3), how many resulted in (a) fines being issued to the employer, (b) the successful prosecution of the employer and/or (c) the recovery by DEWR of the underpaid wages.

Mr Andrews—The answer to the honourable member’s question is as follows:

With effect from 27 March 2006, the Australian Government established the Office of Workplace Services (OWS) as an independent agency with an expanded scope to monitor workplaces and provide information, education and compliance services to employees and employers under the Workplace Relations Act 1996. On this basis, references in Ms Grierson’s questions to the Department of Employment and Workplace Relations are being read as references to the OWS.

(1) Cash-in-hand matters are primarily the responsibility of the Australian Taxation Office and Centrelink. OWS’ policy is to refer suspected breaches of taxation and social security laws to the appropriate agency.

OWS’ responsibility in this area is to ensure that employees are paid in accordance with the Workplace Relations Act 1996 and that employers comply with record their keeping requirements under the Workplace Relations Regulations 2006. The details of referrals to OWS on such matters are not routinely collected.

(2) N/A

(3) This information is not available as the date of birth of employees is not routinely collected.

(4) This breakdown cannot be provided for the reasons outlined above. However, since OWS was established as an independent agency on 27 March 2006, it has recovered in excess of $2.5 million for over 2,300 employees. Four prosecutions (matters/decisions pending) have been commenced during this period. OWS has also assisted 66 employees to obtain the recovery of underpayments though small claims actions.

Airport Security
(Question No. 3904)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, in writing, on 10 August 2006:

Further to his reply to question No. 3527 concerning the upgrade of aviation security at (a) Burnie, (b) Devonport, (c) Groote Eylandt, (d) Mildura and (e) Weipa airports, what was the:

(i) nature; and

(ii) itemised cost of the security upgrade proposed for each airport for the 2005-06 financial year?

Mr Vaile—The answer to the honourable member’s question is as follows:
(i) This funding will enable Burnie, Devonport, Groote Eylandt, Mildura and Weipa airports to enhance their basic physical security measures. The measures include signage, fencing, surveillance, lighting, alarm systems and access control measures.

(ii) Funding for these five airports was announced in the May 2006 Budget and falls in the 2006/07 financial year.

My Department is currently assessing the proposals submitted by each of the five airports, for funding under the Regional Airport Funding Program.

Due to the confidentiality requirements regarding individual airports Transport Security Programs, as set out in Part 2, Subpart 2.06 of the Aviation Transport Security Regulations 2005, a disaggregated figure for each airport cannot be provided.

Foreign Flagged Vessels
(Question No. 4003)

Mr Bevis asked the Minister for Transport and Regional Services, in writing, on 4 September 2006:

(1) For each year since 1996, how many foreign-flagged vessels have been granted single and multi voyage permits.

(2) Of the foreign-flagged vessels identified in Part (1) how many carried: (a) ammonium nitrate, (i) for each year since 1996, and (ii) since 31 December 2005; (b) urea nitrate, for each year since 1996; (c) Sensitive Hazardous Materials (SSHM), for each year since 1996; and (d) High Consequence Dangerous Goods (HCDG).

Mr Vaile—The answer to the honourable member’s question is as follows:

(1) The Department’s databases indicate that the number of foreign flagged vessels granted single and continuing voyage permits since 2000 are listed below. The extraction of data for earlier years would require considerable resources which I am not prepared to commit.

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<td>2004</td>
<td>346</td>
</tr>
<tr>
<td>2005</td>
<td>329</td>
</tr>
<tr>
<td>2006</td>
<td>270 to 29/09/06</td>
</tr>
</tbody>
</table>

(2) (a) (i) (ii) The tabulation below is abstracted from the available electronic data and covers the years from 2000 onwards to 29 September 2006. The extraction of data for earlier years would require considerable resources which I am not prepared to commit.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of foreign ships</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>4</td>
</tr>
<tr>
<td>2001</td>
<td>2</td>
</tr>
<tr>
<td>2002</td>
<td>2</td>
</tr>
<tr>
<td>2003</td>
<td>5</td>
</tr>
<tr>
<td>2004</td>
<td>5</td>
</tr>
<tr>
<td>2005</td>
<td>5</td>
</tr>
<tr>
<td>2006</td>
<td>2</td>
</tr>
</tbody>
</table>

(b) The Department’s database does not keep records of Urea Nitrate movements, as it is not a Security Sensitive Hazardous Material (SSHM).
(c) Ammonium Nitrate is the only SSHM listed in Australia, to date. Refer to Question 2(a)(i)(ii) above for the data.

(d) There are over 1000 high consequence dangerous goods (HCDGs). I am not prepared to commit the resources that would be required to identify the individual commodities that were carried on each of these voyages and identify which of these commodities are HCDGs so as to identify which of these ships carried HCDGs.

**Port Kembla Industry Facilitation Fund**

(Question No. 4078)

Ms George asked the Minister for Industry, Tourism and Resources, in writing, on 5 September 2006:

(1) Will he explain why the Member for Throsby, in whose electorate the soon-to-close Bluescope Steel tin mill is located, was not invited to the launch of the Port Kembla Industry Facilitation Fund (PKIFF).

(2) Who was responsible for preparing the list of invitees for the PKIFF launch.

(3) Why has the Government allocated less to the PKIFF than to the Beaconsfield Community Fund (Tasmania) and the South Australian Structural Adjustment Fund.

(4) In respect of the statement in the Port Kembla Industry Facilitation Fund Customer Information Guide that the purpose of the fund is to provide "support for new investment that will create sustainable new job opportunities in the Port Kembla area", how does he define

(a) ‘sustainable new job opportunities’ and

(b) ‘the Port Kembla area’.

(5) Will the advice of the South Coast Labour Council, local unions and the Member for Throsby be sought prior to the final approval of funding applications; if not, why not.

(6) In respect of the statement in the Port Kembla Industry Facilitation Fund Customer Information Guide that: “Approval of funding under the PKIFF will be determined by the Minister’s delegate”, who will perform that role.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:

(1) The Port Kembla Industry Facilitation Fund is aimed at attracting new investment by business in the region. The focus of the launch was to alert business to the existence of the Fund.

(2) The launch of the fund was organised through my Department and my Office.

(3) Whether assistance for industry restructuring is offered in any particular circumstance, and the amount of assistance on offer, is determined on a case-by-case basis reflecting the situation.

(4) (a) The Port Kembla Industry Facilitation Fund is intended to fund the creation of jobs in the region that will be sustained into the future without ongoing government support.

(b) As stated in the Customer Information Guide: “For the purposes of the Fund, the ‘Port Kembla area’ is generally defined as encompassing the geographical area of the Wollongong Local Government Area and the Shellharbour Local Government Area”.

(5) Applications for funding will be recommended for approval to the Minister’s delegate by an Assessment Panel comprising a senior manager from the Department of Industry, Tourism and Resources, a senior manager from AusIndustry and two local business representatives from the area – Mr Fred Ferreira and Mr Malcolm Heard.

(6) The delegate is a senior AusIndustry manager.

QUESTIONS IN WRITING
Australian Taxation Office
(Question No. 4085)

Mr Fitzgibbon asked the Treasurer, in writing, on 5 September 2006:

1. Since October 2004, (a) how many times have Australian Taxation Office (ATO) staff been confirmed to have inappropriately accessed taxpayer records, (b) how many taxpayers have had their records inappropriately accessed and (c) what procedures have been implemented to deal with the inappropriate accessing of taxpayer records.

2. Since March 1996, (a) how many times have ATO staff been confirmed to have inappropriately accessed taxpayer records, (b) how many taxpayers have had their records inappropriately accessed and (c) what procedures have been implemented to deal with the inappropriate accessing of taxpayers records.

3. Since the reports of privacy breaches at the ATO in August 2006, what additional procedures have been implemented to deal with inappropriate access to taxpayer records by ATO staff.

4. In respect of the 27 ATO staff who admitted to inappropriately accessing taxpayer records, (a) in which area/s of the ATO were they employed and (b) have they subsequently been moved to an area where they will have no further access to taxpayer records.

Mr Dutton—The Treasurer has referred this question to me as it falls within my ministerial responsibilities. The answer to the honourable member’s question is as follows:

1. (a) From 1 October 2004 to 31 August 2006 the ATO has found 43 cases of ATO officers accessing taxpayer records where they were not authorised to do so.

(b) Over the same period, 917 taxpayers have had their records accessed inappropriately. Two cases account for accesses to 517 of these taxpayers’ records.

(c) The ATO takes very seriously its responsibilities for ensuring that taxpayer information is protected. The ATO employs a three-pronged approach involving education, detection and investigation.

The ATO’s systems have comprehensive audit trails and both reactive and proactive investigations are conducted to identify unauthorised access and/or modification of taxpayer records. For example, regular proactive investigations are conducted, the last of which was completed in August 2006, to find any unauthorised access by ATO staff to high profile taxpayers such as celebrities and sports personalities.

Where unauthorised access is alleged or detected, the ATO may initiate misconduct proceedings or criminal prosecution.

As part of its communication and awareness strategies, the ATO requires that all staff attend fraud and awareness training which contains specific warnings about the consequences of unauthorised access to taxpayer records. These warnings to staff are repeated on screen each time an ATO officer logs on to an ATO computer. Also the matter is regularly discussed in staff publications.

2. (a) From 1 March 1996 to 31 August 2006, the ATO has recorded 197 confirmed cases of ATO officers accessing taxpayer records where they were not authorised to do so.

(b) Over the same period, 1813 taxpayers have had their records accessed inappropriately.

(c) Refer to 1(c) above.

3. The ATO continually seeks out better practice initiatives to ensure the protection of taxpayer information from unauthorised access. Discussions have taken place with a number of national and international agencies to share information on new technology or practices that may assist.
(4) (a) The 27 staff who made unauthorised access to taxpayer records were from the following business lines:

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Number of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client Contact</td>
<td>1</td>
</tr>
<tr>
<td>Goods and Services Tax</td>
<td>6</td>
</tr>
<tr>
<td>Tax Practitioner and Lodgment Support</td>
<td>2</td>
</tr>
<tr>
<td>Serious Non-Compliance</td>
<td>1</td>
</tr>
<tr>
<td>Micro Enterprises and Individuals</td>
<td>4</td>
</tr>
<tr>
<td>Operations</td>
<td>11</td>
</tr>
<tr>
<td>Small to Medium Enterprises</td>
<td>2</td>
</tr>
</tbody>
</table>

(b) Of the 27 staff identified, 12 resigned during the course of the investigation, 4 had their employment terminated and 11 remain in the same business area having received other forms of sanctions.

Regional Partnerships Program
(Question No. 4094)

Mr Gavan O’Connor asked the Minister for Transport and Regional Services, in writing, on 6 September 2006:

(1) In respect of projects identified as ‘regional icon projects’ under the Regional Partnerships program, what has been the progress to date on the (a) Mackay Science and Technology Precinct, (b) the Buchanan Rodeo Park in Mt Isa, (c) the Dalby Showgrounds, (d) the Bert Hinkler Hall of Aviation in Bundaberg and (e) The Australian Equine and Livestock Centre in Tamworth.

(2) Were all commitments made in 2004 to Regional Partnerships icon projects contingent upon matched funding from State and local government.

(3) Were all commitments made in 2004 to Regional Partnerships icon projects contingent upon the proposal passing a due diligence test; if so, was this made public at the time the commitment was made.

Mr Vaile—The answer to the honourable member’s question is as follows:

(1) (a) Mackay Science and Technology Precinct

  Ministerial approval for $200,000 (GST exclusive) was granted on 30 November 2005 for the development of a comprehensive business plan.

  The business plan was provided to the Department on 27 July 2006 and an external viability assessment is due in October 2006.

(b) Buchanan Rodeo Park in Mt Isa

  Ministerial approval was provided on 2 November 2004 for funding of $5 million (GST exclusive).

  The development application was approved by the Mt Isa City Council on 28 September 2005.

  Mount Isa City Council has advised that 80% of the rodeo stadium facility contracts have been let. The remaining 20% are yet to be let.

  Since November 2004, project costs have increased from $10 million to $15.8 million.

  Mt Isa City Council have sourced an extra $2.8 million partner funding.

  A request for additional funding of $3 million made by Cr Ron McCullogh, Mt Isa’s Mayor, was not approved by the Regional Partnerships Ministerial Committee on 13 September 2006 and the Committee sought completion of work that was possible with available funds.
The Department will negotiate the rescoping of the project and a funding agreement variation after the Mt Isa City Council reviews its budget.

As at September 2006, the following progress has been made on the project:

- site works, earth works, stormwater drainage and sewage are completed;
- foundations for all buildings and cattle yards have been completed;
- security and cattle yard fencing is completed.

Mt Isa City Council has advised that expressions of interest for the construction of the pavilion closed 30 August 2006 and the tender is expected to be let shortly.

Mt Isa City Council also advised it is expecting to employ a Facility Manager in October 2006 to oversee the Buchanan Park official opening and ongoing management of the Park.

On 11 October 2006 Mt Isa City Council launched a new website which provides a link to the Buchanan Park site. This site has descriptions and photos on the progress of the construction.

The project is expected to be completed by 30 April 2007. The three day opening event is expected to take place in June 2007.

(c) Dalby Wambo Events Centre Covered Arena

The Regional Partnerships Ministerial Committee approved this project on 30 March 2006, conditional upon the applicant obtaining all necessary licences and approvals.

On 8 June 2006 Dalby Town Council appointed a tenderer to carry out the detailed design of the covered arena, develop the construction tender documents and project manage construction of the covered arena.

It is anticipated that construction will commence in February 2007.

(d) Bert Hinkler Hall of Aviation, Bundaberg

Funding of $1.5 million (GST exclusive) was provided as a commitment from the 2001 federal election.

Ministerial approval was provided on 16 June 2005 for $2.5 million (GST exclusive) as a commitment from the 2004 federal election.

In May 2006 the Queensland Government announced funding of $1.5 million and the Bundaberg City Council has revised the project scope accordingly.

Preparatory work (soil testing and site surveys) on the site commenced August 2006.

The project is expected to be completed by 30 April 2008.

(e) The Australian Equine and Livestock Centre, Tamworth

The project received Ministerial approval on 3 May 2005 for funding of $6 million (GST exclusive).

On 19 March 2006 the NSW State Government provided its partnership contribution of $3.5 million to Tamworth Regional Council.

The Department of Transport and Regional Services made the first payment of $2 million on 9 June 2006 on execution of the funding agreement.

The development application was approved by Council on 25 July 2006.

Construction is expected to commence in early December 2006.

Additional funding of $500,000 is being provided by both the Tamworth Pastoral and Agricultural Society and the New England Institute of TAFE.

The revised construction period still anticipates a completion date of mid 2007.
(2) No.

(3) The Government has committed funds for these Election Commitments. The Department of Transport and Regional Services arranges for external viability assessments to be undertaken on major projects to minimise risks associated with the delivery of the projects. Assessments were undertaken for the Dalby Showgrounds project, the Bert Hinkler Hall of Aviation project, the Australian Equine and Livestock Centre project and the Mackay Science and Technology Precinct. An external viability assessment on the Buchanan Rodeo Park project was not undertaken as the applicant is the local council and was considered low risk. The financial projections and work plan for the project were well considered and the release of funding was strictly tied to the delivery of key milestones.

Major Michael Mori
(Question No. 4108)

Mr Murphy asked the Attorney-General, in writing, on 6 September 2006:

(1) Is he aware that David Hicks’ lawyer, Major Michael Mori, attended Parliament House on 17 August 2006 to provide a cross-party briefing to all Members and Senators; if not, why not.

(2) Did he attend this cross-party briefing; if not, why not.

(3) Has there been a request by Major Mori, his representatives or any organisation acting on his behalf, to meet with the Attorney-General.

(4) Did he meet personally with Major Mori during Major Mori’s visit to Australia in August; if not, why not.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) Yes.

(2) No. Representatives of the Attorney-General’s Department met with Major Mori.

(3) Major Mori did not ask to meet the Attorney-General during his visit.

(4) No. Representatives of the Attorney-General’s Department met with Major Mori.

Mr David Hicks
(Question No. 4109)

Mr Murphy asked the Attorney-General, in writing, on 6 September 2006:

(1) Can he advise whether (a) David Hicks has been alleged by the US Government to have attacked or fired a weapon at any US soldier and (b) Australian forces were present in Afghanistan at the time of David Hicks’ arrest.

(2) Is he aware that there are no video and/or audio recordings of David Hicks’ interrogation following his capture by US forces; if not, why not.

(3) Can he confirm that the military commission previously established to prosecute David Hicks did not allow his lawyers to cross-examine (a) his interrogators or (b) US marines involved with his capture; if not, why not.

(4) Can he say whether any future military commission which prosecutes David Hicks will allow his lawyers to cross-examine (a) his interrogators or (b) US marines involved with his capture; if not, why not.

(5) Can he provide assurance that interrogation sheets used in the course of any future prosecution of David Hicks will be accurate and will provide scope for cross-examination of his interrogators and the US marines involved with his capture; if so, why; if not, why not.
(6) Has he made representations to the US Government seeking a commitment that any future military commission upholds all principles of procedural fairness and natural justice; if not, why not.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) (a) The allegations made by the US Government against David Hicks are detailed in the particulars of the charges previously laid against him before the Military Commission on 10 June 2004. Those allegations do not refer specifically to an attack or firing of a weapon by Hicks at a US soldier. The US allegations against David Hicks include allegations that he had extensive weapons and tactical training with Al Qaeda and that, armed with an AK-47 automatic rifle, ammunition and grenades, he joined others engaged in combat against Coalition forces in Kunduz, Afghanistan.

(b) Yes.

(2) It would not be appropriate for me to comment.

(3) Under previous military commission rules, the accused was able to cross examine each witness presented by the prosecution who appeared before the commission.

(4) The Military Commissions Act of 2006 allows the accused to cross examine witnesses who testify against him.

(5) This is a matter for the US Government.

(6) I have had several discussions with US Attorney-General Gonzales, most recently in Washington on 29 September 2006, during which I emphasised the Australian Government’s desire to see Mr Hicks’ case dealt with fairly and expeditiously.

Cruise Ships

(Question No. 4173)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, in writing, on 9 September 2006:

Has his department been consulted (a) on the proposal by cruise ships, such as the Golden Princess, to sail to Antarctica in 2007 and (b) on the potential safety and possible environmental problems of large vessels encountering icebergs; if so, what advice has the department given concerning the need for ice-resistant hulls and adequate search and rescue capacity in the event of misadventure.

Mr Vaile—The answer to the honourable member’s question is as follows:

(a) No

(b) Yes. AMSA issued Marine Notice 4/2006 on 18 January 2006 providing general advice to the shipping industry about ship safety and marine pollution in Antarctic and Sub-Antarctic waters, which is available on AMSA’s Internet site at: www.amsa.gov.au. In addition, several International Conventions and associated coordinating bodies and industry associations, including the International Association of Antarctic Tour Operators, seek to control and provide guidance on ship operations in and around Antarctica.

Child Care

(Question No. 4328)

Ms Plibersek asked the Treasurer, in writing, on 12 September 2006:

(1) In respect of employees who salary-sacrifice income to pay for childcare: (a) does the agency know whether all such employees use childcare that is on Commonwealth business premises; (b) how many salary-sacrifice arrangements made by employees relating to childcare is for care not conducted on Commonwealth business premises; (c) how much fringe benefit tax did the agency pay
in financial year (i) 2004-05 and (ii) 2005-06 sacrificed by employees for childcare that was not on Commonwealth business premises.

(2) Is fee assistance given by the agency for childcare in school holidays an allowance and reported on employees’ group certificates; if not, what is the tax status of the assistance, and has the Australian Taxation Office (ATO) given advice that confirms its status.

(3) How much reimbursement is given by the agency for additional costs incurred by employees in meeting childcare fees needed by the employee because of travel or extra duties.

(4) Is the reimbursement referred to in Part (3) for approved care only, or can it be paid for any carer paid by the employee.

(5) Is the reimbursement referred to in Part (3) reported as an allowance on employees’ group certificates; if not, what is the tax status of the reimbursed amount.

Mr Dutton—The Treasurer has referred this question to me as it falls within my ministerial responsibilities. The answer to the honourable member’s question is as follows:

(1) (a) All employees who have entered into salary packaging arrangements for childcare expenses use child care services located on the business premises of a department or an authority of the Commonwealth as required by section 4 of the Fringe Benefits Tax (Application to the Commonwealth) Act 1986.

(b) None.

(c) (i) Nil.

(ii) Not applicable.

(2) No assistance is given by the ATO in the form of an allowance. Assistance is given with holiday care program costs where an employee with school children is formally restricted by their manager from taking annual leave, purchased leave or Long Service Leave during the school holidays. The assistance is in the form of a reimbursement for the cost of an accredited school holiday program. There are a range of conditions and restrictions on the use of this assistance.

Assistance of this nature constitutes an ‘expense payment fringe benefit’ and is subject to Fringe Benefits Tax. Accordingly, such assistance is exempt from the withholding and reporting provisions applicable to salary, wages, allowances and other similar payments to employees as required by the Tax Administration Act 1953.

Advice has not been sought from the tax administration arm of the office on this issue. The ATO as an employer, after reviewing publicly available guidance issued by the ATO as the tax administrator, formed its own view in relation to the tax implications of such payments.

(3) The ATO will assist ongoing employees with the cost of overnight care for a dependant child/children, incurred as a result of overnight travel. The ATO will reimburse costs determined by the employee’s manager to be reasonable, to a maximum of $63 (current rate) for each overnight absence. Where an employee is an Executive Level 2 Officer, additional care costs may also be reimbursed where the travel involves an early morning departure and/or a late evening return, at the same rate.

Eligibility for reimbursement will depend on the employee demonstrating that he or she:

(a) is the sole or primary care giver at the time.

(b) has reasonably incurred additional costs for the professional care of a dependant family member(s), and

(c) has incurred the costs as a consequence of being directed to travel away from home overnight on duty.
Employees whose partner or spouse receives a similar benefit from his/her employer are not eligible for any reimbursement.

(4) As outlined in the response to Question 3, to be eligible for this reimbursement, an employee must have used professional care. Such care is not limited to child care services approved for the payment of Child Care Benefit. Requests for assistance are considered on a case-by-case basis.

(5) Assistance of this nature constitutes an ‘expense payment fringe benefit’ and is subject to Fringe Benefits Tax. Accordingly, such assistance is exempt from the withholding and reporting provisions applicable to salary, wages, allowances and other similar payments to employees as required by the Tax Administration Act 1953.

Small Business Field Officers
(Question No. 4698)

Mr Fitzgibbon asked the Minister for Industry, Tourism and Resources, in writing, on 9 October 2006:

(1) What is the exact role and specific duties of the small business field officers employed under the Government’s Building Entrepreneurship in Small Business Program and will she provide their full duty statements

(2) Given that approximately 40 percent of small businesses in Australia operate in regional Australia, what a) percentage and b) number of small business field officers operate in i) regional and ii) non-regional Australia

(3) What a) percentage and b) number of small business field officers operate in the outer metropolitan areas of each State and Territory capital city

(4) How many small business field officers are employed in each electoral division

Fran Bailey—The answer to the honourable member’s question is as follows:

(1) Small Business Field Officers (SBFOs) provide free general advice, information and assistance on issues of relevance to small business in their geographic region. Information provided by the SBFOs includes details of Commonwealth, State, Territory and local government programs as well as details of relevant government policies and procedures. SBFOs are not employed directly by the Commonwealth Government but are engaged by service providers who are contracted to the Commonwealth.

(2) Based on Australian Bureau of Statistics Australian Standard Geographical Classification definitions, as at 25 October, 2006:

(a) 92 % of SBFOs operated in regional, remote or very remote parts of Australia and 8 % operated in outer metropolitan areas.

(b) 57 SBFOs operated in regional, remote or very remote parts of Australia and 5 operated in outer metropolitan areas.

(3) See response to question 2 (b).

(4) The number of SBFOs employed in each electoral division ranges between zero and seven.

Ethanol
(Question No. 4710)

Mr Gibbons asked the Minister for Industry, Tourism and Resources, in writing, on 9 October 2006:

(1) In respect of the commitments given by the Prime Minister upon the release of the report of the Biofuels Taskforce in September 2005, can he advise what action the Government has taken to:
(a) Encourage users of Commonwealth vehicles to purchase E10 where possible;
(b) Undertake vehicle testing of vehicles in the Australian market to validate their operation with E5 and E10 ethanol blends;
(c) Work with the Federal Chamber of Automotive Industries to ensure that consumers receive accurate and up-to-date information about the use of ethanol blended fuels;
(d) Simplify E10 labelling so that it does not act as a warning to consumers against using ethanol;
(e) Establish standard forms of biodiesel to provide certainty to the market; and
(f) Work with the States and Territories to adopt fuel volatility standards that are transparent and nationally consistent.

(2) Further to the information referred to in Part (1) would the Minister advise if the Government has:
(a) Commissioned a study of the beneficial health impact of ethanol to validate research under Australian conditions and, if so, what have been the findings of the research; and
(b) Promoted the beneficial environmental properties of biodiesel, such as biodegradability.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:

(1) (a) Users of Commonwealth vehicles have been encouraged to purchase ethanol blended fuels where possible. As a result, sales of ethanol blends to the Commonwealth fleet have seen a 50-fold increase in the period from October 2005 to August 2006.
(b) An E5 and E10 vehicle testing program, managed by the Department of Environment and Heritage, is currently underway.
(c) The Government has also worked with the Federal Chamber of Automotive Industries in preparing information about the compatibility of vehicles with ethanol blends. The FCAI website has a list of all the vehicles that are currently compatible with ethanol. This website can be accessed at http://www.fcai.com.au.
(d) Ethanol labelling requirements were simplified in January 2006.
(e) The Government is investigating the technical issues associated with standardising diesel/biodiesel blends.
(f) The Government has established a working group with State and Territory representatives to discuss how the results of the study into health impacts of ethanol blend fuels could be used to develop a consistent approach to setting fuel volatility standards.

(2) (a) Tenders have been sought for a study to evaluate the health impacts of ethanol blend fuels.
(b) The Government intends to promote the environmental properties of biodiesel through a trial in Kakadu National Park.

Afghan Refugees
(Question No. 4723)

Mr Laurie Ferguson asked the Minister for Foreign Affairs, in writing, on 10 October 2006:

(1) What is the approximate number of Afghan refugees who remain in (a) India, (b) Pakistan, (c) Iran and (d) elsewhere, who have not been settled permanently.
(2) What is the estimate of the numbers of Afghans returning to their homeland in (a) 2003, (b) 2004 and (c) 2005.

Mr Downer—The answer to the honourable member’s question is as follows:

(1) (a) 9,761

QUESTIONS IN WRITING
(b) Of the more than 3 million Afghans currently residing in Pakistan, approximately 1.1 million reside in refugee camps administered by UNHCR. An unknown number of the more than 1.9 million Afghans who reside outside of UNHCR refugee camps are also refugees. 2

(c) 920,000 3
(d) 162,918 4

(2) (a) 645,864 5
(b) 940,469 6
(c) 752,084 7

1 2004 UNHCR Statistical Yearbook (published 21 August 2006)
2 2005 UNHCR Global Report – Pakistan (published 1 June 2006)
3 2006 UNHCR: Tripartite meeting agrees to look at new ways to encourage returns from Iran (published 10 October 2006)
4 2004 UNHCR Statistical Yearbook (published 21 August 2006)
5 2004 UNHCR Statistical Yearbook (published 21 August 2006)
6 2004 UNHCR Statistical Yearbook (published 21 August 2006)
7 2005 UNHCR Global Refugee Trends (published 9 June 2006)

North Korean Nuclear Test
(Question No. 4739)

Mr Melham asked the Minister for Industry, Tourism and Resources, in writing, on 10 October 2006:

(1) Did the Joint Australian–United States Geological and Geophysical Research Station at Alice Springs detect the nuclear test reported to have been conducted by the Democratic People’s Republic of Korea on 9 October 2006.

(2) Was any data relating to the reported North Korean nuclear test transmitted from the Alice Springs station to Geoscience Australia.

(3) Which seismic monitoring stations maintained and operated by Geoscience Australia as part of the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) detected the North Korean nuclear test.

(4) What is Geoscience Australia’s estimate of the time and explosive yield of the North Korea test.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:

(1) Yes. This facility detected a seismic signature from the reported Democratic People’s Republic of Korea nuclear test.

(2) Yes. The station routinely transmits data to Geoscience Australia. The data for the time period of the reported North Korean nuclear test were received and used by Geoscience Australia in its analysis.

(3) All seismic monitoring stations maintained and operated by Geoscience Australia as part of the Comprehensive Nuclear-Test-Ban Treaty Organization recorded small signals from the North Korean test. Furthermore, the Joint Geological and Geophysical Research Station is part of the International Monitoring System, designated primary seismic station PS3, Alice Springs.

(4) Geoscience Australia estimated the yield to be between 150 and 600 tonnes and to have occurred at 01:35:28 UT on 9 October 2006.
Port Kembla Industry Facilitation Fund  
(Question No. 4740)

Ms Bird asked the Minister for Industry, Tourism and Resources, in writing, on 10 October 2006:

(1) In respect of applications received from firms, and/or commercial enterprises with an ABN, when the application date closed on 29 September for the Port Kembla Industry Facilitation Fund (PKIFF), can he advise:
   (a) how many applications were received,
   (b) what funding amounts were sought and
   (c) the postcodes of the applicant firms/commercial enterprises.

(2) How many new jobs have been estimated to be created in each of the applications received under the PKIFF.

(3) When will the processing of the received applications be finalised and what is the method of announcement of successful applicants under the PKIFF.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:

(1) (a) At the close of the round on 29 September, AusIndustry had received 36 applications for the PKIFF.
   (b) The grant requests ranged from $65,000 to $4,000,000 and totalled $25,934,205.
   (c) The postcodes of the applicant firms/commercial enterprises as shown in the application forms are 2000, 2069, 2217, 2500, 2505, 2516, 2520, 2525, 2526, 2527, 2528, 2529, 2530, 2533, 2790, 3000, 3072, 4107, 4113 and 7000. (Note that applications have been received from some firms/commercial enterprises located outside the Port Kembla area but proposing projects in the area.)

(2) The number of potential sustainable jobs will be ascertained once the assessment process is complete.

(3) The assessment process is expected to be complete in early December. The method of announcement of successful applicants is a decision for the Government.

Australian Workplace Agreements  
(Question No. 4748)

Ms George asked the Minister for Employment and Workplace Relations, in writing, on 11 October 2006:

(1) How many Australian Workplace Agreements (AWAs) were approved prior to 27 March 2006 in the federal electorate of Throsby (a) in total and (b) by postcode.

(2) How many AWAs were lodged by employers between 27 March and 30 September 2006 in the federal electorate of Throsby (a) in total and (b) by postcode.

(3) What was the total number of AWAs in operation in the federal electorate of Throsby at the end of September 2006.

(4) What is the breakdown of the AWAs identified in Part (3) on an industry basis.

(5) What is the estimated number of employees residing in the federal electorate of Throsby who were covered by an AWA at 30 September 2006.
Mr Andrews—The answer to the honourable member’s question is as follows:

(1) (a) A total of 1673 AWAs are estimated to have been approved prior to 27 March 2006 for employees residing in the federal electorate of Throsby. Please note that complete electorate data were not available before 1 January 2002.

(b) The following table lists the numbers of AWAs approved between 1 January 2002 and 30 March 2006 for employees with residential postcodes that align with the federal electorate of Throsby.

Please note that postcode 2526 is shared with the federal electorate of Cunningham, postcode 2527 with Gilmore, and postcode 2577 with Gilmore and Hume. AWA postcode data are assigned to federal electoral divisions using a spreadsheet supplied by the Australian Electoral Commission. Where postcodes are shared by electorates, the spreadsheet allocates each AWA automatically to a specific electorate.

<table>
<thead>
<tr>
<th>Employee Postcode</th>
<th>Approved AWAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2502</td>
<td>191</td>
</tr>
<tr>
<td>2505</td>
<td>73</td>
</tr>
<tr>
<td>2506</td>
<td>128</td>
</tr>
<tr>
<td>2526</td>
<td>383</td>
</tr>
<tr>
<td>2527</td>
<td>416</td>
</tr>
<tr>
<td>2528</td>
<td>403</td>
</tr>
<tr>
<td>2529</td>
<td>366</td>
</tr>
<tr>
<td>2530</td>
<td>589</td>
</tr>
<tr>
<td>2577</td>
<td>89</td>
</tr>
</tbody>
</table>

(2) (a) The total number of AWAs lodged by employers between 27 March and 30 September 2006 in the federal electorate of Throsby is 38.

(b) The total number of AWAs lodged by employers between 27 March and 30 September 2006 in the federal electorate of Throsby by postcode is.

<table>
<thead>
<tr>
<th>Employer Postcode</th>
<th>Approved AWAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2502</td>
<td>0</td>
</tr>
<tr>
<td>2505</td>
<td>1</td>
</tr>
<tr>
<td>2506</td>
<td>4</td>
</tr>
<tr>
<td>2526</td>
<td>8</td>
</tr>
<tr>
<td>2527</td>
<td>4</td>
</tr>
<tr>
<td>2528</td>
<td>10</td>
</tr>
<tr>
<td>2529</td>
<td>8</td>
</tr>
<tr>
<td>2530</td>
<td>0</td>
</tr>
<tr>
<td>2577</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>38</td>
</tr>
</tbody>
</table>

(3) These data are not available.

(4) These data are not available.

(5) The estimated number of employees residing in the federal electorate of Throsby and covered by an AWA, at the end of September 2006, is 2,081.
Australian Workplace Agreements  
(Question No. 4750)

Ms Bird asked the Minister for Employment and Workplace Relations, in writing, on 11 October 2006:

1) Further to his response to question No. 3767 (Hansard, 25 July 2006, page 148), can he now provide up-dated information on the number of Australian Workplace Agreements (AWAs) lodged with the Office of the Employment Advocate under the WorkChoices legislation in the period 27 March 2006 to 1 October 2006 in the federal electorate of (a) Cunningham, (b) Throsby and (c) Gilmore.

2) What is the number of AWAs lodged and registered since 27 March 2006 by employers located in the postcode area (a) 2500, (b) 2508, (c) 2515, (d) 2516, (e) 2517, (f) 2518, (g) 2519, (h) 2525 and (i) 2526.

Mr Andrews—The answer to the honourable member’s question is as follows:

1) Under WorkChoices, in the period from 27 March 2006 to 1 October 2006, AWAs were lodged for persons residing in the federal electorates of Cunningham, Gilmore and Throsby, in the following numbers: Cunningham (481), Gilmore (326), and Throsby (191). Please note that AWA postcode data are assigned to federal electoral divisions using a spreadsheet supplied by the Australian Electoral Commission. Where postcodes are shared by electorates, the spreadsheet allocates each AWA automatically to a specific electorate.

2) The number of AWAs lodged since 27 March 2006 by employers located in the postcodes listed is as follows:

<table>
<thead>
<tr>
<th>Employer Postcode</th>
<th>AWA lodgements</th>
</tr>
</thead>
<tbody>
<tr>
<td>2500</td>
<td>454</td>
</tr>
<tr>
<td>2508</td>
<td>3</td>
</tr>
<tr>
<td>2515</td>
<td>12</td>
</tr>
<tr>
<td>2516</td>
<td>-</td>
</tr>
<tr>
<td>2517</td>
<td>1</td>
</tr>
<tr>
<td>2518</td>
<td>13</td>
</tr>
<tr>
<td>2519</td>
<td>30</td>
</tr>
<tr>
<td>2525</td>
<td>3</td>
</tr>
<tr>
<td>2526</td>
<td>8</td>
</tr>
</tbody>
</table>