COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES

House of Representatives

Official Hansard

No. 2, 2007
Wednesday, 14 February 2007

FORTY-FIRST PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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SITTING DAYS—2007

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- NEWCASTLE 1458 AM
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- GOLD COAST 95.7 FM
- MELBOURNE 1026 AM
- ADELAIDE 972 AM
- PERTH 585 AM
- HOBART 747 AM
- NORTHERN TASMANIA 92.5 FM
- DARWIN 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—EIGHTH 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, Ms Ann Kathleen Corcoran, Mr Barry Wayne Haase, Mr Michael John Hatton, the Hon. Duncan James Colquhoun Kerr SC, Mr Harry Vernon Quick, the Hon. Bruce Craig Scott, Mr Patrick Damien Secker, 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—Mr Anthony Norman Albanese MP
Deputy Manager of Opposition Business—Mr Kelvin John Thomson 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—Mr Kevin Michael Rudd MP
Deputy Leader—Ms Julia Eileen Gillard 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>
<td>Bonner, Qld</td>
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<td>Wakelin, Barry Hugh</td>
<td>Grey, SA</td>
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<tr>
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<td>Moore, WA</td>
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<td>Wilkie, Kim William</td>
<td>Swan, WA</td>
<td>ALP</td>
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<tr>
<td>Windsor, Antony Harold Curties</td>
<td>New England, NSW</td>
<td>Ind</td>
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<tr>
<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
<td>LP</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
The Hon. John Winston Howard MP
The Hon. Mark Anthony James Vaile MP

Deputy Prime Minister

Treasurer
The Hon. Peter Howard Costello MP
The Hon. Warren Errol Truss MP

Minister for Defence
The Hon. Dr Brendan John Nelson MP

Minister for Foreign Affairs
The Hon. Alexander John Gosse Downer MP

Minister for Health and Ageing and Leader of the House
The Hon. Anthony John Abbott MP

Attorney-General
The Hon. Philip Maxwell Ruddock MP
Senator the Hon. Nicholas Hugh Minchin

Minister for Agriculture, Fisheries and Forestry
The Hon. Peter John McGauran MP

Minister for Environment and Water Resources
The Hon. Malcolm Bligh Turnbull MP

Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues
The Hon. Julie Isabel Bishop MP

Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs
The Hon. Malcolm Thomas Brough MP

Minister for Industry, Tourism and Resources
The Hon. Ian Elgin Macfarlane MP

Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service
The Hon. Joseph Benedict Hockey MP

Minister for Communications, Information Technology and the Arts and Deputy Leader of the Government in the Senate
Senator the Hon. Helen Lloyd Coonan

Minister for Human Services
The Hon. Malcolm Bligh Turnbull MP

(The above ministers constitute the cabinet)
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<td>Senator the Hon. Christopher Martin Ellison</td>
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<td>Minister for Fisheries, Forestry and Conservation</td>
<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td>Minister for the Arts and Sport</td>
<td>Senator the Hon. George Henry Brandis SC</td>
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<tr>
<td>Minister for Community Services</td>
<td>Senator the Hon. Nigel Gregory Scullion</td>
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<tr>
<td>Minister for Revenue and Assistant Treasurer</td>
<td>The Hon. Peter Craig Dutton MP</td>
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<tr>
<td>Special Minister of State</td>
<td>The Hon. Gary Roy Nairn MP</td>
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<tr>
<td>Minister for Vocational and Further Education</td>
<td>The Hon. Andrew John Robb MP</td>
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<tr>
<td>Minister for Ageing</td>
<td>Senator the Hon. Santo Santoro</td>
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<tr>
<td>Minister for Small Business and Tourism</td>
<td>The Hon. Frances Esther Bailey MP</td>
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<tr>
<td>Minister for Local Government, Territories and Roads</td>
<td>The Hon. James Eric Lloyd MP</td>
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<tr>
<td>Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence</td>
<td>The Hon. Bruce Frederick Billson MP</td>
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<tr>
<td>Assistant Minister for Workforce Participation</td>
<td>The Hon. Dr Sharman Nancy Stone MP</td>
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<tr>
<td>Assistant Minister for Health and Ageing</td>
<td>The Hon. Christopher Maurice Pyne MP</td>
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<td>Assistant Minister for the Environment and Water Resources</td>
<td>The Hon. John Kenneth Cobb MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Finance and Administration</td>
<td>Senator the Hon. Richard Mansell Colbeck</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Industry, Tourism and Resources</td>
<td>The Hon. Robert Charles Baldwin MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Peter John Lindsay MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Transport and Regional Services</td>
<td>The Hon. De-Anne Margaret Kelly MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Immigration and Citizenship</td>
<td>The Hon. Teresa Gambaro MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Anthony David Hawthorn Smith MP</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon. Christopher John Pearce MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon. Sussan Penelope Ley MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Education, Science and Training</td>
<td>The Hon. Patrick Francis Farmer MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>The Hon. Gregory Andrew Hunt MP</td>
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<td>Kevin Michael Rudd MP</td>
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<tr>
<td>Deputy Leader of the Opposition, Shadow Minister for Employment and Industrial Relations and Shadow Minister for Social Inclusion</td>
<td>Julia Eileen Gillard MP</td>
</tr>
<tr>
<td>Leader of the Opposition in the Senate and Shadow Minister for National Development, Resources and Energy</td>
<td>Senator Christopher Vaughan Evans</td>
</tr>
<tr>
<td>Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology</td>
<td>Senator Stephen Michael Conroy</td>
</tr>
<tr>
<td>Shadow Minister for Infrastructure and Water and Manager of Opposition Business in the House</td>
<td>Anthony Norman Albanese MP</td>
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<tr>
<td>Shadow Minister for Homeland Security and Shadow Minister for Territories</td>
<td>The Hon. Archibald Ronald Bevis MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer and Shadow Minister for Revenue and Competition Policy</td>
<td>Christopher Eyles Bowen MP</td>
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<tr>
<td>Shadow Minister for Immigration, Integration and Citizenship</td>
<td>Anthony Stephen Burke MP</td>
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<tr>
<td>Shadow Minister for Industry and Shadow Minister for Innovation, Science and Research</td>
<td>Senator Kim John Carr</td>
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<tr>
<td>Shadow Minister for Trade and Regional Development</td>
<td>The Hon. Simon Findlay Crean MP</td>
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<tr>
<td>Shadow Minister for Service Economy, Small Business and Independent Contractors</td>
<td>Craig Anthony Emerson MP</td>
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<tr>
<td>Shadow Minister for Multicultural Affairs, Urban Development and Consumer Affairs</td>
<td>Laurence Donald Thomas Ferguson MP</td>
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<tr>
<td>Shadow Minister for Transport, Roads and Tourism</td>
<td>Martin John Ferguson MP</td>
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<tr>
<td>Shadow Minister for Defence</td>
<td>Joel Andrew Fitzgibbon MP</td>
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<tr>
<td>Shadow Minister for Climate Change, Environment and Heritage and Shadow Minister for the Arts</td>
<td>Peter Robert Garrett MP</td>
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<tr>
<td>Shadow Minister for Veterans’ Affairs, Shadow Minister for Defence Science and Personnel and Shadow Special Minister of State</td>
<td>Alan Peter Griffin MP</td>
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<tr>
<td>Shadow Minister for Justice and Customs and Manager of Opposition Business in the Senate</td>
<td>Senator Joseph William Ludwig</td>
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<tr>
<td>Shadow Minister for Sport, Recreation and Health Promotion and Shadow Minister for Local Government</td>
<td>Senator Kate Alexandra Lundy</td>
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<tr>
<td>Shadow Minister for Families and Community Services and Shadow Minister for Indigenous Affairs and Reconciliation</td>
<td>Jennifer Louise Macklin MP</td>
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<td>Robert Bruce McClelland MP</td>
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<td>Shadow Minister for Ageing, Disabilities and Carers</td>
<td>Senator Jan Elizabeth McM Lucas</td>
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<td>Shadow Minister for Federal/State Relations and Shadow Minister for International Development Assistance</td>
<td>Robert Francis McMullan MP</td>
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<td>Senator Kerry Williams Kelso O’Brien</td>
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and Forestry
Shadow Minister for Human Services, Housing, Youth and Women
Tanya Joan Plibersek MP
Shadow Minister for Health
Nicola Louise Roxon 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 Education and Training
Stephen Francis Smith MP
Shadow Treasurer
Wayne Maxwell Swan MP
Shadow Minister for Finance
Lindsay James Tanner MP
Shadow Attorney-General and Deputy Manager of Opposition Business in the House
Kelvin John Thomson MP
Shadow Minister for Public Administration and Accountability, Shadow Minister for Corporate Governance and Responsibility and Shadow Minister for Workforce Participation
Senator Penelope Ying Yen Wong
Shadow Parliamentary Secretary for Foreign Affairs
Anthony Michael Byrne MP
Shadow Parliamentary Secretary for Defence and Veterans’ Affairs
The Hon. Graham John Edwards MP
Shadow Parliamentary Secretary for Environment and Heritage
Jennie George MP
Shadow Parliamentary Secretary for Treasury
Catherine Fiona King MP
Shadow Parliamentary Secretary for Education
Kirsten Fiona Livermore MP
Shadow Parliamentary Secretary to the Leader of the Opposition
John Paul Murphy MP
Shadow Parliamentary Secretary for Industrial Relations
Brendan Patrick John O’Connor MP
Shadow Parliamentary Secretary for Industry and Innovation
Bernard Fernando Ripoll MP
Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs
The Hon. Warren Edward Snowdon MP
Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)
Senator Ursula Mary Stephens
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Wednesday, 14 February 2007

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

IRAQ

Mr RUDD (Griffith—Leader of the Opposition) (9.00 am)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Prime Minister from immediately coming into the House and debating the Leader of the Opposition for a period of no less than one hour on Australia’s involvement in the war in Iraq including:

(a) the Prime Minister’s false basis for Australia’s decision to go to war in Iraq;
(b) the Prime Minister’s misuse of intelligence material to justify his decision to send Australian service personnel into active duty in Iraq;
(c) the Prime Minister’s failure to articulate a clear cut mission statement for Australia’s continued participation in the war in Iraq;
(d) the Prime Minister’s failure to develop a clear cut exit strategy from the war based on that mission statement;
(e) the Prime Minister’s refusal to explain to the Parliament and the people of Australia his strategy for winning the Iraq war; and
(f) the Prime Minister’s lack of guts and courage in refusing to accept the Leader of the Opposition’s challenge to a nationally televised debate on Labor’s plan to bring our troops home and the Prime Minister’s plan to leave our troops in Iraq indefinitely.

The Prime Minister said yesterday that parliament is the forum for debate. Come on down—

Mr BILLSON (Dunkley—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (9.02 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.06 am]

(Ayes—Hon. David Hawker)

Ayes............. 79
Noes............. 58
Majority......... 21

AYES


Question agreed to.

The SPEAKER—Is the motion seconded?

Mr McCLELLAND (Barton) (9.11 am)—I second the motion. Guts and courage mean fronting—

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

That the member be no longer heard.

Question put.

The House divided. [9.12 am]
Question agreed to.

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

The House divided. [9.15 am]

(The Speaker—Hon. David Hawker)

Ayes............. 59
Noes............. 81
Majority......... 22

AYES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bevis, A.R. Bird, S.
Bowen, C. Burke, A.E.
Burke, A.S. Byrne, A.M.
Corcoran, A.K. Crean, S.F.
Danby, M. * Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Garrett, P. Georganas, S.
George, J. George, J.
Gillard, J.E. Gillard, J.E.
Griffin, A.P. Griffith, A.P.
Hoare, K.J. Hull, J.G.
Jenkins, H.A. Kerr, D.J.C.
King, C.F. Lawrence, C.M.
Livermore, K.F. Macklin, J.L.
McClennan, 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. Snowden, W.E.
Swan, W.M. Thomson, M.A.
Wilkie, K. Windsor, A.H.C.

* denotes teller

NOES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Bailey, F.E.
Baird, B.G. Baker, M.
Baldwin, R.C. Barresi, P.A.
Bartlett, K.J. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Broadbent, R. Broughton, M.T.
Cadman, A.G. Cauley, I.R.
Ciobo, S.M. Costello, P.H.
Draper, P. Dutton, P.C.
Elson, K.S. Entsch, W.G.
Farmer, P.F. Fawcett, D.
Forrest, J.A. Garbaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartsuyker, L. Henry, S.
Hockey, J.B. Hull, K.E. *
Jensen, D. Johnson, M.A.
Jull, D.F. Katter, R.C.
Keenan, M. Kelly, D.M.
Kelly, J.M. Laming, A.
Ley, S.P. Lindsay, P.J.
Lloyd, J.E. Markus, L.
May, M.A. McArthur, S. *
McGauran, P.J. Mirabell, S.
Moylan, J.E. Nairn, G.R.
Nelson, B.J. Neville, P.C.
Pearce, C. 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.
Ticehurst, K.V.  Tollner, D.W.
Truss, W.E.  Tuckey, C.W.
Turnbull, M.  Vaile, M.A.J.
Vale, D.S.  Washer, M.J.
Wakelin, B.H.  Wood, J.

* denotes teller

Question negatived.

BUSINESS

Rearrangement

Mr BILLSON (Dunkley—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (9.21 am)—by leave—I move:

That, for this sitting, so much of the standing and sessional orders be suspended as would prevent questions without notice being called on at 2.30 p.m.

Question agreed to.

TOURISM AUSTRALIA AMENDMENT BILL 2007

First Reading

Bill and explanatory memorandum presented by Fran Bailey.

Bill read a first time.

Second Reading

FRAN BAILEY (McEwen—Minister for Small Business and Tourism) (9.22 am)—I move:

That this bill be now read a second time.

The Tourism Australia Amendment Bill 2007 amends the Tourism Australia Act 2004 by making changes to governance arrangements for the organisation. The changes introduced in this bill form part of the implementation of the government’s response to the Review of corporate governance of statutory authorities and office holders that was conducted by Mr John Uhrig.

Tourism Australia is the federal government statutory authority responsible for international and domestic tourism marketing as well as the delivery of research and forecasts for the sector. Tourism Australia was established on 1 July 2004, bringing together the collective skills and knowledge of four separate organisations: the Australian Tourist Commission; See Australia; the Bureau of Tourism Research and Tourism Forecasting Council.

Tourism Australia has emerged as one of the world’s leading national tourism organisations. It works to influence those outside Australia to visit the many regions of Australia, whether for personal, recreational, professional or business reasons. It works to persuade Australians to travel throughout their own country. It works to foster a sustainable Australian tourism industry. And it works to increase the economic benefits to Australia from tourism. These economic benefits include export income and jobs, especially in regional Australia.

The government has assessed Tourism Australia’s existing governance structure against the recommendations and principles of the Uhrig review and has identified that the board template is best suited to Tourism Australia’s role as the government’s tourism marketing agency. This bill amends the Tourism Australia Act 2004 by making minor improvements to the governance and accountability arrangements for Tourism Australia.

These amendments will bring the existing governance arrangements more closely in line with best practice under the board template as identified in Uhrig, and provide increased accountability to the parliament commensurate with the high levels of public funding for the organisation’s activities.

The government has confirmed that the existing structure of a statutory authority
operating under the Commonwealth Authorities and Companies Act 1997 with governance by a board is consistent with the Uhrig recommendations. This recognises the need for Tourism Australia to operate flexibly in a commercial environment.

These arrangements are strongly supported by Australia’s tourism industry. The minor improvements proposed in the bill seek to balance increased independence for the board, principally through removal of the government member, with improved accountability appropriate to an organisation that receives over 80 per cent of its income through appropriation and whose work involves considerable public scrutiny, both here and overseas.

On behalf of the government I would like to thank those who contributed to the assessment. The views and interests of Australia’s tourism industry will continue to inform the government’s tourism promotion activities.

Debate (on motion by Dr Emerson) adjourned.

AVIATION TRANSPORT SECURITY AMENDMENT (ADDITIONAL SCREENING MEASURES) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mrs De-Anne Kelly.

Bill read a first time.

Second Reading

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services) (9.27 am)—I move:

That this bill be now read a second time.

Aviation security is a high priority for this government and is under constant review to ensure that the regulatory framework is responsive to changing threats to the Australian aviation industry.

On 9 August 2006, United Kingdom security services interrupted a terrorist operation involving planned attacks against international aviation targets. The foiled plot revealed vulnerability in the technical capability of aviation security screening points with respect to liquid explosive detection. This vulnerability has prompted the United States, Canada and the European Union to introduce restrictions on the amount of liquids, aerosols and gels that can be carried on board international outbound and domestic flights.

The Australian government has also moved to deal with these risks. On 8 December 2006, the Deputy Prime Minister and Minister for Transport and Regional Services announced that from 31 March 2007 there would be enhanced security measures to limit the amount of liquids, aerosols and gels that can be taken through an international screening point by people who are flying to or from Australia.

This bill makes the amendments to the Aviation Transport Security Act 2004 that are necessary to better manage this vulnerability. The bill amends the power to make regulations to cover liquids, aerosols and gels. As a necessary enhancement the act is also amended to allow for appropriate frisk searches at screening points.

Overall this bill facilitates screening for liquids, aerosols and gels to protect Australians and the Australian aviation industry.

Debate (on motion by Dr Emerson) adjourned.

CORPORATIONS AMENDMENT (TAKEOVERS) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr Pearce.

Bill read a first time.
Second Reading

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (9.30 am)—I move:

That this bill be now read a second time.

Takeovers serve a crucial role in supporting efficient dynamic share markets. The potential exposure to takeovers encourages companies and their managers to be efficient. It promotes sound management, better returns for investors and a more efficient allocation of resources. For takeovers to perform this role, they need to operate efficiently and in an informed market.

The vigorous takeover activity in Australia in recent years shows that the takeovers provisions in the law have worked well. There is a dynamic, competitive market for control of companies in Australia. The Takeovers Panel has played a key part in achieving such a market.

Recent court cases have thrown doubt on the panel’s ability to keep performing its role as well as it has done. This bill will amend the Corporations Act 2001 to ensure that the Takeovers Panel can continue to perform its part in ensuring takeovers are conducted legally, properly and fairly.

Chapter 6 of the Corporations Act 2001 deals with takeovers. Its aims are set out in section 602. In particular, one of those aims is that the acquisition of control over voting shares should take place in an efficient, competitive and informed market.

The Takeovers Panel is fundamental to achieving those aims.

The Takeovers Panel was constituted in its present form in March 2000. Until then, there was a great deal of tactical litigation associated with takeovers. The panel was designed to minimise tactical litigation and to replace the courts as the principal forum for resolving takeover disputes during bids.

It was not a judicial body but a panel of experts. It was to apply its specialist expertise to give fast, informal decisions, having regard to the spirit of the takeover rules in section 602.

The panel has fulfilled those expectations. It has operated successfully for some years in the way intended. The panel’s processes are as simple as possible. Applications are determined in an average of 14 days. Disputes have been resolved faster and tactical litigation has been reduced.

For the first time since it was reconstituted, the panel was taken to court in 2005, and again in 2006, by a company dissatisfied with the panel’s decision. The court twice considered the panel’s powers and ruled that they were narrower than the panel had thought.

Those cases raised concerns that the current law does not give the panel the powers and jurisdiction it needs to perform effectively the role envisaged for it by parliament. This bill will ensure the panel has the powers and jurisdiction it needs.

There are three main changes in the bill.

The first relates to the definition of ‘substantial interest’.

One large part of the panel’s power to intervene relies on there being circumstances which affect the acquisition, or proposed acquisition, of a substantial interest in a company. The court interpreted the phrase ‘substantial interest’ more narrowly than the panel had done.

The new definition of ‘substantial interest’ in the bill will mean that phrase is not confined to a narrow set of rights and interests. It will also allow for regulations to specify that particular interests will not, or may, constitute substantial interests.

Takeovers is an area where new techniques and structures are constantly evolv-
Allowing for regulations will give some flexibility to cover future situations and allow the law to react promptly to new developments where necessary.

The second major change will mean that the panel can act where it is clear that circumstances will produce certain effects, or are likely to do so. It need not wait until those effects, and the consequent harm, have actually occurred.

The panel can presently intervene where it considers circumstances are unacceptable for one of two reasons. Circumstances could be unacceptable either because of a contravention of the law or else having regard to their effect on the control or potential control of a company or on the acquisition or proposed acquisition of a substantial interest in a company.

The third major change gives the panel the power to intervene in a third situation: where circumstances are unacceptable having regard to the purposes of the law, as set out in section 602. The intention is to give the panel the power to act in order to give effect to the spirit of the law. For example, it might be that particular circumstances have the effect of causing a control block of voting shares to be traded in an uninformed market. The panel could intervene in that situation under the new provision if they considered the circumstances were unacceptable.

The bill also addresses minor machinery concerns. For example, it provides that the time limit for concluding a review of a panel decision will date from the time of the application for review, not from the earlier decision.

The panel needs to have adequate powers to perform the role envisaged for it. The bill is designed to ensure that it has those powers so it can continue to act as the main forum to resolve takeover disputes, and that it can do so efficiently and effectively.

I commend the bill to the House.

Debate (on motion by Dr Emerson) adjourned.

OFFSHORE PETROLEUM AMENDMENT (GREATER SUNRISE) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr Baldwin.

Bill read a first time.

Second Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (9.37 am)—I move:

That this bill be now read a second time.

The purpose of the Offshore Petroleum Amendment (Greater Sunrise) Bill 2007 is to incorporate into the Offshore Petroleum Act 2006 (OPA) the Greater Sunrise Unitisation Agreement, which gives effect to the agreement between Australia and the Democratic Republic of Timor-Leste relating to the unitisation of the Sunrise and Troubadour fields. The agreement was signed by Australia and Timor-Leste in Dili on 6 March 2003.

The agreement was incorporated into the Petroleum (Submerged Lands) Act 1967 (PSLA) in April 2004, however due to unforeseen circumstances and competing priorities it was not included when the PSLA was rewritten and renamed the Offshore Petroleum Act in 2006.

Mr Deputy Speaker, you will recall that in 2004 the policy on this issue was fully debated and agreed to for incorporation into the PSLA. This exercise today is a matter of formality to have the same details incorporated into the OPA.

The agreement has been considered by the Joint Standing Committee on Treaties. The committee supported the agreement and rec-
ommended that binding treaty action be taken.

The agreement provides the framework for development and commercialisation of the petroleum resources in the Sunrise and Troubadour fields, which are collectively known as Greater Sunrise, as a single unit. This resource straddles the border between the joint petroleum development area, which is the area of shared jurisdiction between Australia and Timor-Leste established by the Timor Sea Treaty, and an area of Australian jurisdiction.

The bill puts into place the administrative arrangements for the unit development of the Greater Sunrise petroleum resource. In practice, this means that Australian regulators and regulators of the joint petroleum development area will be able to ensure, jointly, that administration of the Greater Sunrise petroleum operations is coordinated, and that recovery operations are conducted in accordance with good oilfield practice. To the extent appropriate, the administrative arrangements will mirror those that apply elsewhere under Australian regulatory control.

There are, however, some aspects of the agreed arrangements that will be specific to administration of the Greater Sunrise petroleum resource. For example, the process for approving the development plan and the unit operator will be Greater Sunrise specific. This reflects matters agreed between Australia and Timor-Leste and has no application outside the Greater Sunrise resource.

To ensure consistency of administration of development of this resource, the arrangements that usually apply in the Northern Territory adjacent area will be modified to enable the responsible Commonwealth minister to exercise statutory powers, rather than the Commonwealth minister working in concert with the counterpart Northern Territory minister, or instead of the Northern Territory minister working alone. In practice, the Australian government will work with the Northern Territory government on the day-to-day administration of the Greater Sunrise resource.

The agreement includes a mechanism for adjusting the initial petroleum production apportionment between the joint petroleum development area and Australia if new geological evidence indicates that a revision is needed.

For the purposes of taxation, the part of the petroleum production from Greater Sunrise attributed to the joint petroleum development area will be taxed in accordance with the arrangements under the Timor Sea Treaty whereby Timor-Leste has title to 90 per cent of production and Australia to 10 per cent. The part of production from Greater Sunrise attributed to Australia will be taxed in accordance with Australia’s domestic taxation arrangements.

The Greater Sunrise Unitisation Agreement, which was concluded in March 2003, will be replaced by the provisions of the new Treaty between the Government of Australia and the Government of the Democratic Republic of Timor-Leste on Certain Maritime Arrangements in the Timor Sea (CMA TS) when it is ratified by Timor-Leste. CMA TS, which was signed on 12 January 2006, will set aside maritime boundary claims for 50 years and lift Timor-Leste’s share of Greater Sunrise revenues from under 18 per cent to 50 per cent.

I understand that the Timor-Leste will shortly be ready to bring the treaties into force.

Greater Sunrise is a world-class resource estimated to contain some 8.4 trillion cubic feet of natural gas and 295 million barrels of condensate. Development of Greater Sunrise has the potential to deliver significant benefits to both Australia and Timor-Leste. These
benefits include investment and employment as well as export revenue. In addition, development of Greater Sunrise will stimulate increased investment in petroleum exploration and development in the Timor Sea, which will be in the interest of Australia and particularly Timor-Leste. In relation to Australia its development could result in revenues in the order of $10 billion over the life of the field.

It is clearly in the national interest of Australia, as well as Timor-Leste, that this bill be approved. I reiterate that the issues around this matter were debated in detail upon its introduction the first time in 2004. Matters between Australia and Timor-Leste have progressed substantially since that time and it is in no party’s interest to delay it any further, particularly as the provisions of these bills are already in effect under the PSLA. Their incorporation here is today a matter of formality. I commend this bill to the House.

Debate (on motion by Dr Emerson) adjourned.

CUSTOMS TARIFF AMENDMENT (GREATER SUNRISE) BILL 2007
First Reading

Bill and explanatory memorandum presented by Mr Baldwin.

Bill read a first time.

Second Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (9.44 am)—I move:

That this bill be now read a second time.

Mr Speaker, the Customs Tariff Amendment (Greater Sunrise) Bill 2007 contains amendments that change any references to the Petroleum (Submerged Lands) Act 1967 in the Customs Tariff Act 1995 to the new Offshore Petroleum Act 2006.

This bill is cognate with the Offshore Petroleum Amendment (Greater Sunrise) Bill 2007, which incorporates into the Offshore Petroleum Act 2006 the Greater Sunrise unification agreement that gives effect to the agreement between the government of Australia and the government of the Democratic Republic of Timor-Leste relating to the Unification of the Sunrise and Troubadour fields.

The agreement was signed by Australia and Timor-Leste in Dili on 6 March 2003 and provides a framework for the development and exploitation of the petroleum resources in the Sunrise and Troubadour fields, collectively known as the Greater Sunrise petroleum resource.

The agreement was incorporated into the Petroleum (Submerged Lands) Act 1967 in April 2004 and the required consequential amendments were made to the Customs Tariff Act 1995 at the same time.

However due to unforeseen circumstances and competing priorities the agreement was not included when the Petroleum (Submerged Lands) Act 1967 was rewritten and renamed the Offshore Petroleum Act in 2006.

The policy on Greater Sunrise was fully debated and agreed to in 2004. This exercise today is a matter of formality to have minor amendments reflecting the Offshore Petroleum Act 2006 incorporated into the Customs Tariff Act 1995.

Debate (on motion by Dr Emerson) adjourned.

NATIVE TITLE AMENDMENT BILL 2006
Second Reading

Debate resumed from 13 February, on motion by Mr Ruddock:

That this bill be now read a second time.

upon which Mr Kelvin Thomson 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 acknowledges;

(1) that the native title system is currently mired in bureaucracy, and urgently needs a considered and practical approach from the Government;

(a) to resolve native title claims effectively, expeditiously and fairly; and

(b) to ensure Indigenous Australians are able to take full advantage of their legal rights;

(2) the recent findings of Griffith University study which found that ‘federal policy and legislative and budgetary initiatives during the last decade have substantially weakened the negotiating position of Aboriginal people; and

(3) that the amendments proposed by the Government;

(a) represent a missed opportunity to remedy the real causes of delay and bottleneck in the native title system;

(b) overlook calls from the Minerals Council of Australia and successive ATSIC Social Justice Commissioners to properly resource Native Title Representative Bodies and Prescribed Bodies Corporate;

(c) contain changes which, despite being intended to improve the performance of Native Title Representative Bodies, will adversely effect their capacity to represent and pursue Indigenous interests; and

(d) run the risk of making the claims resolution process slower and more bureaucratic”.

Mr ANDREN (Calare) (9.47 am)—As I begin, can I correct the Parliamentary Secretary to the Minister for Industry, Tourism and Resources. It is unfortunate for him to continue to pronounce Timor-Leste ‘Timor-Leased’ with all the connotations that that phrase may have. It should be pronounced ‘Timor-Lestay’. It is a pity that the parliamentary secretary cannot be questioned about his carriage of that legislation in this House, but that is another matter.

When the amended native title bill came from the Senate on 6 December 1997 after 55 hours of debate and the government voted down those passionately argued changes and laid aside the Native Title Amendment Bill 1996, I said on that day:

The rights of pastoralists will prevail. There is nothing in this amended bill that says otherwise, so the right to negotiate remains just that: the right to negotiate. Aborigines do not want freehold but access, with the right to negotiate ... The Prime Minister speaks of his covenant with the miner and the pastoralist. What about the third part of that troika, the Aborigine? Where is the covenant with him?

After all of the tribulations and debate on native title over the past decade almost, we come to the Native Title Amendment Bill 2006. The general stated intent of the bill is to address the incredible delays that thwart timely resolution of native title claims. It is also supposed to allow the minister to put a badly performing native title representative body on a year’s notice and more easily not renew recognition of that body. This bill is mainly about making processes more efficient.

It is no small irony that it is largely governments that oppose claims as a matter of course and as a matter of ideology, tying up precious time, resources and money in forcing such claims to appeal. Given it can take up to 10 to 20 years to resolve a native title claim in some instances, often with the claimants not living to finally witness formal recognition of their continuing connection with their country, it is an admirable and proper aim to tighten the process and limit the excessive delays inherent in the current process. But this bill just does not seem to do this.
It is important to note that out of the 1,683 native title claims filed, there are currently 604 remaining, suggesting that 13 years of claims have sorted out many of the procedural and legal questions for use in later cases. My concern starts with the process around the bill itself, with a recognised lack of consultation by many parties to the native title process, especially with the native title representative bodies, NTRBs, which represent the native title interests of Indigenous Australians—or are supposed to—especially in the establishment of native title claims.

Not only this, but with just six weeks for submissions to the Senate Legal and Constitutional Affairs Committee—over the Christmas and New Year break—and with that inquiry’s report not even due until the 23rd of this month, I seriously question any commitment to truly working this process out and to properly debating it in the House of Representatives, since we are without the benefit of the report, as is so often the case.

Certainly some measures appear to be recognised as positive, such as splitting claims to progress the more straightforward areas of a claim while the rest is argued, or the granting of legal aid to respondents. However, the main achievements of this bill seem to be entirely at odds with its aims and with the original aims of the Native Title Act itself.

First of all is what looks like a complete undermining of native title representative bodies. This bill explicitly removes the criteria that a representative body, to remain eligible as such, must represent and consult with its constituency across its region. These bodies will provide policy advice to governments about land, water and customary use of country by traditional owners.

Under this bill, registration of native title representative bodies is exclusively at the invitation of the minister, which opens up the possibility of large and expensive law firms, with no endorsement by Aboriginal people, providing representation for those people about processes that are in effect about ancient connections to country, without being representatives of those people. It is absolutely inappropriate that non-Indigenous bodies could take up the role of native title representative bodies in this process.

With this proposed further diminishing of Indigenous participation, this bill also allows the ‘summary dismissal of certain native title applications’ if a presumption is made about the reasons for which a claim is being made. Further, this bill also allows the minister to recognise a representative body for a minimum of one year at a time, and for up to six years, ostensibly to enable the derecognition of such a body if it continues to not perform. So the bill proposes a situation where all the representative bodies may or may not be invited to tender to continue their functions every six years at the most. Those bodies that may have just one year’s grace imposed must try to keep hold of specialist legal staff on a one-year contract, divert already scarce resources towards the process of rerecognition—as will happen every six years regardless—and demonstrate progress in processes that can take up to 10 or more years. There are surely better ways of dealing with the nonperformance of single bodies. With that in mind, and in the name of cutting red tape, the bill also removes the requirement for strategic plans.

How on earth does this provide greater efficiency where resources are so stretched, where cases take up to a decade or more to progress and where an already high turnover in staff or board members of these bodies diminishes corporate memory and can remove traces of those markers that flag the way? In this environment, how does a representative body mark its priorities and progress and how does it build critical levels of
competence—and how can a court determine this and how does a minister measure outcomes?—without a detailed strategic plan to provide a compass to stop the process going in circles for even longer periods? Surely it would be more helpful to ensure good public strategic plans are in fact formulated and followed, with the resulting transparency informing questions of governance and forward planning of scarce resources and providing answerability to its constituents—and indeed the minister.

Another major concern is the role under this bill of the National Native Title Tribunal, which is invested with a quasi-judicial power at the expense of the Federal Court with its power to supervise and impel the progress of proceedings. Under the bill, the tribunal, with its members who are appointed to provide mediation, is given power to coercively direct parties to attend mediation conferences and produce documents. But this is totally inappropriate for an administrative body and will in fact increase costs and delays, because only the Federal Court has the power to enforce such orders to make them effective. Further, this is constitutionally suspect and inappropriate for a mediation setting and is very likely to set off further litigation as parties, especially governments, so ordered by a tribunal seek to protect their own privileges.

It is also proposed that the court’s power to mediate be restricted while the tribunal is mediating a matter, reducing the court’s ability to progress a claim by threatening to take the matter into its own hands and make a determination. Without this threat, the process of mediation can be very easily subverted by parties who do not have an interest in settling—and, as with any litigation, delays usually favour one of the parties. In the case of native title, the parties with the interest in waiting are usually governments. The tribunal in fact already hasn’t the capacity to fulfil its expected functions, with parties already taking advantage of procedural rights that hold up the whole process without having to be tested themselves within that process.

Just over a year ago, of 356 claims with the NNTT for mediation, 272—about 76 per cent—had been with them for more than three years and 170—just under 48 per cent—for more than five years. Yet in the name of expediency this bill bestows yet another option to further divert the process by allowing parties to apply for a review in the tribunal of the existence of native title. This is where a claimant could be made to bear the time and cost of presenting their case to the tribunal and the applicant for the review. With so much of the work in a native title claim going into assembling evidence over years, one would be forgiven for thinking that compelling a claimant to do this in a tribunal mediation setting, when it has to be done again in a court anyway, is a structured system that creates, perhaps not deliberately, a further delaying tactic designed, inadvertently or otherwise, to diminish the claimant’s energy and resources and to provide a valuable dry run for the applicant to the review in testing the claimant’s case prior to a court hearing, without any binding determination. It seems clear that the Federal Court’s ability to flexibly case manage native title claims, including its ability to order conferences and mediation, is highly regarded and should not be diminished or compromised by a parallel, inexpert and unpractised process that will have to refer to the court in the end anyway.

I am not in the habit of supporting second reading amendments—often as they are an expression of the world as it might be if there were a change of government—but in this case one would hope that the second reading amendment would be a precursor to substantive amendments with the arrival of the in-
quiry into this in the other place. I note the second reading amendment says:
... that the amendments proposed by the Government;
(b) overlook calls from the Minerals Council ... and successive ATSI Social Justice Commissioners to properly resource Native Title Representative Bodies and Prescribed Bodies Corporate;
(c) contain changes which, despite being intended to improve the performance of Native Title Representative Bodies, will adversely effect their capacity to represent and pursue Indigenous interests;
Those are exactly the sorts of concerns that I have been able to identify in my study, along with that of my staff, of this particular piece of legislation. I support the opposition’s second reading amendment as an expression of the processes that need to emerge from this while I am hopeful that there will be possible, and indeed necessary, amendments in the other place.

Finally, I come to what I said on that highly charged Saturday morning in 1997 when the House sat to consider those amendments brought back from the Senate. There had been 55 hours of forensic debate. It was the most inspiring debate that I think I have seen in this place in a decade. Due respect was paid to the work of Senator Harradine and others, and the agony was obvious in the decisions that they arrived at. What happened is that when those amendments arrived in this House they were voted down by the government and the bill was laid aside at that point. I said on that Saturday in 1997, as that amended bill was laid aside, that I had decided that the bill as amended at that point ‘provided the framework for the coexistence of title identified in the Wik judgement’. I said:
... genuine native title is the key to restoring our acceptance of the validity of the Aboriginal culture and recognising that without that title or belonging our Indigenous fellow Australians are condemned to tiptoe around the fringes of this society as outcasts in a predominantly white society.
Nothing—or very, very little, if anything—has changed.

Mr RUDDOCK (Berowra—Attorney-General) (10.00 am)—I first thank the members for Wills, Jagajaga, Fisher, Grey, Lingiari, Hotham, Kingsford Smith, Fremantle and Calare for their contributions to this debate. I often find there is little in amendments that I can agree with, but I do agree with (1)(a) of the Labor amendment:

(1) that the native title system is currently mired in bureaucracy, and urgently needs a considered and practical approach from the Government;

(a) to resolve native title claims effectively, expeditiously and fairly …
I agree with that. That is what the Native Title Amendment Bill 2006 is about. That ought to be our objective. But I find that the rest of the amendment is fundamentally misplaced and I will demonstrate that in my comments.

A number of members, including the member for Calare, who has just spoken, have referred to the current inquiry by the Senate Standing Committee on Legal and Constitutional Affairs into the provisions of this bill and have suggested detailed consideration could await the committee’s report. Yet the motion put forward by the member for Wills effectively pre-empts this by asserting the bill represents a missed opportunity to remedy causes of delay and particular bottlenecks. In this, Labor are trying to have it both ways: portraying the current native title system as a failure but refusing to engage constructively on reform. The opposition has not put forward any real proposals for reform since the substantial amendments to the act were passed in 1998.
At the last federal election, the opposition’s general policy on native title reform comprised three sentences:

A Federal Labor Government will review the Native Title Act to ensure its workability. Labor will not amend the Act without comprehensive consultation with Indigenous Australians, miners, pastoralists and other governments ... Labor’s review of the Native Title Act will consider PBCs’ operational funding needs.

These are all steps that have been undertaken by the present government in a transparent process dating back over the past two years. I say to the member for Calare in particular that the government’s framework for this native title package was announced in September 2005. At the time of that announcement, I emphasised the need for practical reforms to achieve better and more efficient outcomes and, since then, there have been extensive consultations with stakeholders on all aspects of the reforms. From September 2005, the consultation has been ongoing. It was to help give us advice as to what matters might be dealt with in the bill.

The bill was introduced into the House of Representatives more than two months ago and it has been available for scrutiny since then. Yet, when it is scheduled for debate in this chamber, the most the opposition can do is offer a motion suggesting that native title needs a considered and practical approach. However, I should acknowledge the opposition’s express support for the provisions contained in schedules 3 and 4, which implement two aspects of the four key reforms contained in the bill.

The member for Jagajaga and the member for Hotham referred to the Keating government’s enactment of the original Native Title Act in 1993. With considerable understatement, the member for Jagajaga was at least prepared to acknowledge that the original legislation was ‘not perfect’. It is instructive to consider the opposition’s record on native title when it was in government. The Keating government sought to respond to the Mabo decision of 1992 through the Native Title Act 1993. At the time, the coalition’s clear and consistent view was that the act was inadequate, unworkable and failed to address many of the uncertainties arising from Mabo.

In the period from 1993 to the Howard government’s amendments in 1998, progress was painfully slow. Only three determinations of native title were made in that time. After the election of the Howard government in 1996, the government worked through an open and participatory process on the development of amendments to achieve a more workable system. Many of the government’s amendments were opposed, particularly by the opposition. However, following the commencement of the government’s amendments, the situation has improved. It has improved very steadily to the point where, as of 12 February this year, there have been 95 determinations of native title claims. Significantly, 53 were consent determinations which have been made with the agreement of all of the parties involved. Sixty-four determinations were to the effect that native title exists in all or part of the determination areas. We are happy to stand by this record when we compare it to that of the Labor Party. We believe that we have been securing practical and considered measures and that these reforms will help further.

A number of members, including the member for Calare, have raised specific concerns about the proposals to enhance the performance of native title representative bodies. The level of proficiency of native title representative bodies in performing core functions is a key factor in the effectiveness of this system. Experience over time has identified varying levels of proficiency. With some, there are examples of poor administration and governance. In 2002, as the then minister with responsibility for Indigenous
affairs, I commissioned the Miller report to examine the performance and accountability of NTRBs.

Mention has been made of the role of the strategic plans. As minister, I had to approve the strategic plans. I tried to read them to get what guidance I could on performance. With the information that was provided, where there was no requirement for a body to be compared with other bodies, I found no realistic basis that the strategic plans performed any useful functions whatsoever. I wanted to be able to compare performance. I wanted to see which organisations were performing more effectively, what aspects of their management and approach led to more effective outcomes and whether it was better to pursue negotiated outcomes than litigation. There was no way in which to find out about effective performance and accountability by examining the strategic plans.

The Miller review identified a series of shortcomings in relation to accountability, performance standards and the constitutional and governance arrangements. It was clear at the time, and subsequent developments confirmed, that further measures were needed to ensure that NTRBs would focus squarely on the provision of services to native title claimants and holders. These reforms are to assist in improving NTRB performance in the interests of securing better services for Indigenous parties within the native title system.

Particular mention has been made of the Department of Families, Community Services and Indigenous Affairs continues to fund significant target activities to improve the performance of NTRBs under its performance enhancement program.

The members for Wills, Lingiari and Jagajaga raised concerns about the introduction of fixed recognition terms for NTRBs. The fixed terms will provide an opportunity for periodic review of their performance and will provide incentives for NTRBs to work towards outcomes for clients.

Mention was made by the member for Wills and the member for Calare that the stated reforms may lead the government to doing an open tender and bringing in non-Indigenous law firms. I might say they said the same about the government’s changes to the way in which we fund Aboriginal legal services. While there has been a capacity for other bodies to indicate that they might be able to provide such services, it has not led to a non-Indigenous body running Aboriginal legal services. I think it has been very important. As I said when I announced the tender results, it has led to increased performance and they have been able to demonstrate that, as against others, on meeting the criteria they are best placed to be able to do so. We have produced substantial efficiencies in their operations as a result and they are better able to assist Indigenous people who need legal advice.

These amendments do expand the range of organisations that can eventually be recognised as NTRBs. To be recognised, they will still need to show that they can satisfactorily perform the functions, and this of course is one of the reasons why Indigenous organisations, because of their local knowledge and networks, would be better able to do that. Removing the requirement for the representative bodies to be incorporated under Indigenous-specific legislation has the poten-
tial to expand the range of skills and experience available to the NTRBs. The three current native title service providers which perform functions in New South Wales, Victoria and southern Queensland are incorporated under the Corporations Act. This has not affected their ability to provide culturally appropriate services.

There has been mention that rerecognition might cause disruption. Replacement of NTRBs is unlikely to be a frequent occurrence. NTRBs that perform well during the initial program recognition can expect to be recognised for subsequent terms. The reasons for not inviting bodies to apply for subsequent terms would be poor performance, a lessening of workloads in the area or a wish not to be recognised. That has happened. That is what happened in New South Wales and Victoria.

In relation to the Claims Resolution Review and dissatisfaction with the NNTT, a number of members opposite have raised concerns about measures to provide the NNTT with additional powers and functions to facilitate its mediation role. For the member for Calare, although he is no longer here, I ought to explain that mediation has to be conducted on the basis of producing an outcome which is consistent with the framework of law. It is certainly appropriate, if you are going to be able to encourage parties to reach a decision that is within the framework of the native title law that has been enacted as part of this nation, where there are issues of connection that have to be sufficiently dealt with, that the mediation process is one in which that sort of information has to be reasonably canvassed to ensure that the parties are well informed and appropriately informed so that their legal rights and entitlements are properly protected. So I do not accept the view that, in dealing with a mediation, you should not do so in the knowledge and background of the legal rights and entitlements and a proper assessment of those matters to ensure that the parties are fully informed in the mediation.

We come to the question of how many mediators the Commonwealth should pay for. One of the reasons I adopted, and my colleagues accepted, the recommendation that the role of the National Native Title Tribunal be enhanced is that it is the body we are funding to carry out the mediation task. The idea that you can have courts saying, ‘We want something dealt with by way of mediation but we will send it off to a different group of mediators that we have decided should undertake the task,’ seems to me to leave you dangerously exposed to having a body that you have funded with public money underutilised while you then have to find the resources to pay for the choice of mediator that the courts might have identified.

There were two views in relation to the Claims Resolution Review that I initiated. The proposed changes to the NNTT were a result of the consideration of the views of the two independent consultants, Graham Hily QC and Dr Ken Levy. That report and the response were released publicly in August last year. The review recognised concerns about the effectiveness of the NNTT mediation and in particular found:

… that the NTT’s present powers are inadequate for it to effectively perform its mediation role.

It stated:

… there appears to be no reason to assume that another body with the same constraints as those which presently exist in relation to NNTT mediation could have been more effective than the NNTT.

Accordingly, both consultants recommended that the tribunal be given greater statutory powers of compulsion and a number of additional functions, and these recommendations have been adopted by the government. The
review also found that existing duplication and mediation functions between the court and the tribunal create confusion and have significant resource implications, and it recommended that mediation should not be carried out by both bodies at once.

The tribunal was originally established by the Keating Labor government in 1994 with its primary function being to mediate native title claims. The people who were involved were people with considerable experience: former Liberal ministers—people like Fred Chaney—and former Labor ministers, some from South Australia. This is not a body of this government’s creation, but the government does remain of view that the NNTT has played a valuable role and will continue to play a valuable role in providing specialised mediation services in native title proceedings. As the review recognised, it is patently inefficient to require parties to participate in two separate alternative resolution processes, with two different institutions, at the same time.

The government concluded that the most effective means of addressing the problems identified by the review was to remove that duplication. As noted by members, the bill also confers a number of additional powers and functions on the tribunal designed to address concerns that the tribunal’s lack of statutory powers inhibits effectiveness of mediation. The new powers and functions of the tribunal must be considered in the light of other measures in the bill. Amendments will better enable the tribunal to report to the court about issues relating to a mediation, including the progress of mediation, behaviour of the parties and priorities of regions. This will ensure that the court is better informed about the progress of mediation and better able to make decisions for the disposition of native title claims. The amendments will enable the court and the tribunal to work together in guiding parties to facilitate agreement. Ultimately, all native title claims are proceedings before a court, and better coordination between the court and the tribunal is necessary to ensure expeditious resolution of claims.

In relation to the views of stakeholders, a number of members opposite were somewhat alarmist about reported views of native title stakeholders in relation to the bill. While I acknowledge some concerns have been raised about aspects of the bill, I think it is important we approach this discussion in a balanced and constructive way. From the Western Australian government’s perspective, the Office of Native Title advised the Senate committee:

Overall, the Office of Native Title considers the amendments proposed in the Bill have the potential to improve practical operation of the system.

The Minerals Council said it supports the proposed reforms to the Native Title Act relating to representative Aboriginal and Torres Strait Islander bodies, including simplified derecognition processes. The Aboriginal and Torres Strait Islander Social Justice Commissioner’s submission to the Senate committee notes in paragraph 68, relating to the resolution of claims:

I welcome and support many of the reforms in Schedule 2 of the Bill ... In summary, the picture is not as bleak as the opposition would have us believe. While we remain prepared to engage in constructive consideration of ways to improve native title, it is important that the debate be open and realistic. This measure has been underway since September 2005. There has been very considerable consultation and dialogue. The bill is a significant piece of legislation. It is designed to deliver better outcomes in native title, which is in the interests of all Australians.

I take no pleasure—and I have made this point before and stated it many times pub-
licly—that the delay in the resolution of claims is such that many people may not see claims to which they are entitled resolved in their lifetime. I take no pleasure in that. I want to see all parties using these measures in a way to achieve outcomes that are lawful.

We are dealing with the Native Title Act, which represents the situation resolved by our High Court about native title rights that existed. It is a codification of that system. We cannot remove it. That is one of the points I have made. Were we to seek to remove it, there would be claims for just compensation.

These measures we are implementing are not a doctrinaire response but measures that have been designed to address the particular problems that have been identified about getting effective and efficient outcomes from the system. I deliberately eschewed measures that might be seen as fundamental changes to the Native Title Act. This bill is about improving performance, and I hope that, in looking at these matters, people take a constructive approach. I have noticed the Senate Legal and Constitutional Affairs Committee have often done that. I hope that they do so in relation to this matter and I will look objectively at any recommendations that they might make. I do not have a closed mind to them, but I do not want to undermine the fundamental framework, which I believe is important to ensuring that the courts and the tribunal can work together and effectively to achieve the most efficient and effective outcome in resolving these issues.

Question put:
That the words proposed to be omitted (Mr Kelvin Thomson’s amendment) stand part of the question.

The House divided. [10.24 am]

(The Deputy Speaker—Mr Jenkins)

Ayes............ 79
Noes............ 57
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. Cadman, A.G.
Causley, I.R. Ciobo, S.M.
Draper, P. Dutton, P.C.
Elson, K.S. Entsch, W.G.
Farmer, P.F. Fawcett, D.
Forrest, J.A. Gambaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hartstuyker, L. Henry, S.
Hockey, J.B. Hull, K.E. *
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.
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. Ticehurst, K.V.
Tollner, 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. Windsor, A.H.C.
Wood, J.

NOES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Beazley, K.C.
Bevis, A.R. Bird, S.
Mr Ruddock (Berowra—Attorney-General) (10.30 am)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

FAMILY LAW (DIVORCE FEES VALIDATION) BILL 2007

Second Reading

Debate resumed from 7 February, on motion by Mr Ruddock:

That this bill be now read a second time.

Mr Kelvin Thomson (Wills) (10.31 am)—The opposition will not be opposing the Family Law (Divorce Fees Validation) Bill 2007. The purpose of the bill is to amend the Family Law Act 1975 to validate retrospectively the charging of an unauthorised filing fee for divorce applications in the Family Court of Western Australia. In July 2005 the filing fee in the Federal Magistrates Court for divorce applications under the Family Law Act was increased. The equivalent fee in the Family Court of Western Australia, which has its own Family Court, would normally have been increased to match the Federal Magistrates Court fee to ensure consistency across Australia through an amendment to subregulation 11(1A) of the Family Law Regulations 1984. However, due to an administrative oversight this did not occur. The Family Court of Western Australia assumed the necessary amendment to the Family Law Regulations had been made and began to charge the increased fee.

An amendment to that subregulation 11(1A) of the Family Law Regulations, effective from 9 October last year, authorised the Family Court of Western Australia to charge a fee equivalent to the fee applicable at that time for a divorce application in the Federal Magistrates Court. The bill before the House will validate retrospectively the charging of the fees that were in fact charged for divorce applications in the Family Court of Western Australia for the period 1 July 2005 to 9 October 2006. The fees which have been specified in clause 3 of the bill were the fees that had been in fact charged for filing a divorce application in the Family Court of Western Australia during the two periods that I have referred to. So the opposition will not be opposing this legislation.

CHAMBER
Mr FAWCETT (Wakefield) (10.33 am)—I also rise to address the Family Law (Divorce Fees Validation) Bill 2007. As the member for Wills has outlined, this bill is fairly simple in its purpose and intent, which is to validate the actions of the Family Court of Western Australia and to amend subregulation 11(1A) of the Family Law Regulations to retrospectively authorise the increase in fees made in the Western Australian Family Court to make sure that we have consistency across Australia. So I support the bill.

I would like to look at some of the history as to why Western Australia has a separate family law court and some of the unintended consequences that have come out of the Family Law Act 1975. Some of those unintended consequences were things that the Western Australians had hoped to overcome. In the Family Law Act 1975 there was an agreement that state courts could be set up if states so wished to do that. The establishment of a state family court is not required. Subsection 41(1) only requires, that as soon as practicable after the commencement of the Family Law Act, a state could establish a court. Western Australia is the only state that elected to establish its own state court for family law.

There was some debate in October 1975 in the Western Australian parliament. The Western Australian Minister of Works, Mr O’Neil, at that time stated a number of reasons why the Western Australian government chose to establish their own court. Largely, it comes down to a unity of jurisdiction. Under his first reason he finishes with the statement:

When jurisdiction is divided, unfortunately there is often a problem of demarcation and this could have serious consequences for parties who choose the wrong forum.

He goes on in his next paragraph, however, to a second reason where he talks about the fact that there needs to be:

... an exercise of jurisdiction in family law matters ... to retain complementary action with other responsibilities ... This would allow jurisdiction on or related matters to be carried out under one jurisdiction.

From what I am told by colleagues in Western Australia this has not necessarily had the complete result he was hoping for. It is an issue that, I believe, is worth highlighting in this place as we address this bill today.

One of the serious impacts that this division of jurisdiction between state and federal authorities has had is on people who are contesting custody of children following a divorce. This is predominantly because of the justifiable and correct principle that we need to protect children and make sure that their best interests are served. One of the areas that consistently comes up is the impact on children of violence where that occurs in the family.

Unfortunately, there is a disconnect between the state and federal systems in that anything to do with violence tends to be dealt with by the state system. It is the state police who will actually attend the situation. It is the state police who people go to with an application for a DVO. And it is the state courts that will then process that and, if somebody contests that, clear the person of that accusation of violence. Under the federal system, however, there are a number of requirements for magistrates and judges to take into account accusations and, under the new law, to have reasonable grounds to believe that there is violence. Over a number of years, what this has translated to in reality is a growth in the tendency of the person who has custody of the children to make accusations of violence, often encouraged by people who are advising them, although the grounds for those accusations sometimes
appear to be very weak. It is certainly a widely held view in the community that those accusations are often made purely with the object of stalling the non-custodial parent’s ability to have a fair hearing in court in terms of continuing a relationship with their children and having access to them.

The breakdown in that relationship is one issue. But, more importantly, a pattern of custody is established while the Federal Court is processing the access orders and the custodial issues, because there is quite often a delay in the state system in dealing with the domestic violence order and the accusations there. If somebody cannot clear those state based issues before their case is heard in a Federal Court, it means that they are unfairly disadvantaged in their ability to put forward their case as to why they should be able to continue their relationship with and have access to their children. Because, on the basis of that contested but yet unproven domestic violence order, they are not able to have access to their children, you then start getting an established pattern of who cares for the children and that often appears to be taken into account in terms of future custody orders.

Lastly—and this has a significant impact on people—if orders are actually decided in the Federal Court and subsequently the person manages to clear their name in the state system and verify that taking out a violence order was not justified, they then have to pay to come back. It is a large financial impost on people and eventually it wears them down, to the point where they run out of either money or the emotional energy to keep going back into that system.

So I believe it is very important that we look at that sort of situation—when we consider that Western Australia has a separate court—and try to get rid of this duplication and misalignment of jurisdictions. We need to ask how we can overcome this, because it is unfairly disadvantaging some people who are caught up in this dreadful process that occurs after a divorce.

We have a number of options, and one that I am very heartened by is the Children’s Cases Program, which has come out of this government’s family law reforms. Based on the experience in Western Sydney, where it was piloted, under the principles of this system the whole proceedings are very much directed by the court. These principles include decreasing delay and decreasing formality to make sure we get outcomes. The judge or magistrate has a fair degree of freedom to take the evidence he wants, to engage parties as he wishes, to bring forward what is in the best interests of the child. I am hopeful that, as this system becomes more widespread, we will see far quicker and far more meaningful resolutions that will encourage people not to go down this path of falsely applying for DVOs as a way of frustrating the process and getting their way. It will not necessarily fix all the problems, though. Whilst I am hopeful about and heartened by the success of that program, I believe we can and should be doing more.

I have spoken with the federal Attorney-General and I am encouraging him and his state colleagues to address this issue and try to get an increased alignment of the systems so that, where a domestic violence case in a state court will have an impact on a case in the Family Court—in any state other than Western Australia—of the federal system, that is given a priority such that the person who is defending his or her name and reputation against the accusation of violence will be able to go into the Federal Court free of that very strong impediment to a fair chance of getting orders that enable them to have a meaningful relationship with their child.
I am not pretending that it is going to be easy or quick, but I do implore the attorneys-general of the states and territories as well as the federal Attorney to bring that forward as an agenda item, to find a way forward, because it is well proven that the impact on families, particularly on children through not having a meaningful relationship with both parents, is a significant contributor to dysfunction and less than optimal outcomes in terms of education, employment, mental health, involvement in crime et cetera. There is not a 100 per cent correlation; not every child in that situation will fall into that, but there is a strong weight of evidence to say that the breakdown of family, the breakdown of relationships with both parents and the conflict that often goes with that have a serious impact on a child. So I think it behoves us as legislators to work with the state system to try to find a way forward to maximise these children’s chances, post the decision of their parents to give up on their own relationship, of a good future.

One last point I wish to make before I cease addressing this bill is that, yet again, this is an area where we are looking at the consequences of a situation—we are looking at the consequences of a separation, the consequences of domestic violence—but so infrequently do we go back and try to address the cause. There is a great deal of research, both international and domestic, that looks at why good marriages and good relationships last as well as why they break up. Robyn Parker wrote a very good paper looking at why marriages last. She has done a meta-analysis of a number of studies around the world—some by Karney and Bradbury, some by Gottman and others—that have various theories as to why some marriages and relationships last and why they work.

They have different words and different names for their theories—but their conclusions are common in that every relationship will face stresses, strains and triggers that will cause conflict. That is common to pretty much every relationship. The ones that last are those in a position to establish a framework whereby they can cope with those triggers, pressures and stresses that come upon them. That framework comes from two things. One part is the motivation of knowing that it is worth working at, not only for the benefit and for the best interests of the child but by highlighting the impact on financial, mental and physical health and a whole range of other things. We can and should be doing more as a government to emphasise those motivating factors.

The second part, which people like Gottman and Karney and Bradbury highlight, is the provision and the encouragement of skills for a couple to know how to communicate effectively to resolve conflict, to help build that framework and to help buffer them from these things that come through life. These skills are a critical component. And so I would encourage governments at both levels to continue significant and focused investment in providing opportunities for skills development for couples and, in fact, individuals before they get into a relationship. I am talking about children in high school; I am talking about people before they get married and people after they are married. We should provide opportunities for them to access information and educational resources about how to communicate and how to resolve conflict. If we can help people to do that, we will not fix everyone’s problems but we will decrease the chance of violence because violence often comes out of frustration. Frustration comes because somebody feels misunderstood, misrepresented and is not able to communicate.

So I implore governments to look at ways to work with people and to invest resources as required to provide these educational resources so that people can access them. A
group session in a classroom suits some people but not many. When you look at the success of *Supernanny* you realise that there are certain media which people are comfortable to use and access and from which they get good information. You can help to change their expectations, particularly as we are looking at a generation now where many come from a family of origin in which they have never seen modelled constructive and healthy ways to relate, to resolve conflict and to communicate. If all they are watching is things on TV that exacerbate the negative ways to do that, it is no wonder that so many relationships are breaking down and there is violence in some relationships. So we need to go on the front foot to provide those resources and that help for people to break some of those moulds.

In conclusion, I support the bill. I think we need to take out of the history of the bill the fact that Western Australia established its own Family Court for a very good reason. I am not convinced that has necessarily worked but it highlights some of the unintended consequences of the disconnect between state processes and the federal process. I believe we do need to move forward and address that and also look at putting more resources and effort into normalising the concept of helping people learn how to communicate and resolve conflict.

**Mr Ruddock** (Berowra—Attorney-General) (10.49 am)—in reply—I first thank the member for Wills and the member for Wakefield for their contributions to the Family Law (Divorce Fees Validation) Bill 2007. I thank the member for Wills for signifying the opposition’s support for this measure. That is a sensible approach. Errors of this sort described as administrative oversight involve several parties. Obviously, some in my department failed to ensure appropriate regulations were passed. Those who were collecting the fee failed to identify that they had a lawful obligation to check that the measures to ensure that they acted lawfully were put in place. I am not assigning blame but I am concerned to ensure that an irregularity of this sort does not occur again, and I have raised that with the department. I hope administrative arrangements will be put in place to ensure that such oversight does not occur on another occasion. In this bill we are retrospectively validating charges that have already been made. They were no greater than people had to pay elsewhere but there is an equivalence and it is appropriate that the validation should occur.

The member for Wakefield raised some interesting matters as to why we have a family court in Western Australia. It was unique and it reflected the desire of Western Australia to maintain an involvement, not to give up matters to the federal authority and to have a state family court. All states were entitled to have a state family court but only Western Australia took it up. One should not assume that that has given them a unitary system without other difficulties—if I can say that to the member for Wakefield. It is certainly the case that the same judges and magistrates will hear matters relevant to the issues relating to children, for instance, and, if there are family disputes, issues relating to family law. That means of course that, at that first instance stage, there may be less opportunity for the sorts of issues that the member for Wakefield adverted to that occur in other states where apprehended violence orders are obtained in a state court and issues in relation to ongoing care and management of children are dealt with in the family law system.

Of course the fact that there is a single jurisdiction at first instance does not mean that there is a single jurisdiction on appeals. At the moment you still have the situation in relation to an appeal in family law matters where they go off to the full court of the
Family Court and if the issues involve a matter of state law they go off to the state Supreme Court. So there is a potential for there to be quite different appeal outcomes because of the appellate jurisdiction being in separate directions. We are trying to work through some of those issues at the moment. We have some difficulty with the Western Australians from time to time on getting a referral of power to cover the field where, I think, covering the field might mean that you avoid different decisions from a state appellate court and the full court of the Family Court.

I do not think there is any easy way forward, but I think the member for Wakefield has correctly identified the need for ministers, through the SCAG process, to look at some of these issues to ensure that the time delays and the potential costs, which he has identified, that can be imposed are worked through. I want to see a little more work done—and I might say that to my staff and officials—on the impact of the AVO system in the state courts and the extent to which they are able to be relied upon in the family courts, whether they are obtained in a timely way or not and whether there are issues we can raise with the state attorneys, perhaps in April when we meet here in Canberra.

I appreciate the opposition’s support for the measure. As always, I appreciate the thoughtful contributions from the member for Wakefield. I commend the bill to the chamber.

Question agreed to.
Bill read a second time.

Third Reading

Mr RUDDOCK (Berowra—Attorney-General) (10.53 am)—by leave—I move:
That this bill be now read a third time.

Question agreed to.
Bill read a third time.
lead to further increases in private health insurance premiums;

(3) the Bill pays scant attention to safety and quality issues for services provided under the rubric of Broader Health Cover;

(4) the Bill does not include sufficient protections for the freedom of doctors to make clinical decisions about the treatment/s that will be in the best interests of their patients in relation to services provided under the rubric of Broader Health Cover; and

(5) the $50 million the Howard Government provided to the private health insurance industry in the last budget to advertise their products is a waste of taxpayers’ money and an appalling use of scarce health resources”.

Mr HARTSUYKER (Cowper) (10.54 am)—I welcome the opportunity to speak on the Private Health Insurance Bill 2006 and related bills, which will enhance the role of private health insurance in our healthcare system. I believe it is right to extend the freedom of choice to those who can afford it whilst ensuring the position of those who cannot. I believe it is right that we should take measures which seek to relieve the pressure on our publicly financed health services.

The introduction of broader health cover in the private health sector seeks to: firstly, remove the artificial financial incentive for hospitalisation in the private sector where clinically appropriate alternative treatments exist; secondly, reflect contemporary clinical practice in Australia which has been facilitated by advances in medical practice and technology; and, thirdly, align private health financing of chronic disease management and prevention with the public sector.

There are those, of course, who see no role for the government encouraging the private sector, whether in the health service or in our schools, and I will address some of those arguments later. But, first, let us look at the demands being placed on our health system. The number of patients admitted to hospitals in 2004-05 was seven million, an increase of some 2.6 per cent over the previous financial year. These figures are likely to continue to rise.

We already know that in the years to come we are likely to be in a position where a smaller proportion of working people are supporting a higher proportion of people entitled to various taxpayer funded benefits. It is also true that those working people will be supporting a rapidly increasing bill for public health services. The pressure on cost comes from not just population factors. Advances in medical science mean that more treatments and more expensive treatments are available. At the same time we are all aware of the demand for new and expensive drugs to be included in the Pharmaceutical Benefits Scheme, often for the benefit of a relatively small cohort of patients, but which are capable of making a huge difference to the quality of life of those patients. This is not to say that decisions about providing new treatments or drugs should be decided on the basis of the numbers who benefit. What it does say is that a humane and prosperous society like ours will have to think long and hard about how it finances its health care if it is going to continue to meet the legitimate demands of its citizens.

How much is the health service costing at present? The coalition government will spend some $48 billion in the current financial year, an increase of 138 per cent since 1995-96, representing 22 per cent of total Australian government spending. On public hospital funding alone, the coalition government will spend $42 billion between 2003 and 2008 under the Australian health care agreements, an increase of 83 per cent over previous agreements for 1993-98.

There are those who say that the current arrangements for funding hospitals should be changed. But let us put aside for the moment
any arguments about the wisdom of disbursing this much money through the states and territories with little control over whether it is used effectively. That is something we should question. Let us put aside any arguments about whether that makes political sense. Whatever one’s position on those matters, we can surely agree that this is an issue that needs careful management. Why? We are dealing with, currently, more than one-fifth of government spending. The amount allocated has already increased more than 2½ times over 10 years and, according to some, is still too little. The numbers contributing to providing those resources through taxes will suffer a relative decline in the coming years. We have no direct control over the demands made on the resources. People will always fall ill, people will always break limbs and people will always want to have children. And, as I say, we are a humane and prosperous society and therefore we need to meet these demands, as well as those for education, transport, the environment and all the other areas of government responsibility. The question is: how?

Part of the answer, at least, must be to encourage those who can afford to do so to turn to the private sector, which is bearing an increasing share of the load. In 2003-04, private hospitals treated 2.64 million patients, an increase of 57 per cent since 1996-97. More than 55 per cent of all surgery is now performed privately. Thanks to measures such as the 30 per cent rebate and a focus on lifetime cover, 43 per cent of the population now has private health cover, compared to 34 per cent under Labor. I am pleased to say that we should be able to claim some cross-party support on this issue. Labor’s own health minister in 1993, Graham Richardson, warned that the health system would be in danger of collapse if private health insurance coverage were to drop below 40 per cent. This is what he said:

We’ve always had the view that the private system has to co-exist with a public system. If it doesn’t, the public system can’t cope.

We haven’t had private health insurance numbers this low in the last ten years and I think it’s time we did something about it.

Is a taxpayer subsidy in the form of a rebate worth it? I think the answer is a resounding yes for both the recipient and the taxpayer. The rebate is worth almost $1,000 a year for the average family with two children, and it has been estimated that every dollar spent on the rebate itself saves $2 in government spending, including state government spending on public hospitals. More broadly, the existence of a viable private health sector takes pressure off the public system. In 2003-04 private hospitals treated some 2.6 million patients, a 57 per cent increase since 1996-97. More than 55 per cent of surgery is now performed in private hospitals. Private hospitals are making a huge contribution to the health system in this country. All this activity in the private sector translates into shorter waiting lists in the public sector.

To restate the problem: the health service requires a large and growing portion of the government’s budget. Our ability to finance this from tax revenue is likely to diminish. We cannot control demand, and developing the private sector is a rational response to the problem.

Let me now turn to the measures proposed in this bill, particularly those which extend private cover into new areas. It has long been accepted that health care does not begin and end in hospital. It may be an overused adage that prevention is better than cure, but never has it been more applicable on both an individual and an institutional basis. As part of the solution to the problem of the rising demand on health services generally, it is clearly good policy that we encourage people to take better care of themselves and adopt...
more healthy lifestyles, including, particularly, giving up or not starting smoking.

It is this element of personal responsibility that part of these measures seeks to encourage under the heading of broader health cover. Being able to include wellness and prevention services, including suitable exercise programs, in health insurance packages will surely make the take-up of private health insurance more attractive for many and save public costs further downstream by, hopefully, avoiding hospitalisation.

I also welcome the extension of private cover into services that substitute for hospital care in the form of outpatient or day admission. Relieving hospitals of some of the demand for, say, post-discharge care or dialysis and at the same time relieving those patients of the need to re-enter the clinical environment and enabling them to receive treatment in the comfort of their own home will benefit all concerned. Broader health care will provide for more diverse offerings from private health insurance companies through the wider range of services that can now be covered by insurance.

We know that many members opposite abhor the spending of public money in private schools while conveniently ignoring the load that the private sector takes off our public schools. If all students who currently attend private schools were to enrol in state government schools then the taxpayer would need to contribute an additional $3 billion to $4 billion. In the case of New South Wales, the state government is already failing to meet demand from its schools, though by way of excuse it points the finger at the federal government for supporting the private sector.

Similarly, many members opposite will oppose the extension of private health insurance. I believe this is a blinkered and short-sighted view. It is blinkered because it stems from an archaic, socialist mindset that services such as health and education are the business of the state and that the private sector has no business being involved. What can possibly be wrong with the private sector offering a service that people want at a price they are prepared to pay? It is short-sighted because it ignores the rising demand for and rising costs of health services and therefore offers no solution. Somehow, I do not think members opposite will be pressing for tax increases anytime in the near future.

In my electorate some 30,000 people enjoy the benefits of private health insurance. It plays a vital role in providing improved health outcomes in our community. I believe the balance between private and public health services should be maintained. I commend the bill to the House for being part of that strategy.

Ms GRIERSON (Newcastle) (11.04 am)—The Private Health Insurance Bill 2006 has been described by the minister as groundbreaking. Apparently this is the most significant change to private health insurance policy since the introduction of the government’s rebate and Lifetime Health Cover scheme in 2001. Let us have a close look and see if it lives up to those expectations. This is a package of seven bills in total but the Private Health Insurance Bill 2006 is the main bill and very central to the package. The key focus of this package is to allow private health funds to provide what the government has called ‘broader health cover’—that is, medical services outside the hospital gate.

More specifically, these bills implement a series of changes to current private health insurance policy. These include the expansion of private health insurance to cover medical services provided outside hospital which either substitute in home or community settings for in-hospital services, such as chemotherapy and dialysis, or are designed
to prevent hospitalisation in the first place, such as health promotion and chronic disease management. This broader health cover and the expansion of private health insurance to medical services that come under this umbrella is the most significant policy change in the package.

The package also includes changes to Lifetime Health Cover, the scheme introduced by the government to make private health insurance more expensive as you get older if you fail to take out private health insurance by the time you turn 30. In this new legislation, people who have retained private health insurance for over 10 years will, when they get to the 10-year mark, no longer be subject to lifetime health cover loadings on their health insurance premiums. So there is incentive for people over 30 to join again. It also introduces requirements for private health insurance funds to provide standard product information to consumers. That sounds quite reasonable.

This bill also implements changes to existing administrative and regulatory arrangements for the sector and will therefore, it is assumed, streamline the legislative framework for private health insurance by bringing the main components of the existing legislative framework—currently in three acts—all under one act. That sounds like a sensible thing to do.

It also includes changes to existing reinsurance arrangements where companies off-set their risk, but, interestingly and quite curiously, the government has chosen to adopt the private health insurance industry’s preferred model for reinsurance rather than its own recommended capitation model. In the explanatory memorandum to this bill it is made clear that the government’s preferred model would have been ‘the best strategic option for the long term’. So the question remains: why didn’t the government have the nerve to pursue its own advice and go for that better long-term option? The other bills in the package are to provide for transitional arrangements and consequential amendments—quite technical matters—to existing legislation.

If this legislation is so good, as the minister claims, what is Labor’s position? We are supporting the package, but I can tell you why. It is because this is the only deal on the table. This is the only legislation put forward that we can even consider. There is no legislation to address chronic medical workforce shortages. There is no legislation to address the inequities in health funding between metropolitan and regional areas. There is no legislation for the expansion of Medicare funding to cover these new innovative services and treatments or any bold reforms to the Commonwealth-state health divide. No, this is the only deal we have on offer.

But, that said, there are aspects of this package that Labor welcomes. The move to standardise private health insurance product information for consumers is a good thing—a bit of consumer comparison shopping is essential when you are taking out insurance. The changes to Lifetime Health Cover are worth noting as well. We would hope that the requirement to provide standard information to consumers and therefore allow them to compare different private health insurance products and to understand their entitlements will give consumers more security and certainty about what they are signing up for. We are told that information would include things like the costs of premiums, waiting periods, exclusions, gaps and excesses—because every day we have conversations in our electorates with people who say: ‘I’ve got private insurance and I’ve just been sick,’ or, ‘My wife’s just been in hospital—I had no idea what costs I would be up for. I thought I would be covered for everything.’
So they have been crying out for that sort of information for some time.

In conjunction with this provision, the Private Health Insurance Ombudsman has also been funded to develop a website to enable consumers to easily compare product information. We support these initiatives and we hope they will assist all consumers. The removal of the loading on premiums for people who have retained Lifetime Health Cover or had long-term membership is a bonus which hopefully will assist them with the costs included in private health insurance.

Those are the best aspects of the bill, but Labor has many concerns about the package and they are outlined in the second reading amendment moved by the member for Gelidondah. We hope the government will support the amendment. Labor is particularly concerned about the likely consequences of this legislation. We fear that inequities will now exist for the majority of Australians who do not have private health insurance—such as the entrenchment of a two-tiered healthcare system where access to services is based on ability to pay and not on need. We are concerned that this further undermines Medicare and the universality of our health system. Labor’s amendment highlights these concerns, and we should look more closely at them.

Firstly, there is inequitable access, which we think this bill just about guarantees. If, as the minister suggests, these measures will enable the private health sector to:

... adapt to the realities of early 21st century health care: a way of care that does not always centre on admission to hospital—

but instead focuses on—

day procedures, outpatient services, hospital in the home, wellness and prevention—

then the question remains: if that is so good why is the minister happy to allow this just for private patients but not for public patients? Clearly not all Australians are equally deserving in this minister’s eyes.

Indeed, if the minister were seriously interested in delivering quality innovative health care for all Australians, regardless of wealth or location, we would today be debating an expansion of services to be provided under Medicare and the inclusion of out-of-hospital treatments and new forms of service delivery in the Australian health care agreements, under which the federal government pays for public hospitals throughout the country. To date, these agreements have completely ignored out-of-hospital services. The Commonwealth funds only those people who are admitted patients.

So what will happen to those who are not insured and therefore not covered by these changes? If the minister’s track record is anything to go by, those without private health insurance will simply go without. There will be no access to new innovative medical treatments or to service delivery beyond the hospital for the majority of Australians who do not have private health insurance.

These changes will entrench a two-tiered system of health care which, again, threatens the universality of our health system. Most people out there in the community say governments are there to deliver services for all of us. The most important one, they will tell you, is health. If the broader healthcare provisions give people with private health insurance access to services and treatment options which people without private health insurance will not have access to, then the package just further entrenches the division in the delivery of health services in Australia. If the government were genuine about ensuring the best possible health care, regardless of wealth and location, we would be debating very different legislation today. Where is the legislation to provide funds to expand the
range of treatments and services available under Medicare?

Unfortunately, there is no legislation to deal with some of the major health catastrophes that are occurring in this country, but obviously some people will benefit—and who are they? The private health insurance sector. This is one way for them to increase their membership. They can develop a membership drive; you can see the advertising coming now. The providers will make themselves more financially viable with these expanded services.

I think it should be noted that there are some very interesting electorates that also stand to benefit. It is worth noting these electorates, where they are located and who holds these seats, to demonstrate the skewed nature of private health insurance coverage in Australia and the very limited demographic reach of the benefits of this legislation. Just 35 out of 150 electorates across the nation have constituencies with rates of private health insurance coverage at 50 per cent or more. That means just 23 per cent of the electorates represented in this chamber have a majority of constituents with private health insurance of 50 per cent or more. So 77 per cent of all the representatives in this House do not have more than 50 per cent of their constituents covered by private health insurance.

According to the latest figures, coverage in the Hunter ranges from 38.6 per cent in Paterson to 45.3 per cent in Charlton. In my electorate of Newcastle the coverage of private health insurance has been stagnant for two years at 44.2 per cent, which is close to the national average.

Let us look at the electorates at the top of the pops—the ones that are going to do very well. Leading the list of the top 10 electorates for private health insurance coverage is the electorate of Bradfield, held by the Minister for Defence, with a staggering 79.8 per cent of constituents with private health insurance. Bradfield is followed by the electorates of Berowra, held by Attorney-General Phillip Ruddock; Kooyong; Tangney; Menzies, held by the Minister for Immigration and Citizenship; Goldstein, held by the Minister for Vocational and Further Education; North Sydney, held by the Minister for Employment and Workplace Relations; Warringah, held by the Minister for Health and Ageing; Cook; and Wentworth, held by the Minister for the Environment and Water Resources, Malcolm Turnbull. They are the top 10, they are all blue-ribbon Liberal seats and they will all do very well, thank you very much.

The electorate of Bradfield has not only the highest rate of private health insurance coverage but also one of the highest Medicare spends in Australia, so it is reaping benefits from both the private health dollar and the public health dollar. So much for the government’s argument that an invigorated private health sector takes the pressure off the public health system and the public purse!

Rural and regional Australians are the big losers here. With no genuinely national private health insurance fund and a scarcity of private health facilities in rural areas, the Howard government simply cannot ensure that all Australians will have choices in accessing these new programs and services. If you are living in isolated regional Australia, just try to get a chemotherapy service to your home. We are not treating the people of this country fairly. That National Party members come into this chamber and tolerate second-rate treatment by their coalition partners of the people who elect them I think is quite unforgivable. Where are they on this legislation? Where are they in defending their constituents and their access to services?
When determining the range and location of services to be provided, private health insurance funds are under no obligation to ensure that they remain focused on health outcomes and health needs instead of costs. There are no guarantees that patient groups with the greatest need will ever be able to access these services. I am sure that Aboriginal people living in rural and remote communities, who are up to 50 per cent more likely to need dialysis than the national average, would love to have access to dialysis treatments at home instead of travelling 500 kilometres or more to their nearest renal clinic. But I do not see anything in this package to suggest that people in rural or remote communities will ever have access to such programs, despite a clearly demonstrated need.

In my region—and this is appalling—the Hunter’s alarming death rate is worsening relative to the rest of the state and has risen to second place behind the most remote and rural areas of New South Wales. These are some of our statistics. We have the highest rate of colorectal cancer in men and women in New South Wales. We have the second highest rate of melanomas in the state. Hunter women experience an above average number of asthma deaths. The Hunter also has a higher rate of death by injury or poisoning. The region’s biggest killers are coronary heart disease and stroke, followed by cancer. The region has the highest prostate cancer death rate in the state of New South Wales. Community mental health teams have been cut by half, preventing home visits after 5 pm. I have heard it before. What will the government say about this? Blame it on the states. Let us not blame it on the states; let us have an evidence based healthcare system based on need, and perhaps we will be able to hold our heads up high for a change.

Medical workforce shortages are most acute in rural and regional Australia, and there is nothing in these bills to redress that crisis. Nor is there any reason to believe that private providers will be rushing to set up health services in areas of need in regional Australia. These bills manifestly fail to deliver equal access for the 43 per cent of Australians with private health insurance—let alone for the majority of Australians who are not insured.

There is also no evidence to support the government’s argument that the package will not increase premiums, and premiums keep going up. The last time the government said it would reduce pressure on private health insurance premiums was in 2000-01, when it introduced the 30 per cent rebate and Lifetime Health Cover. Since then, there has been a 40 per cent increase in premium costs. Between 1998 and 2006, the cost of private health insurance increased twice as fast as general inflation.

The government cannot be trusted; we know that. We learnt long ago that the ‘iron-clad guarantees’ of the health minister count for nothing after polling day. Where is the logic in the argument that expanding services offered will reduce premiums? Where are the assurances in these bills that any savings made by the private health insurance industry will be passed on to consumers? Do not bother to look; you will not find them; they are not here.

If the government is genuine about wanting to protect consumers, why does this legislation strip the Private Health Insurance Administration Council of its current role to minimise premium levels? Why remove those kinds of consumer protections if it is serious about keeping premiums down? I guess there is one solution. Remember that private health insurance premiums are also predicted to rise once Medibank Private is sold. When will that be sold? The legislation is there. As soon as the election is over, if the
government wins, Medibank Private will be sold. What is the solution to that? Do not re-elect the government. Let us do something serious about health in this country and have a Labor government once and for all.

These bills also fail to provide safety and quality assurances. There is no quality assurance mechanism for broader health cover services until July 2008—15 months hence. Some services, such as telephone advice lines, do not have any quality standards in the bills. Who is going to be giving advice when you pick up the phone? Is it going to be a scripted text that someone reads? Is it going to be a doctor, a nurse or a paramedic? Who knows! That is a risk to consumers that no-one should have to bear.

Recent disturbing reports that one of the country’s largest private health insurance funds, HCF, has been passing on medical records of patients discharged from mental health facilities to a contractor, McKesson Asia-Pacific, which then pushed patients to accept follow-up services, show the importance of having some quality assurance in this sort of legislation. I urge the government to ensure that this legislation will protect patients’ privacy and rights. We have to get everyone to lift their game.

The AMA has also expressed concerns about the lack of sufficient safeguards in the bill for doctors to expressly continue to make clinical decisions about the best interests of their patients. Others have raised concerns about the package for moving towards managed care. That is a system whereby the private health insurer assumes responsibility for the health costs of its members and therefore, for example, directs contract arrangements with doctors and other providers. They become bidding wars. They become all about the costs of service delivery rather than the benefit of that service or the quality of that service. I have so many concerns about this bill, as a matter of fact, and we will be moving an amendment during the consideration in detail stage to strengthen this bill’s protections of doctors’ clinical freedoms.

The $50 million worth of advertising to sell this measure is free advertising for private health insurers and comes straight from the taxpayer’s dollar. That is there for the next four years, and I guess mates rates apply. I think everyone would agree it is pretty outrageous that this government collects taxes from all Australian families to fund a marketing campaign for the private health insurance sector. It is a shameful waste of taxpayers’ money and scarce health resources.

That $50 million would actually provide an additional 1.5 million GP consultations for the country. I know what we would do with that $50 million in my electorate of Newcastle. It would fund the Medicare licence we desperately need for a PET scanner, the refurbishment of the Hunter dementia resource centre, a GP after-hours access service and its long-term funding, and a Commonwealth dental scheme—the sorts of things that my electorate calls out for over and over again. I think the private health insurance sector is already generously subsidised.

This legislation fails to address the real issue of the sustainability of the private health sector and it certainly fails to address the real health needs of this country. There is really no choice in this legislation. I think it is about time that members of the National Party stood up to its big brother in government and demanded a fairer deal for the health and wellbeing of rural and regional Australia. It is about time that the government removed its ideological blinkers and did something about our health system. It should restore some equity, fairness and
Mrs HULL (Riverina) (11.24 am)—I rise with great pleasure to support the legislation that we have in front of us today. Before I commence outlining the reasons why I support the Private Health Insurance Bill 2006 and related bills, I will refer to the speech by the member for Newcastle. I feel it is imperative and incumbent upon me to assure Australians that it is absolutely not a crime to have private health insurance. The member for Newcastle would have you believe—if you listened to her speech and the assertions she made within it—that it is. She has not represented those in her Newcastle electorate who would dare to have such a thing as private health insurance. Given the statements that she made in the House today, she has clearly told the electors of Newcastle that if you have private health insurance then your interests will not be represented by your member. Far from paying out on members of The Nationals, she should note this. The one thing that you can be assured of about National coalition members is that they will represent all constituents equally. There is no discrimination in the way in which we voice the concerns of the constituents. Regardless of whether we agree with them or not, the voices of the constituents can be heard, and they will get representation. That is certainly what people have been told by the member for Newcastle they will not have if they have private health insurance.

I will now move on to the reasons why I support this bill. The particular area of the bill that I want to mention concerns the broader health cover that has been sought for so long by my electorate. When this is introduced, it will mean insurers will be able to pay benefits for medical services that are provided outside a hospital. What a very sensible decision to make! While private health insurers must offer a product that covers hospital treatment, they will now be able to develop a health insurance policy that can pay benefits for hospital services that can be safely delivered outside a hospital environment and setting. This allows for the best care to be provided in the most suitable location for the person who has taken out private health insurance. Who knows: it could move on to the public health system as well and enable pressure to be taken off that system as people who have private health insurance take that action, so that more public patients who are unable to have private health insurance can access treatment.

They probably cannot if they live in the electorate of Riverina, which is under the Greater Southern Area Health Service run by the New South Wales state Labor government of Premier Iemma. It is not easy to access any service, whether it be inside or outside a hospital. You have got a significant waiting list. I was told recently of a man with an injury who does not have private health insurance. The fact is he was told he would have to wait three years before he could even have a remote chance of being put on the list to have his bicep repaired. That is what we have to bear in New South Wales under the Iemma Labor government.

Once the Private Health Insurance Bill goes through, it will enable patients to receive benefits for services which do not require admission to a hospital. Take someone with cataracts. Having cataracts is a common reason why an elderly patient or a not so elderly patient has to be admitted to hospital, although now they could have their procedure done safely and effectively in a very low-acuity setting. The second most common reason for admission to hospital is chemotherapy. We all know people who are in the unfortunate circumstances of suffering from cancer and requiring admission for chemotherapy. But this chemotherapy can be provided just as conveniently and safely in a
community setting, either in a person’s home or in a low-acuity health facility. You should be able to access this treatment under your private health insurance and you should not have to be forced into hospital.

The changes will mean that pressure is taken off our health system, as I have indicated, through fewer people being admitted to hospital and these additional hospital costs being avoided. The idea is that, when you factor in the high cost of providing health care in a hospital setting with nurses, the overheads and all of the issues that go into making up a day charge for a hospital, you will be able to stop premiums from rising to account for the additional costs of providing medical treatments or services to those in hospital who simply may not need to be there because those types of services could be delivered elsewhere. Broader health cover will also allow health insurers to work with a wide range of service providers to develop more flexible and innovative products that reflect our modern clinical practices and our consumer expectation. Again, these are things that are so beneficial for somebody recovering from an illness or needing the appropriate and adequate treatment for an illness that could be available outside the system rather than within the hospital system itself. Health insurers will be better able to assist consumers to manage and prevent acute and chronic conditions. Many people could benefit from tailored programs that support and sustain a healthy lifestyle, such as a personalised health check, dietary guidance, exercise supervision and support to quit smoking. All of these things can now be taken into consideration in the way in which private health insurance is paid for.

Broader health cover is set to come into effect on 1 April 2007, and it will include: outpatient and day services; in-home services such as dialysis and post-discharge care; and condition management, wellness and prevention services. The previous speaker outlined that she thought many of the people in her electorate would love to be able to get dialysis at home and be able to claim it. Yes, that is the case, but many of the people who need dialysis want to take comfort in the public hospital system. If you take the pressure off dialysis units in the public hospital system by enabling people to utilise their health benefits and set up dialysis at home, it has to be better in the long term for access for public patients. We have a whole suite of options that can come into play to give everybody better opportunities to access the treatments they require.

There are also dental and optical services, out-of-hospital chemotherapy, nursing, dietitians, domestic assistance, ambulances, hearing services, theatre fees, physiotherapy and podiatry. All of these will be eligible for the 30 per cent and over-65 higher PHI rebates plus public health insurance rates. Nothing will stop private patients being treated in public hospitals, but this will encourage private-insured wellness, prevention and early intervention for fund members, which could prevent or minimise expensive hospitalisation. That is the priority of the government, and it should be. We need to offer a suite of services and choices and try to minimise the cost overall by always being innovative and enabling new practices to come into play that can reduce or contain costs in an ever-burgeoning health world where many of our health treatments are so expensive and sometimes cannot be avoided. I think that it will greatly appeal to younger and healthier people who currently feel that hospital cover is not relevant to them. In some circumstances these services may be more suitable, safer and more cost-effective for members. Health funds, as I have mentioned, may also offer to cover preventative services which, in helping people to better manage their health, may place downward pressure on premiums over
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the long term. That is all that we can hope for. We need to start putting into practice policies to put downward pressure on premium hikes and prices.

Individual funds will decide what services they include in the private health insurance product. I would encourage them to be expansive, and innovative and to explore any and all options that can contain health costs over time. In my electorate of Riverina there is only one private hospital to cater to the entire electorate, so it is under enormous pressure. If I had a hip replacement, I could decide to go into the private hospital, as I have private health insurance, in order to free up one extra space in the public hospital for somebody else who will hopefully come off the three- to four-year waiting list—and sometimes longer—for the same type of procedure. If I go into a private hospital to have my operation and then am very well, I will still need some physio and somebody to occasionally check on my wound. For me to be in a position where I am going to run up the cost of all of the nursing and health services provided in the hospital that come into the costing of that bed seems quite ridiculous to me. It seems to me that I should be able to go home and have somebody come in and dress my wound and still claim that on my medical insurance. It would be much better and healthier for me as the patient, it would establish an external practice that is able to accommodate and assist those services and, at the same time, it would take the pressure off the hospital system and not be so costly for the private health insurance fund that it has to continue to raise its premiums. I think it is such a sensible idea to be able to have these options.

In rural and regional areas it is often easier to have treatments for a serious illness in a more comfortable setting, such as home environments, due to isolation and lack of beds. This legislation can assist in these situations for those people who have committed no crime. They have private health insurance; that is simply not the crime that previous speakers in this debate would have people in this House believe. If people are prepared and willing to do that to take the pressure off the public hospital system then this is what we should have, but it should have a multiple choice factor.

The fact that these changes can, as I say, lead to lower premiums for residents is welcome, especially for those rural people who outlay an enormous amount in travel costs in order to be treated. Serious illness is very difficult for people in rural areas. They travel to hospital because they are not covered for that treatment at home or in another setting. The costs can be extraordinary, as can the social and family isolation and dislocation. It is very sensible to broaden health cover to enable them to access the treatments they are entitled to.

Currently, private health care must be performed in hospital if members are to receive a benefit from their health fund. Hospital tables with ancillary insurance are able to cover only other kinds of health services. As a result, many patients, such as the people in my electorate of Riverina, seek in-hospital treatment in order to utilise their private health insurance, even though safe and suitable out-of-hospital services exist at less cost for that particular treatment. I am not saying that this is the case for all treatments, but it is a simple matter of horses for courses. Until now, health funds have been prevented from covering preventative treatments and services that are provided as a substitute for in-hospital care, and this change is the most sensible decision I have seen in health in a long time. I congratulate the Minister for Health and Ageing for entertaining this possibility, for giving cost options and for looking at ways to put downward pressure on
spiralling health costs for those people who take out private health insurance.

The change is not expected to have an impact on the premiums people pay now but it will effectively remove the current boundaries between hospital insurance and ancillary insurance. It will not be mandatory for health funds to offer broader health products, but I suggest it would be a very smart thing for any private health insurer to consider for all of the reasons I have outlined—and the lower the cost the better. The government’s changes will allow people to have that opportunity which they do not have now.

The government and the minister expect that this type of cover will become the principal form of private health insurance product, and I certainly endorse that. Research into broader health cover found that it would not lead to higher premiums, because health funds would have more flexibility in how they cover services. In offering broader health cover, a health fund may include a wider range of services than is currently available. It is an issue that we have needed to address for a long time. These guidelines were developed in consultation with the industry and with consumer representatives. We should not forget the consumer, because it is a consumer choice. If I had a family member who needed treatment, I would hope that I would be able to access that treatment at home in a comfortable, warm environment if that treatment could be delivered by a health service that could come to the house. I should be able to claim that and it would save the pro rata cost of a hospital bed when insurance premiums came to be determined.

I want to reiterate my absolute support for this bill, and in particular the area of the legislation I have spoken on today, because it enables private health insurers to provide myriad choices for the consumer. I also want to reiterate that, far from being ashamed of having private health insurance, as some in this House would advocate, people should be proud of wanting to have higher health insurance. In turn, those people who do not have health insurance because they cannot afford it should not be ashamed. They are entitled to quality public health services and access, off waiting lists, to procedures. It simply is not right that people who can afford to pay for treatment do not pay for it and take up valuable positions in the hospital and health system at the expense of having more and more people on waiting lists. In the New South Wales Greater Southern Area Health Service we already experience a disgraceful waiting list.

I think this legislation is one way of being able, quite rightly, to assist people who do not have the resources or the finances to purchase health insurance which would enable them to access treatment faster. If you are a person who pays into a health insurance scheme, far from feeling ashamed and that you should not undertake new and innovative treatments, you should feel that you are contributing to the health of other Australians who are not as fortunate as you. That will always be the case. In enacting this bill, we hope that other valuable and worthwhile Australians will be able to access the public hospital and health system far more readily, and particularly those in New South Wales. I commend the minister on his ability to cut to the chase and pick up these initiatives and I commend the bill to the House.

Ms Annette Ellis (Canberra) (11.43 am)—I am pleased to have the opportunity to rise in the House today to speak on the Private Health Insurance Bill 2006 and related bills, but I speak with a little bit of concern. I have concern for those with private health insurance who may in the future—we do not know, but we can predict—find themselves eventually facing higher premiums; I have concern for those in our community who...
cannot afford private health insurance; I have concern for the professional independence of medical professionals; and, in particular, I have great concern about where this government is taking our nation when it comes to health care. I am happy to say that we on this side of the House are honestly supporting this bill. My colleague the member for Gellibrand has moved a second reading amendment that is essential, in my mind, to making this package of bills fair and worthwhile, and I am happily, wholeheartedly supporting that amendment.

For the first time ever I actually agree with the Minister for Health and Aging when he says these bills represent the most significant change to private health insurance in the last five years. The provisions in the bills covering broader health cover are certainly welcome. Where it is deemed clinically appropriate by a medical professional, out-of-hospital services should be able to be covered by private health insurance. Services such as chemotherapy, dialysis and allied health services can be effectively and efficiently delivered in domestic or community based settings. These services should not be limited to hospitals, where scarce hospital beds are occupied unnecessarily in those cases.

For the first time these out-of-hospital services will be covered by private health insurance. We on this side of the House welcome that initiative. The broader health cover provisions in the bills will also allow private health cover for preventative treatments, health promotion programs and chronic disease management. The government should be congratulated on finally taking action on preventative disease management particularly. This is an area that Labor has been very vocal on in the last 10 years, and I welcome the government’s decision to improve access to these programs, even if it is only for private health insurance holders and not the community at large. But more on that in a moment.

Given there is no detail in the bills as to what the rules will be for treatments to qualify under broader health cover, I have strong concerns that, for want of a better term, lifestyle programs may be included. Whilst a very broad range of activities can have preventative health benefits, I would be concerned that any alleged benefit can be substantiated in a clinical setting.

One of my major concerns with the package of bills as introduced is that it does not protect explicitly the clinical independence of medical professionals in determining the most appropriate medical treatment for their patients. I understand that the AMA has raised similar concerns. Labor does not want to see a situation where private health insurance companies are dictating what types of services will be offered to patients solely on the basis of cost to the health insurance companies. Those are decisions to concern doctors, not insurance companies. The member for Gellibrand has addressed this in her second reading amendment to these bills. I call on the government to support that amendment—and to at least think carefully about it. Any failure by the government to support this amendment should be a clear warning to the public that this government’s priority could be seen as industry profit, not patient profit.

My final and paramount concern in relation to broader health cover is that the government has chosen only to provide these services to privately insured patients. The previous speaker, the member for Riverina, put, in her words, a very strong case for why this is probably a good thing. There is a certain benevolence about the way the argument was put: that those people who can afford private health insurance should not be ashamed of having it—well, nobody is...
claiming they should be—and that they should feel good about the fact that by doing so they are assisting those other poorer folk who cannot afford health insurance.

I do not think the access of health care in this country should be based on benevolence from anybody; it should be based on need, equity and access. Public patients in public hospitals and their doctors deserve to be given the same options for medical treatment as privately insured patients. The member for Riverina—and I am only using her words, because I was here to hear them—made a big call. She described very carefully how it is more comfortable, more secure and better for your health to resort to a home or a close-by community setting to receive particular types of services. Those very same claims could be made by a Medicare patient. They could equally be more safe, more secure, more comfortable and more in tune with their community by receiving these types of treatments at home. The benevolence should be removed out of it. And I say that with the greatest of respect to the member for Riverina and other members who may have that attitude.

We should not have a range of preventative and disease management treatments that are available only to those in our community who can afford private health insurance. The minister opened his second reading speech with the words:

This government is committed to choice in health care.

This government is threatening the universality of our healthcare system by providing choices to private patients that are not available to public patients. The minister went on to say:

This is a groundbreaking change.

My question to the minister is: is this groundbreaking change not suitable for public patients, who are predominantly working families, low-income earners, welfare recipients, older members of our community and many people who make an enormous sacrifice to try to attain private health insurance—the majority of whom, of course, are Medicare or public patients? I ask the question: is it a good thing that we can see that they could be treated as second-class citizens under what now begins to emerge as a two-tiered system of health? Are they to be denied the choices offered to those with private health insurance? If this government is serious about choice, it should fund public hospitals so that the same treatment choices can be offered to public patients as is offered to private patients.

I support a balance in health care between the public and private sectors. I have never said and I never will that there should not be private health insurance. It is a two-pronged approach that this community has managed for many years. My fear with this legislation is that the balance is now beginning to be tipped too far in one direction—the direction of private health insurance policyholders. If public patients do not have access to the same prevention and disease management programs as privately insured patients, surely they will be more likely to be admitted to hospital or seek the services of their local GP.

I note that last week the minister for health was crowing quite loudly about his success in raising the levels of bulk-billing for GP services—fair enough. I would like to congratulate the minister on his government’s efforts. Here in the ACT, bulk-billing rates for non-referred GP attendances in 2005-06 was 21.8 per cent lower—that is right, lower—than in 1995-96. Over the 10 years of this government we have gone backwards on bulk-billing in the ACT. On top of that, ACT residents pay higher out-of-pocket expenses than anyone else in the country when visiting a GP. In fact it is al-
most double the national average. The figures get even worse when we look at bulk-billing rates for operations. In the ACT less than 22 per cent of operations were bulk-billed to Medicare in 2005-06, down from over 27 per cent when this government came to office—1995-96.

My other concern with the broader health cover provisions is that, with the addition of so many new services, premiums will continue to rise at levels well above inflation, putting further pressure on family budgets or even putting private health insurance out of the reach of many families who are already being squeezed by rising interest rates, the price of petrol—which has been jumping up and down like a yo-yo—and grocery bills. The cost of living is increasing. As private health insurers broaden their service base, my fear is that their cost base will broaden also. If recent history is anything to go by, and it usually is, private health insurance premiums have increased twice as fast as the rate of inflation since 1998.

Labor recognise that many families have struggled to meet these increases. I would like to take this opportunity to assure private health insurance customers in my electorate that Labor are committed to keeping the 30 per cent health insurance rebate. Many families and individuals have factored this rebate into their household budgets when it comes to being able to afford private health cover. They rely on the rebate to make ends meet. And Labor are committed to keeping that rebate in place. We will not pull the rug out from under their feet. We have said that constantly. I understand very clearly the efforts to which some older folk and families go to try to have private health insurance. When you look at the sorts of services that they try to get you can understand why they do that.

One element in the package of bills that we on this side of the House are very critical of is the $50 million allocated in the last budget to health insurers to promote their services. This money could and should be spent on more productive areas within the health budget. Disease awareness and prevention programs for the whole community could be well funded with this money. My colleague the member for Gellibrand pointed out in her speech that this money would cover 1.5 million GP visits. That is a lot. That would be money well spent. The $50 million on health insurance advertising is a waste of taxpayers’ money and should be diverted to providing health services for all Australians, not only those with private health insurance. I reiterate: the delivery and receipt of health services in this country has nothing to do with benevolence or helping some part of our community feel good and warm in the tummy about helping others get health services; it is all about equity, access and universality.

I am pleased that these services are now going to be available; they are sensible. The previous speaker, the member for Riverina, made that very clear and I agree with her. They are very sensible ideas but they should not be confined to only those people on private health insurance. That is wrong. The point that has been made by many speakers on the other side is that this will help us get well, make recovery better and deliver services better. Any public patient in my electorate or in any community in this country who is a public patient and requires chemotherapy, dialysis or whatever the other services are, is no less a person by wanting to have it in their home or their community setting like a private health insurance patient will be able to after the passage of these bills.

I say to the government: think very clearly about the path of health care you are taking in this country if you provide these services only to privately insured patients. It is not
equitable, it is not accessible, it is not fair and it is not the way health services should be delivered in this country.

As far as I am concerned, the government’s record on the delivery of health is atrocious, and the $50 million of taxpayers’ money going on glossy advertising is crazy. That, in fact, would begin the process that I am talking about in relation to public patients. Of course, we support these bills but I again draw the attention of the House to the amendment to the second reading moved by the member for Gellibrand. It is important, sensible and fair, and would make an enormous improvement to this package of bills should the government have a spark of intelligence and decide that they should support such an amendment. We would be far more comfortable if that were the case.

Ms GEORGE (Throsby) (11.57 am)—I apologise to the Hansard staff and to you, Mr Deputy Speaker, for my voice. Overnight I have developed quite a bad head cold. I have put my comments in writing to assist Hansard staff. The Private Health Insurance Bill 2006 is the main bill in the legislative package before us, and there will be cognate debate on it. This package was introduced very late during the parliamentary sittings late last year, and from what I can see was rushed through with only one day of public hearings. The bill implements a series of changes to current health insurance provision, including the expansion of private health insurance to cover medical services provided outside hospital—which can either substitute for in-hospital services or are designed to prevent hospitalisation—including health promotion and chronic disease management. This new offering is to be called broader health cover. As indicated, it will for people covered by private health insurance provide services outside hospital. It is probably one of the most significant elements of change in this package.

The other change goes to changes in Lifetime Health Cover rating whereby people who have retained private health insurance for over 10 years will no longer be subject to Lifetime Health Cover loadings. Thirdly, and very importantly, there is the introduction of requirements for private health insurance funds to provide standard product information to consumers.

The Minister for Health and Ageing says that the broader health cover represents the most significant shift in private health insurance policy since the introduction of the rebate and the Lifetime Health Cover scheme back in 2000-01. On behalf of the people I represent who are covered by private health insurance, I believe that these changes will be welcomed. But I do want to draw attention to my fear that the majority of my constituents, who do not have private health insurance, may be left behind.

The changes will mean a significant shift in what private health insurance can do, and subsequently a subtle but important shift in the balance between services funded predominantly through Medicare, such as GP, specialist and public hospital services, and services that in future will be provided and funded through private health insurance. I have always believed that the rationale for private health insurance coverage is that it gives patients additional choice but without necessarily providing a different kind of service per se from that available to non-insured people in the community and what they can obtain through the public hospital system. The notion of universality in quality health provision is, I think, an important principle that begins to be eroded by some of the changes proposed in this bill.

We are told that broader health cover means that private health insurance funds will be able in future to provide cover for medical services provided outside of hospital
which are not covered by Medicare. In other words, people will have a broader set of options that will be covered by insurance as opposed to simply augmenting or providing additional services on top of those that currently exist for all people.

As I indicated, I have major concerns that this package represents the shift towards a two-tiered system of health provision. Why do I say this? On my understanding of the legislation, it will potentially make more services and treatment options available but only to people with private health insurance, and those without will not get access to those benefits. The broader health cover provisions in the package, we are told, will make available to private health insurance consumers a range of services not generally available through our public system, professional services for which a Medicare benefit is not payable. The explanatory memorandum indicates these include services such as chemotherapy and dialysis at home as well as preventative and chronic disease management programs. There is an argument that if people with private health insurance have better access not just to out-of-hospital services but also to preventative and chronic disease management programs which are generally not available through the public system, they will indeed end up having access to a better overall quality of health care, thus breaching what I believe is a fundamental principle that universal provision of quality care should apply to all in our community.

Of course the government and the Minister for Health and Ageing and the industry rail against the suggestion that this package represents a shift to a two-tiered system of health care. But if the broader health cover provisions give people with private health insurance access to services and treatment options which people without such insurance will not have access to then in my view the package does exactly that. If it is preferable in certain situations for patients to have access to chemotherapy and dialysis treatments on an outpatient basis, or in fact in their own home, why is the health minister happy to allow this for privately insured patients but not for all public patients?

The area of greatest concern to me in this legislation is the government’s plan to allow private health funds to offer cover for what is called ‘general treatments’. These are defined in the minister’s own words in his second reading speech as:

... tailored programs that support and sustain healthy lifestyles, services such as personalised health checks, dietary guidance, exercise supervision, and support to quit smoking.

With a greater focus on preventive health measures and better management of chronic conditions it may appear this is the way to go in the delivery of cost-effective health care. But this private health insurance cover is only for programs not covered by Medicare and is not available to all in our community. Again I ask: if such programs are deemed by the minister and this government to be important on medical grounds, why are they going to be made available only to those with private health insurance? I am concerned that some of these changes will disadvantage people that I represent, people without private health insurance and people in rural and regional areas who will not have access to many of these services and treatments.

We know from available data and from coverage in my own electorate that people with higher incomes are more likely to have private health insurance. This was confirmed back in 1998 in an ABS survey. More recent data from Roy Morgan Research shows that in the year 2003 having private health insurance cover continued to be strongly associated with higher income levels. When analysed by the income level of the main in-
come earner, Roy Morgan Research showed that 23 per cent of people with an income below $20,000 had insurance while 76 per cent of persons on incomes of $100,000 or more had insurance—23 per cent at the low end of the income scale compared to 76 per cent at the top end of the scale. When analysed by total household income the research data showed that only 19 per cent of people with total household incomes below $20,000 had private health insurance compared to 68 per cent of people with total household incomes of more than $100,000. Interestingly, when I looked at this data I noted that over half—54 per cent—of all persons who hold private health insurance and reported a total household income below $20,000 were over 65, and most likely were aged pensioners. That is certainly the impression I have in terms of the extent of health coverage in my electorate of Throsby. I know that many people on pensions and fixed incomes go to extraordinary lengths to take out private health insurance to provide them with a degree of certainty in the event of any emergencies arising.

I have to ask: why is it that these new provisions will continue to be subsidised through the private health rebate to which all taxpayers contribute? Those with insurance and those without all contribute through the taxation system to the outlays that go to the health rebate. I think this is quite inequitable because not all taxpayers, as I indicated earlier, will receive the benefits of the changes—and we should remember that the private health insurance rebate in 2005-06 was in the order of $3 billion.

We can already see how a two-tiered system operates in the area of dental health provision. If you can afford private health insurance, which some in my community have, your dental costs are partially subsidised through the 30 per cent rebate. But if you cannot afford that option—and the majority of my constituents do not have private health insurance—you could find yourself among the half a million to 600,000 people languishing on our dental health waiting list for attention through the public dental system. The Australian Dental Association recently commented:

People who are disadvantaged by socioeconomic status experience greater levels of oral disease than those from more affluent groups.

It goes on to say that it is acknowledged:

… that “profound disparities exist across socioeconomic groups in Australia … [as] the incidence of caries and periodontal disease increases as socio-economic status decreases.”

This, it says, is:

… referred to … as the “polarisation of the burden of [oral] disease”.

From estimates obtained through the Parliamentary Library, it seems that dental care now accounts for around 48 per cent of benefits paid out under ancillary coverage, which amounts in effect to an indirect subsidy in the order of $325 million to $345 million a year. So on the one hand the government, through the rebate, indirectly subsidises the dental health needs of people with private insurance and on the other hand the government turns its back on those most in need by refusing to reinstate and fund a Commonwealth dental program.

As funding has been withdrawn from public patients, subsidies for the oral health needs of privately insured Australians continue to grow. A huge divide has grown such that low-income earners without private dental health insurance are now 25 times more likely to have had all their teeth extracted than high-income earners with insurance. I use that analogy to show the impact of the differential operations of dental care to make the point that, once you move away from government funded universal provisions for all people in the community, it only stands to
reason that those who have the means to avail themselves of private health insurance will continue to have better oral and general health outcomes than people who do not have such insurance.

The government and the Minister for Health and Ageing argue that the changes in these bills will not have any impact on premiums. In fact, the minister argued in his second reading speech that, by streamlining regulatory arrangements and enabling funds to operate more efficiently, the provisions in this package will reduce pressures on premiums. I find that amazing, coming from a minister of a government that promised back in 2001 that their policies would keep private health insurance affordable and put downward pressure on premiums. Yet every year since then premiums have increased by well above the rate of inflation—in aggregate, close to 40 per cent since 2001. It stands to reason, I think, that if the funds are able to offer a broader range of products then at least in the short term people will be expected to pay more for these services. This view is confirmed in submissions made by the AMA, who argued:

The health funds will have great difficulty persuading anyone that they can expand the range of services covered by their products without any increase in premiums.

Of course, after the next election, if the government has its way, Medibank Private will be sold. Many of my constituents are currently in that fund. In that transition to its sale, Medibank Private will lose its current not-for-profit status. Given it is Australia’s biggest health insurer, once it becomes a for-profit company this will inevitably lead to premiums rising, not just for the members of Medibank Private but for the whole sector. If the market leader’s premiums are rising then other insurers will surely follow. Community sentiment and expert opinion are against the sale, and that is no doubt why the sale has been put off until after the next election.

I need to alert my constituents with private health insurance to the fact that under this bill there is no restriction on the number of premium rises that can be sought by a health fund in any one year. In the draft exposure bill it was suggested that an annual contract be instituted guaranteeing 12 months protection to consumers on the premium rates that would be charged. Unfortunately, this measure was dropped—probably, I would suggest, due to pressure from the insurers. While in the bill before us the minister retains final authority over premium rates that would be charged, the bill does not specify that funds must show justification for these rises. Nor does the bill provide details of any criteria to be used by the minister in making his decision, although the minister has previously made a commitment to the development of clear criteria against which premium increases will be considered.

Private health insurance is out of reach for many of my constituents, and that is reflected in the data about those who are covered and those who are not covered. Those who are covered face every annual premium increase with growing levels of trepidation, particularly pensioners and other people on low and fixed incomes. I have many submissions made to me on an annual basis complaining about the justification, or lack thereof, for the constant rises. In fact, I pursued increases charged by one of the insurers and, at a time when the minister was saying that the average rise was in the order of eight per cent, when I looked at the different levels of contribution, the average increase for one fund was in the order of 17 per cent. Many of my constituents also complain that they do not get value for money from their insurance policies.
As part of this cognate debate, we are also dealing with the issue of prosthesis application and listing fees, and I want to bring to the minister’s attention a couple of issues that came to my notice just recently. One case involved a 45-year-old woman who underwent an above-the-knee amputation. As we know, in Australia all amputees are eligible to receive a basic prosthesis, or artificial limb—although the specifics vary from state to state—in the $2,000 to $2,500 price range. This particular constituent of mine, however, was unable to get assistance through her private health fund—even though she was contributing at the highest level—for the fitting of her choice of prosthetic limb, which was a microprocessor-controlled knee joint. This new technology offers amputees much greater safety and function, and has a longer life, but it is expensive. It is important that people here in our community are not denied new technologies that are available to people in other countries.

The other case involved a constituent faced with the necessity of surgery to remove an embolus from an artery. Due to a two-year waiting list at the local public hospital, the procedure was carried out in a local private hospital in January 2006. He tells me he was charged for the titanium coils, as they were not listed at the time, as well as for the costs that he had expected in having surgery in a private hospital. On pursuing his case with the parliamentary secretary, I was surprised to be told:

There is no definition of ‘prosthetic’ in the legislation which supports current Prostheses Arrangements. Such a definition was not included in the legislation as it could become problematic if the way in which health services are provided changes. In addition, there may be a risk of precluding the listing of new technologies if they do not fit the definition.

I think I have gone round in circles in trying to assist both of my constituents in accessing suitable prosthetics to help in the treatment of serious illness.

In conclusion, while there is no doubt that the bill will provide benefits for many of my constituents who are currently covered by private health insurance, I do worry for them about the impact of further rises in their premiums, which, in my view, could only worsen once Medibank Private is sold. I also want to put on the public record my concern that this is possibly the beginning of a two-tiered system of health provision which might end up disadvantaging many of the people I represent who do not have private health insurance. At the core, I think the principle of universality of quality health care for all is certainly at risk as we move in the direction foreshadowed in the ‘broader health cover’ services and provisions.

**Mr ABBOTT** (Warringah—Minister for Health and Ageing) (12.17 pm)—The Private Health Insurance Bill 2006 and related bills are all about making a good system even better. I say it is a good system and today we have had further evidence of its public appeal. A further 170,000 Australians have become covered by private health insurance over the last quarter. This takes the percentage of the population with private health cover to 43.4 per cent and it is the sixth consecutive quarterly increase in the number of people covered.

Essentially, these bills are about making private health insurance a better product by allowing the funds to cover treatments and programs from their main tables that might prevent or substitute for hospital cover. In addition, it will put in place for the first time a quality and safety regime for privately insured services and it should make it easier for people to work out which product is best for them. So they are good bills.

I welcome the contributions from both sides of this House which have accepted that
there is much that is to be welcomed in this bill. I note that these bills are being consid-
ered by the Senate Standing Committee on Community Affairs, which is due to report on 26 February. I will carefully consider any recommendations which the committee makes. As well, the government has already indicated that it will be moving amendments in the Senate based on further consultations with the sector. There are some amendments which the opposition wish to move here. I have to say that I think they are unnecessary. If I could address one amendment now—namely, that which seeks to restore the current requirement that the Private Health Insurance Administration Council has as one of its objectives to minimise the level of private health insurance premiums—I think this is essentially redundant, given that the proposed bills retain the public interest test. Nevertheless, in order to provide a belts and braces approach, if you like, I will happily look at putting that back in after having re-
ceived the recommendations of the Senate committee.

Let me just say, on the subject of premium increases, no-one ever likes premium in-
creases. I like them as little as members op-
posite, but I do point out that since 1996 premium increases have been significantly less than they were in the previous 13 years. While I certainly am in no position to predict now what the next round of premium in-
creases might be, I do think that they ought to be significantly lower than in recent years given the very large profits or surpluses which the funds have recently made. I com-
 mend these bills to the House.

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

Question agreed to.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recom-

mending appropriation announced.

PRIVATE HEALTH INSURANCE BILL 2006

Consideration in Detail

Bill—by leave—taken as a whole.

Ms ROXON (Gellibrand) (12.21 pm)—I move:

(1) Clause 172-5, page 136 (lines 7-12), omit the clause, substitute:

“172-5 Agreements with medical practi-
tioners

Medical Purchaser Provider Agree-
ments

(1) If a private health insurer enters into an agreement with a medical practitioner for the provision of treatment to persons insured by the insurer, the agreement must not limit the medical practitio-
ner’s professional freedom, within the scope of accepted clinical practice, to identify and provide appropriate treatments.

Hospital Purchaser Provider Agree-
ments

(2) If a hospital or day hospital facility enters into an agreement with a medical practitioner, under which treatment is provided to persons insured by the insurer, the agreement must not limit the medical practitio-
ner’s professional freedom, within the scope of accepted clinical practice, to identify and provide appropriate treatments.

Other Purchaser Provider Agreements

(3) If a private health insurer enters into any agreement for the provision of services or goods intended to manage a
This amendment deals with a very important issue that the medical profession in particular but also the community are concerned about, and that is the issue of a doctor’s clinical autonomy under this new regime. We believe that the amendment is necessary to make it absolutely crystal clear that, despite the changing procedures that will be available for people with private health insurance, the doctor who is treating an insured patient is still given absolute clinical autonomy to advise and to act in the best interests of the patient. We do not believe that the provisions in the bill at the moment are clear enough as they stand. The House will note that we have inserted three new provisions which go to a doctor’s clinical autonomy in a number of different situations: where there are medical purchaser provider agreements, where there are hospital purchaser provider agreements, and other purchaser provider agreements. The last one is intended to catch those services that are likely to be hospital substitute services, the types of services that will no doubt grow quickly and will be accessed by many more people as a result of the changes in the broader healthcare package.

Our major criticism of the existing section 172-5 is that it is limited to only medical purchaser provider agreements—that is, agreements between health insurers and medical practitioners directly. Whilst that is important, we are concerned that these other circumstances do not have the express protection that they need to. Both the AMA and the Australian Private Hospitals Association argue that the legislation specifically needs to include these protections in other circumstances and contexts, as I mentioned, such as hospital purchaser provider agreements. I think that it is welcome, of course, that the minister has indicated he will consider these and other issues if they come up as a result of the Senate inquiry that will occur in the other place. But I do think it is important for us in the House of Representatives to be able to indicate our clear and strong concerns about issues that are a matter of consumer protection.

I think there are very important issues around the professional practice that doctors need to feel that they are able to provide. I do think there are some more extreme concerns that have been expressed by others, not in this House, that this is just going to give the insurers direct control. I do not necessarily adhere to that view, but I think that one way we can give both consumers and doctors that assurance is by ensuring that their clinical freedoms are protected. I understand that both the minister and the health insurance industry have clearly indicated that they do not want that changed. In that case, even if it is out of an abundance of caution, it is worthwhile having these sorts of provisions in the act, particularly where we are changing the system as it applies to very many people.

The proposed new clause regarding hospital purchaser provider agreements is similar to what is currently in the National Health Act. The clause regarding other purchaser provider agreements is designed to cover those other circumstances, including circumstances in which medical practitioners provide care and treatment in other contexts, such as hospital substitute services. These services might be in a community setting, at home or any number of other settings where we still want to make sure that the doctors have the autonomy that they need, as well as circumstances in which other health profes-
sionals, such as allied health professionals, are involved in the provision of services.

We accept that the drafting we have opted for may not be the only way of delivering this outcome, but we do believe that it is vital to have it in here. We urge the minister to reconsider his position in this House. We should be able to make good law in this House, not just in the Senate. I ask him to consider this amendment.

Question negatived.

Ms ROXON (Gellibrand) (12.26 pm)—I move:

(2) Clause 264-5, page 220 (line 3), after paragraph (b) insert:

“(ba) minimising the level of health insurance premiums;”.

This is the amendment that the minister has already referred to in his summing-up debate. It deals with the issue of minimising the level of health insurance premiums. I certainly think that the minister has got one thing right in respect of this: no-one does like premium increases. That is not news to anybody here. But we do believe, as legislators, that we should make sure that we regard it as our obligation to do what can be done to minimise premiums. We do not accept the government’s view that this is a change that has no impact.

As things currently stand in the National Health Act, the Private Health Insurance Administration Council has an express objective—one of only a few—of minimising the level of health insurance premiums. We cannot understand, when the government is so sensitive to any suggestion by any of us on this side of the House that premiums may go up as a result of this package, why the government would not be falling over itself to leave the existing protections in the legislation that make sure there is at least some hope the insurance administration council can have some control over insurance premiums. It has not been included in the bill, and I have seen argued in the media that the reason this specific clause has been removed is that there is a more general clause about protecting the interest of consumers.

The minister himself referred to the public interest test, but we need to separate what the administration council’s objectives are. It is not as if a new provision has been drafted that deals with public interest or protecting consumers. Those provisions are already there. This minimisation of the premiums is an additional existing protection and objective for the administration council. I cannot understand why the government would want to remove those protections that are already in there. This amendment is simply to reinsert the specific clause that is there into the relevant section of the act.

The government’s argument for taking this clause out also seems to be based around an argument that because PHIAC does not set the premiums it should not be required to have the minimisation of premiums in the legislation. I think there are two very important answers to that for the minister to consider. One is that PHIAC does have a role to play in keeping premiums down by virtue of its role regulating the private health insurance sector. Its regulatory role includes looking at the passing on of benefits, particularly if there might be any sharp practices or others. Then there would be a role for the regulator to be involved. Those sorts of things can have a particular impact on premiums, and I do not think we could argue that they do not. Of course they may not have the key role in setting the premiums, but that does not mean that they cannot have some important influence and role to play in the minimisation of them, particularly in circumstances where, as I said, sharp practices were involved.
But, even more importantly, if the government says that PHIAC should not have an objective of minimising premiums because it is the government that approves the premiums then I would challenge the minister to agree to this amendment or perhaps move his own, where the minister takes responsibility for the minimisation of premiums. There is nothing in the act that requires that to be an objective that he considers. If he believes that it is inappropriately an obligation for PHIAC because he has that responsibility then it would be appropriate for that protection, if it were to be moved, to be moved to his specific obligations. We have not had any indication that the government is interested in taking on responsibility for the reduction in premiums. In fact, we have just had attacks made on us that we are being hysterical about the risk of an increase in premiums. I know that the minister has not promised that premiums are going to go down this year and he has not promised that premiums will be at a particular rate. Certainly, the general rumours are that they will be lower than usual, but there is no suggestion that there will not be an increase this year and there is no suggestion that the increase will not be higher than CPI. No-one could honestly suggest that the community does not feel those increases extremely acutely. In that case, why would we as legislators take away an existing protection? If the minister truly believes it is just inappropriately placed with PHIAC, he should have the guts to say he will put that commitment in as an obligation for him expressly under the act.

Question put:
That the amendment (Ms Roxon’s) be agreed to.

The House divided. [12.35 pm]
Hull, K.E. * Hunt, G.A.
Jensen, D. Johnson, M.A.
Kelly, J.M. Keenan, M.
Ley, S.P. Kelly, J.M.
Lloyd, J.E. Laming, A.
May, M.A. Markus, L.
McGauran, P.J. McArthur, S. *
Moylan, J.E. McGauran, P.J.
Neville, P.C. Mirabella, S.
Pyne, C. Nelson, B.J.
Richardson, K. Lindsay, P.J.
Schultz, A. Lloyd, J.E.
Secker, P.D. May, M.A.
Southcott, A.J. McArthur, S. *
Ticehurst, K.V. Moylan, J.E.
Truss, W.E. Moylan, J.E.
Turnbull, M. Neville, P.C.
Vasta, R. Pyne, C.
Washer, M.J. Richardson, K.

* denotes teller

Question negatived.
Bill agreed to.

Third Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (12.42 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

PRIVATE HEALTH INSURANCE (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2006

Second Reading

Debate resumed from 7 December 2006, on motion by Mr Abbott:

That this bill be now read a second time.

Question agreed to.
Bill read a second time.
Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Ms ROXON (Gellibrand) (12.43 pm)—I move:

(1) Clause 14, page 10 (lines 23-25), omit the clause substitute:

"14 Quality assurance requirements

The quality assurance requirements in Division 81 of the new Act commence from 1 April 2007."

For the convenience of the House, this is the last amendment that Labor will be moving to this suite of bills, and we will not ask that the House divide on the question. However, I do think this is a very important amendment and I encourage the government to consider it. This deals with the issue of quality assurance for the services that are going to be able to be accessed under the broader healthcare package. The current clause provides—and I noticed that, when summing up debate on the second reading, the minister also referred to this as an important part of the package—that there will be quality controls and standards that will apply as part of this whole package.

However, unfortunately the provision makes clear that any of those quality assurance issues and standards will not apply in relation to an insurance policy until 1 July 2008; although, as the House would be aware, this package of bills, if it passes through the other place, will come into force on 1 April 2007. This leaves a significant lag between the time that insured consumers will be able to benefit from the changes under the bill and the time that the services that they are accessing and that their insurers are paying for will actually have the sorts of consumer protections and guarantees that exist for current services.

Again, it may be a belts-and-braces provision—that we want to make sure that consumers are able to have full confidence in this changing scene in the health area. I do not think that there should be any concern
about standards and quality assurance controls being in place. Everybody across the sector seems to believe that this is important, although we do acknowledge that there are different views about what those standards should be and how they should apply.

I know that the government have said that there is not anything in the bill that will compromise standards. Their view is that insurers of course would not cover other products that do not meet certain standards, and I would agree that health insurers have a very strong interest in making sure that the services that are used are of top standard. But in this place we regulate the control of quality and have standards in place for all sorts of services for very important public policy reasons; we want to make sure that any person who is treated under a service has the basic protection that they meet a certain standard.

Obviously the government accept this, because they are proposing to introduce standards. Unfortunately those standards are not going to be in place for 15 or 16 months. I know that the government are not confident that those standards can be ready in time. The effective date for the rest of the act, as I have said, is 1 April 2007; that still gives some time. I do not think it is wise for us to be legislating that standards will come into place after such a significant time lag, and I do not want to be in the position of any person who is treated under a service has the basic protection that they meet a certain standard.

We have these sorts of protections for hospital services; we have them for many other health services. It does not seem to me that we need to totally re-create the wheel; they are not being designed from scratch. Some different issues need to apply because of the settings that some of these services might be provided in, but that is all the more reason for us to make sure that there are strong quality controls in place. I agree that it is not appropriate to use the quality standards that apply in a hospital for a service that might be provided in a home, but it is just as important—maybe more important—if someone is going off unaided, perhaps without the assistance of other colleagues, to provide a service which can be provided in the home. We need to make sure that appropriate standards will still be in place for those people.

It is simply an issue of Labor wanting to guarantee that consumer safety is protected. We think that the quality assurance package for broader health cover products should be in place as soon as these products come onto the market. If the government say that there is nothing in the bill that will compromise standards, we do not see why this change will cause them any problems. I can understand, however, that this might be one of the amendments best suited to be dealt with following the recommendations we have not yet seen from the Senate committee, because no doubt it is an area that they are particularly turning their minds to. There are probably a number of different options for the way this issue can be solved. Making sure there is not a time lag is our vital concern. We want protections and standards to be in place so that we make sure that consumers are protected.

Question negatived.
Bill agreed to.
Third Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (12.49 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

**PRIVATE HEALTH INSURANCE (PROSTHESES APPLICATION AND LISTING FEES) BILL 2006**

**Second Reading**
Debate resumed from 7 December 2006, on motion by Mr Abbott:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

**Third Reading**
Mr ABBOTT (Warringah—Minister for Health and Ageing) (12.50 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

**PRIVATE HEALTH INSURANCE (COLLAPSED ORGANIZATION LEVY) AMENDMENT BILL 2006**

**Second Reading**
Debate resumed from 7 December 2006, on motion by Mr Abbott:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

**Third Reading**
Mr ABBOTT (Warringah—Minister for Health and Ageing) (12.51 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

**PRIVATE HEALTH INSURANCE COMPLAINTS LEVY AMENDMENT BILL 2006**

**Second Reading**
Debate resumed from 7 December 2006, on motion by Mr Abbott:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

**Third Reading**
Mr ABBOTT (Warringah—Minister for Health and Ageing) (12.52 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

**PRIVATE HEALTH INSURANCE (COUNCIL ADMINISTRATION LEVY) AMENDMENT BILL 2006**

**Second Reading**
Debate resumed from 7 December 2006, on motion by Mr Abbott:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

**Third Reading**
Mr ABBOTT (Warringah—Minister for Health and Ageing) (12.53 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

**PRIVATE HEALTH INSURANCE (REINSURANCE TRUST FUND LEVY) AMENDMENT BILL 2006**

**Second Reading**
Debate resumed from 7 December 2006, on motion by Mr Abbott:
That this bill be now read a second time.
Question agreed to.

Bill read a second time.

**Third Reading**

Mr ABBOTT (Warringah—Minister for Health and Ageing) (12.53 pm)—by leave—I move:
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**ACIS ADMINISTRATION AMENDMENT (UNEARNED CREDIT LIABILITY) BILL 2007**

**Second Reading**

Debate resumed from 7 February, on motion by Mr Ian Macfarlane:

That this bill be now read a second time.

Mr ALBANESE (Grayndler) (12.54 pm)—I rise to speak on the ACIS Administration Amendment (Unearned Credit Liability) Bill 2007. The Labor Party supports this bill, which seeks to confirm the Australian government’s continued ability to issue participants in the Automotive Competitiveness and Investment Scheme with unearned credit liabilities that are offset against their future ACIS credits in the case that items of ineligible expenditure or other errors are identified. It is important that the Australian automotive industry is able to participate in ACIS and not be disadvantaged by administrative delays. The significance of the Australian automotive industry, and indeed all Australian manufacturing, cannot be overstated. The Australian Labor Party has a strong history of supporting Australian industry and keeping pace with changing industry needs over time. Labor’s approach has included the introduction of a generous 150 per cent research and development tax concession, the development of specific industry policies in areas such as automotive and pharmaceuticals, and a proactive approach by government in attracting foreign capital.

If it were not for the assistance provided by previous Labor governments, some industries would never have passed the embryonic stage. Under the leadership of Labor’s former Minister for Industry and Commerce, Senator John Button, industry was assisted to modernise, innovate and face foreign competition. Labor Party reforms have enhanced the competitiveness of Australian firms by removing tariff walls and other barriers that had sheltered Australian industry from international competition and engagement.

Today the automotive industry directly employs around 80,000 Australians. With turnover of approximately $27 billion per annum, the industry accounts for six per cent of employment in the manufacturing sector and around one per cent of Australia’s GDP. Reforms initiated under John Button have allowed the industry’s productivity and quality performance to become a significant asset and allowed some Australian firms to supply products to particular export markets.

But, upon coming into government, the Howard government wasted no time in undoing many of these positive reforms. The first Howard-Costello budget slashed the R&D tax concession, from 150 to 125 per cent, and cut back funding for export and trade enhancement programs. Two years later they announced a pause in the tariff at 15 per cent, from 2000 to 2004, followed by a reduction to 10 per cent in 2005, and the introduction of ACIS, designed to provide the automotive industry with import credits to be offset against customs duty on eligible imports. But, in truth, ACIS has been little more than a rebadging of the Export Facilitation Program, a similar assistance program introduced under the previous Labor government.

In December 2002 the government announced that its automotive policy commitment beyond 2005 would revolve around a 10-year, $4.2 billion extension of ACIS until
2015 and, following a 2008 Productivity Commission review, a reduction in the tariff on passenger vehicles and automotive components to five per cent from the beginning of 2010. What is clear in 2007 is that the Howard-Costello government thinks it has done everything it needs to do as far as the Australian automotive industry is concerned: it has extended the ACIS program, called for a review or two and reduced vehicle tariffs. What the government has failed to do is to keep step with the rest of the world and the changing face of the global and local automotive industry. This is an industry that must now take into account globalised supply chains and the emergence of new automotive economies such as those of China and India.

There are unaddressed industry concerns that ACIS is failing to deliver benefits to local industry, in terms of both R&D value and in facilitating the involvement of Australian manufacturers in the global supply chain, and that car makers are using import credits in a way that reduces the local content of domestically manufactured vehicles. The Howard government approach to policy leaves industry unprepared—and this is not confined just to the automotive industry. The Howard government has washed its hands of the plight of the Australian manufacturing industry as a whole. We on this side of the House know that good industry policy translates into vibrant and growing manufacturing industries of all varieties. However, on the Prime Minister’s watch manufacturing has plummeted to under 12 per cent of GDP, amongst the lowest levels in the OECD. Just over a decade ago, manufacturing accounted for over 14 per cent of GDP. That is over $24 billion in today’s value lost to the economy. Between 2002-03 and 2005-06 alone, manufacturing output fell by $860 million.

Despite the fact that the manufacturing industry employs over one million Australians, the Howard government does not have a plan for the future of critical manufacturing industries, such as the automotive and textiles industries. Without policy reform, the numbers will continue to decline. The downward trends are astounding. Since the election of the Howard government in 1996, we have lost over 110,000 manufacturing jobs. This is equivalent to approximately 204 manufacturing jobs disappearing each and every week that the Howard government has been in office. Since 2004 alone we have lost 36,700 manufacturing jobs. That is equivalent to 352 every week.

The impact of these job losses on local communities and workers is severe. At the beginning of 2006, the Australian Manufacturing Workers Union conducted a survey of workers made redundant at Ion in Albury around September-October 2005 and at Tristar in Sydney in August 2005. The findings of the survey are astounding and should be of concern to anyone interested in the long-term future of manufacturing and communities which are dependent on manufacturing employment. The main findings were:

- The percentage of redundant workers who have found employment is 37.2% with the average length of unemployment for the lucky ones who found jobs being 5 weeks.
- The unemployment rate amongst these people up to 6 months after they were made redundant is 48.2%.
- 5.1% of those surveyed were forced to retire prematurely because of the redundancy.
- Only 41.4% of the workers who had managed to find jobs were able to secure employment in the manufacturing sector.
- Only 48.4% of those workers employed found full time employment.
- 31% of the workers had to accept casual jobs.
- The average hours for the redundant workers who found full time jobs was 44.4 hours per week representing 10% more hours than they worked in their previous job.
• Of those lucky enough to find employment, 89.7% suffered a reduction in wages with the average reduction being 28.3%— or more than one dollar in every four—

• Exactly half of those who were made redundant believe that their long term financial security has suffered significantly from this redundancy.

In other words, high-skill, high-wage manufacturing jobs, once lost, are extremely hard to replace. This is the ultimate price that Australia will pay if we allow the automotive component industry to disappear.

Another big concern for manufacturing is the significant downturn in export growth and the impact this is having on the trade deficit. The data is telling. Between 2001 and 2005 manufacturing exports fell by $1.3 billion, while manufacturing imports grew by $28.4 billion. In 2004-05 the manufacturing trade deficit blew out from $29.7 billion to more than $89 billion. This government has reached new records and filled industry data with superlatives. Australia’s share of world exports has now fallen to its lowest level since records began in 1946. The Howard government has presided over 57 monthly trade deficits in a row—the longest run of any Australian government.

This government’s declining support of industry is damaging and does not bode well for future economic prosperity. There is a dire need for this government to develop sound industry policy that will see to industry growth, not decline. How can we revive a globally competitive manufacturing industry in Australia? One of the strengths of the manufacturing industry here in Australia is its innovative nature. We must build on this strength. Australian businesses and industry have imagination and a desire to grow. We must catapult emerging industries so that they become Australian success stories of tomorrow and not foreign success stories built on Australian innovation.

In the last decade, it was a tragedy that some of our best technology and brightest and, indeed, most innovative people went overseas. Take, for example, the solar hot water systems developed at the University of Sydney. The Chinese saw its commercial potential and grabbed it. It is now a huge part of China’s solar market—‘invented in Australia, but made in China. Some of you may recall Dr Zhengrong Shi, a dual Chinese-Australian citizen. Dr Shi completed his PhD in solar energy at the University of New South Wales, but his wealth, which is estimated at $3 billion, comes from commercialising solar energy technology in China. Dr Shi told the Sunday Telegraph on 27 August 2006:

... if Australia had a similar type of incentive program (to China’s), we definitely would have set up a manufacturing facility in Sydney or Australia.

I have met Dr Shi and spoken with him on a platform at the Australian National University. He is indeed someone we should all be proud of. We should be encouraging innovators such as Dr Shi to develop industry here in Australia so that the profits and the jobs stay here. Australia needs the right mechanisms and incentives to encourage innovation and investment. We simply cannot afford to lose these sorts of opportunities.

Labor believes that innovation and research and development are the keys to a competitive manufacturing industry, but a complacent Howard government is unable to create an environment that fosters innovation. Under its watch, business expenditure in R&D in Australia has been declining in comparison with our competitors. In Australia, business expenditure in R&D, or BERD, is 0.89 per cent of GDP. This ranks Australia 15th in the OECD. The OECD average is 1.5 per cent. By comparison, Chinese firms have been increasing their R&D expenditure by over 20 per cent per year. Though the gov-
ernment will argue that since 1996 BERD has been growing on average at 2.6 per cent per annum, it will not tell you that in the previous decade R&D investment grew by 11.4 per cent per annum—11.4 per cent under Labor and 2.6 per cent under the Howard government. Manufacturing has taken a more severe hit, with BERD down from 10.5 per cent to 0.8 per cent. This is a devastating decline given that manufacturing is generally seen as the major driver of BERD. Within manufacturing, the automotive industry contributes the majority of research and development.

The future of Australian industry must be underpinned by innovation—a critical factor to drive productivity and therefore to drive growth. It is not just Labor that says so. In its paper *New concepts in innovation: the keys to a growing Australia*, released in March 2006, the Business Council of Australia stated:

… there is a lack of understanding … about how innovation occurs within businesses and the policy environment required to allow it to thrive.

We need to meet the challenge and kick-start the next generation of innovation. Under a Rudd Labor government, industry will be driven by investment in research and development, a highly skilled workforce, sound intellectual property arrangements and venture capital finance initiatives that facilitate commercialisation.

The Howard government strategy for making us competitive is very simple: cut wages and conditions so that Australia can compete with its neighbours on wages. It is a road to a low-wage, low-skill economy. Labor believe in a high-wage, high-skill economy and we believe in an expanding manufacturing sector. Labor’s industry policy will appreciate Australia’s place in a globalised market. It will map a long-term, forward-looking strategy that is sensitive to the competitive advantages of the Australian economy and the pressures being felt by Australian industry.

With Kevin Rudd’s education revolution we will make the right investments that are needed in the skills and education of our people. Australia cannot stand ready to meet new challenges and take advantage of emerging industries if the Howard government continues to reduce public investment in universities and TAFEs while other OECD countries increase it. Labor’s industry policy will ensure that Australia’s great research institutions, including the CSIRO, are supported, heard and respected for the work they do. It will foster a culture of innovation that will not just advantage manufacturing industries but will also allow our mining and agricultural sectors to build their skills and add value to exports. It will position Australia such that it can offer our region the banking, financial, educational and environmental services of the future. It will be an internationally competitive Australia that is proud of its modern manufacturing, smart services, cutting-edge health and medical research, innovative mining and sustainable agriculture.

There is an example of what is occurring, particularly in the automotive industry, at the moment in my electorate of Grayndler. When I was first elected, the Tristar plant in Marrickville employed over 600 Australians. By and large, these are Australians who came here after the Second World War, many of them migrants from southern Europe. They have worked hard and made an outstanding contribution to the economy, to the local community and to Australia as a whole. It is an outrage that 30 of those proud Australians have had to put up with the extraordinary actions of the owners of Tristar, who have moved the work offshore to China and who make those workers clock on every day and sit in a vacant factory simply be-
cause their redundancy entitlements of four weeks per year of service would entitle them to a considerable redundancy payment. These are Australians who have worked in the manufacturing sector for years. The late John Beaven worked in that factory for 43 years. It was the only job he had. The 30 remaining workers have an average service to the company of well over 25 years. They rely on the manufacturing sector. Many of them will find it very difficult to find other employment; therefore, the securing of their entitlements is vital for them and their families.

Yet, when we raised questions about this issue in the parliament on 10 August last year, when the Tristar workers came to parliament in November and we asked questions again in the parliament, and when the workers wrote to the Prime Minister, they were treated with contempt by this government. They were thrown on the scrap heap, just as large portions of the manufacturing sector have been regarded as unimportant. They are the personification of Australia’s decline in manufacturing. Labor will continue to campaign for them to receive the payments to which they are entitled. This is nothing more and nothing less than theft by this company. The government, which treated those workers with contempt for many months, has now acknowledged there is an issue but has failed to take real, effective action.

To conclude, Australia’s manufacturing industry, including the automotive industry, is now at a tipping point. For more than 10 years, the government has failed to demonstrate the national leadership required to secure Australia’s industrial future. Australia must develop a forward-looking industry policy and strategy. Our long-term prosperity as a nation cannot depend on exporting more raw materials to developing nations, or slashing wages and working conditions such that they are lower than other nations. Australia’s ongoing future prosperity will be guaranteed by being innovative, with leading businesses and individuals that are the best and most productive in their fields. Complacent governments like the Howard government generally concentrate on distributing income rather than generating it. More than 10 long Howard years represent a missed opportunity that will impede Australia from sustaining our prosperity and compromise our ability to remain internationally competitive. The alternative Labor formula is simple: investment equals productivity equals growth equals sustained prosperity—prosperity for Australian industry and sustainable prosperity for all Australians.

Mr McARTHUR (Corangamite) (1.17 pm)—I have listened with interest to the remarks of the honourable member for Grayndler and commend him on his thoughtful speech. However, I do observe his very gloomy figures on jobs and the fundamental truth that in all Western nations—the member for Grayndler, who is leaving the chamber, might like to hear this, because I am referring to his speech—

Mr Albanese—I’ve got a tactics meeting, sorry.

Mr Fitzgibbon—I’ll let him know, Stewie.

Mr McARTHUR—In all developed Western democracies there is a problem with changing technologies. Jobs have moved out of the manufacturing sector fundamentally because of improved technology. Of course, some jobs have moved in the component industry to low-wage countries. He talks about a sound industry policy. Like the Leader of the Opposition, we are still waiting to see what a sound industry policy actually means. My final observation is that he makes the untruthful remark that the Howard government has managed to support the manufacturing industry by cutting wages. The re-
ality, as the member for Hunter knows, is that real wages have increased by about 16 per cent from 1996 to 2006. Contrary to what the member for Grayndler was saying, manufacturing has provided jobs and real wage increases to those workers, even though there is a fundamental change, as we all know, in the manufacturing sector in Australia and other westernised nations.

I am delighted to contribute to the debate on the ACIS Administration Amendment (Unearned Credit Liability) Bill 2007. You may recall, Mr Deputy Speaker, that I have had a strong interest in Australia’s automotive industry for many years, as Ford operates out of Geelong and is an important employer across the Geelong region.

ACIS, which stands for the Automotive Competitiveness and Investment Scheme, was introduced by the Howard government in January 2001. The ACIS program is part of the government’s strategy to enhance the long-term competitiveness, profitability and sustainability of the Australian automotive industry. The automotive industry operates in a very competitive international environment. Trade liberalisation has put significant pressure on Australian car manufacturers over the past 20 years to reform, to adopt new technology and innovation, and to embrace more flexible industrial relations practices in order to compete successfully on the domestic market in competition with imported vehicles and to enhance the industry’s position by exporting Australian manufactured cars to markets overseas. The ACIS program encourages new investment and innovation in the automotive sector through the provision of import duty credits to help the transition to a new low-tariff environment.

It is important to recognise that the Howard government has provided the automotive industry with certainty in moving towards a low-tariff environment. By contrast, the Labor Party has flip-flopped over recent years on the automotive industry tariff question. Under the Hawke government, the Labor Party took an enlightened approach to the industry. The Labor Party MPs at that time recognised the importance of the future for our domestic automotive sector of moving away from the high-tariff protection of the past to a low-tariff environment. I particularly commend Senator Button for his contribution to that policy debate. Those of us who were sitting opposite at that time supported Senator Button’s endeavours. Unfortunately, Labor in opposition have often reverted to a parochial position on tariffs and industry policy, playing to the high-tariff protection prejudices of union leaders like Doug Cameron, who is well known to many in this House. Labor members know the future of our manufacturing sector lies in international market liberalisation, but they try to pretend otherwise to get some union support and win a few union votes.

In this regard, I was interested to note that on the day of his election as Labor leader the Leader of the Opposition nominated a renewed emphasis on industry policy. It has never been explained what Labor’s new belief in industry policy means—whether it is just a return to the bad old days of protectionism: an inward-looking, uncompetitive and unsustainable industry propped up by taxpayers and consumers. Those of us on this side of the House wait with interest to learn of the opposition’s policy plans for the manufacturing sector. We hope it will not take the country backwards and we look forward to a more precise position from the Leader of the Opposition and the member for Grayndler on industry policy.

Under the ACIS program approximately $2.8 billion of transition assistance was provided to the Australian automotive industry between 2001 and 2005 in the context of a
reduction in the automotive industry tariff for passenger motor vehicles and automotive components from 15 per cent down to 10 per cent in 2005. That debate on tariff reduction has been very much part of my philosophic stance over many years and I am delighted that now the Australian automotive industry is becoming world competitive in terms of both price and quality.

The ACIS program is continuing between 2006 and 2015 with an estimated additional package of $4.2 billion of assistance to encourage the industry to move to a long-term sustainable position with the proposed further tariff reduction to five per cent in 2010. That five per cent is basically a negligible tariff level. That position has been the subject of considerable argument. The exchange rate has a much greater impact, as members would be aware, than the tariff itself.

Over the full life of the ACIS program to 2015, some $7 billion in assistance will be provided to the automotive sector under the program to help industry move to a viable and internationally competitive position. Under the ACIS program the industry has been able to plan for the future and invest with confidence. I emphasise that point. The success of the government’s approach to the automotive industry is demonstrated by the very positive results being achieved by the industry. In 2005-06 Australian automotive exports reached a record value of $5.2 billion. That is a far cry from what the member opposite said—that the manufacturing industry was in decline. The automotive component exports were last year valued at $1.76 billion, and there was $3.44 billion in vehicle exports. Again, this is a far cry from what the historical position where the automotive industry was basically designed for the domestic market. Some 126,000 vehicles were exported in 2006 to destinations including the Middle East, the United States, China, South America, South Africa, New Zealand and South-East Asia. Again, that is a remarkable transformation from what was an inward looking industry. In 2006 our domestic automotive manufacturers exported 38 per cent of local production. This is compared with only seven per cent of local production exported under Labor in 1990.

As tariff levels have declined, the Howard government has helped industry compete internationally and export to foreign markets. Holden has recently announced it will be commencing significant new exports later this year to the United States of the Commodore, as the Pontiac G8. The Ford Motor Company, which is well known to me in Geelong and Broadmeadows, plans to export some of the new versions of its Falcon and Territory models. These developments demonstrate that Australia is becoming a competitive producer of quality motor vehicles under Howard government policies.

Nationally, the automotive sector has a turnover of $24 billion and employs 70,000 people—a far cry from the remarks of the member for Grayndler. The sector is much larger than just the four major vehicle producers, with 250 component producers, machine tool producers and service providers. Again, I emphasise the importance of the component producers in the regional city of Geelong, in Melbourne and in Sydney.

In this more internationally competitive environment, where the market is much more important to car manufacturers than government programs are, the Howard government support for the automotive industry remains strong. The government has initiated an Automotive Industry Strategic Group to work towards a coordinated effort to access global supply chains and secure more international work for the Australian automotive component sector. Ford Australia has received a $52.5 million grant to develop the next generation of Falcon and to design and
engineer a pick-up truck platform for the world market. The government has provided a $6.7 million grant to Holden, matching the funding by the Victorian and South Australian governments, to introduce safety and fuel management improvements and further reduce greenhouse gas emissions from Commodore vehicles. There can be no doubt of the government’s commitment to a viable automotive sector.

In addition to the ACIS program, which is providing transitional assistance and encouragement for the automotive industry to move to a low-tariff environment, the Howard government has improved competitiveness of the automotive industry through the following fundamental policies. Firstly, there is the lowering of inflation through our policies of strong economic management, thus minimising the rise in domestic input costs. That is a very key component of making our automotive industry competitive internationally. The government has also provided an improved business investment environment by creating conditions of low interest rates, which again is a very important factor for those manufacturing facilities. Finally, there is the introduction of greater flexibility in the industrial relations system, which provides significant benefits to our large manufacturers and also to the smaller businesses manufacturing automotive tools and components and those businesses delivering services to the automotive sector.

I was recently in the Toyota factory and saw the results of the more flexible approach to industrial relations, and I commend that particular company for the way in which they have organised their workforce and their quality control. That was a standout example of what the manufacturing industry is doing in car production, and I think the changes in industrial relations have helped that quite large workforce adapt to the quality control and delivery of very high-quality vehicles to both the Australian and the international markets.

Of course, there has been some indecision and evasion from the opposition over its position on Work Choices reforms and what the Labor Party would do if they were elected to government. It is hard to ascertain exactly what the deputy leader says on industrial relations—whether it be on unfair dismissals, big business or small business. We await the debate this afternoon. There might be some enlightenment on where the Labor Party stands on industrial relations, because it is very hard to understand from the public comments exactly what they have in mind, except to rip up the current legislation.

The Labor Party’s position on IR should be of great concern to Australians employed in the automotive sector. Even smaller businesses with fewer than 100 employees providing services and components to the automotive sector would be concerned about employing new staff because the Labor Party might restore the unfair dismissal provisions, which they voted against. As the honourable parliamentary secretary at the table, Mr Hunt, knows, the Labor Party voted 44 times in this parliament against the unfair dismissal legislation. Now the Leader of the Opposition is saying, ‘We might look at it; we might not.’ It will be interesting to see where he finally ends up on unfair dismissals.

Small business operators know that these provisions have helped to create jobs by giving employers the confidence to employ more people, secure in the knowledge that they can take action against lazy or unruly employees. As the honourable member who is at the table knows—the Hunter Valley has many small businesses—small businesses now know that if they put somebody on and it does not work out they can put somebody else on without parting with about $7,000 because of an unfair dismissal claim. In this...
context it is important to recognise that more than 240,000 new jobs have been created since the introduction of the Work Choices reforms in March 2006—240,000 more Australians have jobs as a result of the government’s policies. These jobs would be at risk if the Labor Party were elected and returned to the old industrial relations laws.

In the context of this debate on ACIS—a program providing transitional assistance to the automotive sector to adjust to a low-tariff environment—I wish to make a few comments on other policies that might impact on the sector and the future of manufacturing in Australia; in particular the debate on greenhouse emissions and climate change. Climate change is a topical debate in this House and in the broader community. Climate change radicals, including the Leader of the Opposition, the member for Kingsford-Smith and the member for Grayndler, persist in trying to scare the public on climate change. For years the Labor Party has been talking up radical premonitions of climate ruin and the need for equally radical measures to address climate change, such as emission targets, renewable energy targets and emissions trading schemes. The Labor state governments have even proposed going it alone, introducing emissions trading schemes to win the plaudits of the green movement at the detriment of our industries. Only this last week we have seen an argument about the coal industry erupt in some of the Labor electorates. The Leader of the Greens is saying that the coal industry should be wiped out over the next three years. What a remarkable policy position the Greens have on the coal industry!

Over the last week the Leader of the Opposition got himself into some trouble with his climate change policies, which put at risk major industries such as coal. There has been an ongoing debate about this. I notice that the Labor Party have changed their position because of those of its members who have historically represented the coal mining electorates. Labor has not put on the record what the implications of signing the Kyoto protocol would be for Australian industries or the impacts of other related policies, such as increasing the mandatory renewable energy target—

The DEPUTY SPEAKER (Mr Quick)—Order! I find that the comments of the honourable member bear little relationship to the Australian automotive industry and the ACIS bill, so I would ask him to come back to the bill under discussion.

Mr McARTHUR—I was referring to greenhouse emissions. The automotive sector is struggling to adjust to reductions in industry protection with the reduction of tariff levels. It is appropriate to raise the potential impact of the suggested radical new greenhouse taxes on the automotive sector. The National Greenhouse Gas Inventory 2004 reports that the transport sector contributes 13.5 per cent of Australia’s net emissions, and transport emissions are one of the strongest sources of emissions growth in Australia. Transport emissions were 24 per cent higher in 2004 than in 1990, and are increasing by 1.5 per cent annually. If the climate change radicals in the Labor Party want to address emissions and want to introduce emissions trading schemes, which effectively represent a tax on industry, then the transport industry must logically be one of the sectors targeted. The unilateral imposition of emissions trading in Australia would put domestic industries and manufactures at a disadvantage.

The approach of Labor and the unions to the automotive industry raises some questions. If reductions in tariff protection can have an impact on the profitability of the automotive sector, then what would be the impact of the new emissions taxes on the
sector? How would the industry cope with higher energy costs raising the price of manufacturing inputs resulting from emissions trading and higher mandatory renewable energy targets? What impact would that have on the profitability of Ford in Geelong and other manufacturers in Victoria and South Australia?

Returning specifically to the amendments introduced in this bill, the purpose of the bill is to amend the ACIS Administration Act 1999 to clarify the Commonwealth’s powers to issue an unearned credit liability in circumstances where the ACIS participants have received credits from the government to which they are not entitled. I understand that the need for this amendment has arisen as a result of a recent decision of the Administrative Appeals Tribunal. The tribunal’s finding limited the Commonwealth’s ability to issue unearned credit liability notices to very specific circumstances as under the act. This is a serious matter. Under the ACIS program, credits are paid in advance and audited after to ensure the payments are eligible. As a result of the tribunal’s finding there is a risk that ACIS credits could be paid to automotive industry firms without a guarantee that the payments could be recovered later if the audit found that the firm was not eligible for the payments. This circumstance is contrary to the understanding reached between the industry and government when the scheme was established.

Unless these amendments are made to the act, the government might need to consider an alternative approach to administration of the ACIS which would see claims for credit fully audited prior to the payment of credits, resulting in untimely delays that would be unacceptable to the industry members eligible for credits. These amendments would assist the smooth and efficient administration of this important industry program.

I am pleased to voice my support for the bill in supporting a more competitive and sustainable automotive sector in Australia. I commend the bill and I commend the sentiments of the ACIS program. I put it on the record that I am delighted with the dramatic change that has taken place in the automotive industry. They are now competitive. They are now efficient. I have been an advocate of lower tariffs and the lower tariff regime has brought about this set of circumstances.

Mr RIPOLL (Oxley) (1.37 pm)—I have great pleasure in rising to speak on the ACIS Administration Amendment (Unearned Credit Liability) Bill 2007. I will start by going through what the Automotive Competitiveness and Investment Scheme is. Basically it is an industry assistance scheme for the Australian automotive industry. It is administered by the Department of Industry, Tourism and Resources. The responsibility for the program delivery comes under AusIndustry. The scheme commenced on 1 January 2001 and expired in December 2005. It replaced a Labor government scheme, the Button car scheme, previously called the Export Facilitation Scheme. Since then it has been renewed and extended. In fact, in December 2002 the Australian government announced a new assistance package for the automotive industry. Under the package and after the scheduled reduction in January 2005, automotive tariffs are to remain at 10 per cent until January 2010, when they will be reduced to five per cent, and they will remain at least at that level until 2015. The package also includes an extension of the ACIS scheme from January 2006 to December 2015, albeit with some modifications, including a phasing down of assistance between 2011 and 2015.

The ACIS program, in short, is massive—it is a huge program. It is a massive scheme. In fact, the Productivity Commission stated:
Although assistance to both motor vehicle producers and parts suppliers has declined significantly since the mid-1980s, the automotive industry remains one of the most highly assisted industries in the manufacturing sector. This assistance derives largely from tariffs and tariff concession schemes, particularly the Automotive Competitiveness and Investment Scheme (ACIS).

ACIS is in fact the single largest government tax concession scheme. It represents a massive proportion of industry assistance, and automotive assistance in itself represents about 38 per cent of all manufacturing budgetary assistance. It is a good thing, and it is certainly something we support. We are supporting the amendment to this bill—it is very necessary—but questions still remain and need to be answered on the outcomes of the scheme and whether the Commonwealth and industry are getting bang for their buck rather than perhaps what is taking place at the moment.

The purpose of ACIS is to improve the automotive industry’s investment and competitiveness in the lead-up to the planned implementation of free trade under the APEC Bogor goal in 2010. There are a range of firms that are eligible for assistance. Mostly they are motor vehicle producers. There are also automotive components producers, automotive machine tools and tooling producers and automotive service providers. There is a variation in how they are assisted, through either production credits or investment credits on plant, equipment and expenditure on R&D. Duty credits can only be used to offset an import duty liability within the Australian Customs Service, which is in fact what this bill is about—trying to rectify something which was not in the original intent of the bill in the way it was originally set up. As import duty liabilities arise, a holder of a duty credit can use that credit in lieu of cash to meet that particular liability. Duty credits can also be transferred—that is, they can be sold to any other person—but there are restrictions on their use. The offsetting of an eligible import duty liability still remains.

What today’s amendment to the ACIS Administration Act 1999, and hence the ACIS scheme, does is no doubt necessary and in the best interests of the efficient use of this enormous financial resource set aside for the scheme. However, it is what it is—a minor amendment at the end of the day, a minor amendment to the one and only policy tool that the Howard government has been able to devise to assist the Australian automotive sector. If you took the toolbox of available instruments that the government has, you would see that it is a very large tool but that it is the only tool in its box.

The Minister for Industry, Tourism and Resources is not bringing before this House a vision. There is no new direction, nothing has been planned and there is no considered strategy for the Australian automotive sector. This simple procedural tinkering at the margins is not what the Australian economy needs, nor is it really what Australian industry needs or, for that matter, what the automotive industry needs. I am very happy to have the opportunity to speak on ACIS and on the broader automotive industry and industry related issues, but at the end of the day, while the amendment is supported by Labor, it is a very small, minor amendment.

Labor has for many years now been advocating a much more considered approach, a much more comprehensive whole-of-government approach, to innovation in Australian industry. I do not think anyone would argue that there is no better time than the present to actually get on with that job. The leader of the ALP, Kevin Rudd, has recently articulated a vision for the Australian economy that involves using the great prosperity we currently have through our resources boom to invest in our economic future. That
is very important to the economic future of the automotive industry and, more broadly of course, right across industry.

While the government’s only policy response to lift our productivity has been to introduce ill-advised and unfair labour market reforms, the ALP is thinking much bigger and much smarter. We want to invest in our human and physical capital. We want to invest in our ability to innovate. We want to invest in the future. To do that you have to do it today. Innovation is at the forefront of Labor thinking in finding new solutions and formulas for the Australian automotive industry and for industry.

The Labor Party’s record on automotive industry policy is actually quite impressive. It was the Hawke-Keating government that made the hard, necessary decisions to break down trade barriers. We just heard from the member for Corangamite, who laments tariff reductions—mind you, tariff reductions supported by his own government, of course, because they are necessary. They are necessary to drive that very important tool, the most important tool that industry has, that is international competitiveness. Without that in your toolbox you cannot compete and you cannot survive. All you can do is rely on protection for some short-term gain, and eventually your industry will collapse.

The result of the government not having a focus, not looking at what it ought to be doing, is that the automotive parts industry is struggling. We made the hard decisions on trade barriers, on liberalising capital markets and, yes, on the sensible, measured labour market reforms that were needed at the time. The result was that an industry that was once inward looking is now much more efficient and has endured many decades of competition. It will continue to do so if it becomes more internationally competitive, more focused on the international market and more export oriented, but there is no doubt that it does need assistance from government and some vision in that area.

Because of the Hawke-Keating government, the consumers of Australia have been provided with an automotive industry that makes sense and delivers forward for them, an automotive industry that has rationalised its structure and an automotive industry that has improved its methods, its R&D performance and its export focus. The previous speaker talked about some of those improvements and some of those things that happened, and those improvements today can be seen in the sale to the United States of rebadged Commodores, the success of the Ford Territory, the sale to the Middle East of the Holden Statesman and so forth. All those success stories were not built in the last five years or in the last few years; they were actually built on previous Labor plans—on the Button plan, in fact, which no-one really questions.

If you look at the Button plan and its rebadging as the Automotive Competitiveness and Investment Scheme today, you will find that there is not really a great deal of difference. That in itself is okay; it is okay that the government just picked up Labor’s policy and ran with it. The problem that exists today is that they have not adjusted that policy, that they have not looked forward. The policy was fantastic in its day and delivered much for the Australian automotive industry, but I think it needs another review. I think we need to look a little further down the track. What is going to be the policy for the next two decades? We cannot just sit on a policy that was once successful and say, ‘That’s enough,’ because one thing you can guarantee in life is that a past success does not guarantee a future success. We need to seriously investigate ways to do a better job. Just merely sitting on the policy plans of others is not going to deliver that.
It is almost a great irony that while Labor put in the hard yards, the many years of reform not only in the broader economy but also in industry—and it was quite involved, with vision and leadership required to actually deliver those 16 years of economic growth that we enjoy today—and while the government ride that wave of prosperity, the only policy solution they have is called industrial relations. By giving the tools to drive down wages and making it easier to get rid of people, they think that that is somehow going to deliver greater prosperity, productivity growth, innovation and increased skills. All those things that we actually need will not be delivered just through that one simple tool that this government are using in terms of industrial relations.

As I work through this legislation, I also want to mention that the government’s other response to the automotive industry was a four-page action plan. It is quite uninspiring and, frankly, does very little. What is even more worrying about this action plan from the government is that it ended in 2002. There has been nothing since. There was very little to inspire us back then, but now there is no action plan at all for the automotive industry. It is as simple as that. It has been five years since the government sat down and actually thought about it and asked: ‘What do we need to continue to make the proper adjustments that we need?’

What Labor believes in and what the government ought to be doing is looking at properly investing in skills, in research and development, in human and physical infrastructure. This is what needs to happen, and a myriad of data is there to back that up and prove it. Whenever we raise this data, people say we are talking down the industry or that somehow we are trying to paint a gloomy picture. That is far from the case. Australian industry certainly is doing well, but it can do much better. It certainly needs to do better in the area of emerging technologies and it certainly needs to catch up with the rest of the developed world, particularly the OECD.

When the member for Grayndler made his contribution to the debate on this legislation, he talked about some of the very poor and sad figures about where Australia stands on its spending on education and skills. We are at the bottom end of the OECD when we should be at the forefront, when we should be leading. Australians have a great heritage and great history of being thinkers, innovators and doers—practical people. Partly because of where we come from, our geography, the tyranny of distance and all those harsh elements of Australia, we have always been able to adjust and be innovative. But you need to support that innovation.

If you ask any man or woman in the street, one thing that always concerns them is that all the best ideas that are thought of here in Australia walk their way offshore. We heard from the member for Grayndler about Dr Shi and solar hot water technology. What a great loss to Australia that this technology was actually invented here but was not supported. There were no mechanisms or processes by which he could be assisted to make that happen in Australia, and he had to go back to China to make it happen. I will not go into all the details of that hugely successful story about Dr Shi and the technology, but I lament that great loss to manufacturing in this country.

There are a number of challenges for us and it is poignant to raise that in terms of how we spend our money. Because ACIS is such a large scheme, it is very important that we look at how we spend that money and how that gives us a much broader picture. We will hear much talk in this House about the threat of China and India and international competition, that battle for imports into Australia, but those fronts are not quite
as they seem on the surface. We tend to con-
sider that the really big threat coming from
China is simply cheap labour, that cheap la-
bour will be what makes us come undone
because we cannot compete on that front and
manufacture as cheaply as they can. Aus-
tralia still has an advantage, though. We still
have some natural advantages with our re-
sources, we are still internationally competi-
tive and we still innovate. We still put some
money into R&D, but we are falling behind
in R&D. The reality is that while Australia is
marching backwards in its spending on re-
search and development, China are increas-
ing their spending year on year by 21 per
cent. They have actually understood what is
going to make them internationally com-
petitive in the next two decades, and it is not the
fact that they have cheap labour. That cer-
tainly will give them an incredible natural
advantage, but what will give them an extra
advantage, an extra leg-up over us here in
Australia, is that they are now becoming the
innovators as well.

Imagine the picture in Australia for the
manufacturing and automotive industries,
and for industry generally. Not only do we
have to compete against countries in terms of
cheaper labour but suddenly we have to
compete in terms of how they innovate. I am
referring to how they change processes—
manufacturing and management processes—
and financial industry products. When they
start to become competitive and think out-
side the box, as we have always been known
to do, we suddenly lose the last little bit of
our natural advantage. We will be left only
with resources.

Resources are great, and certainly we are
now going through a once-in-a-lifetime
boom, with the rivers of gold—taxation gold
and revenue—that flow in to this govern-
ment. I have to say that I don’t know what
they are doing with this revenue. Are they
keeping it for a rainy day? Shouldn’t they be
investing it? Isn’t that what they do with our
taxes? Should they hold onto the money or
should they invest it, on our behalf, in educa-
tion skills, in our children’s future, in indus-
try, in the most innovative pathways, emerg-
ing technologies and new industries that will
deliver the jobs of tomorrow? Is it the gov-
ernment’s role to just sit on huge surpluses
and say: ‘Look, aren’t we great? We’ve got
this big bag of money’?

While everything around us is crum-
bling—infrastructure is crumbling; industries
are facing huge challenges globally—the
government says, ‘Look, our bag of dollars is
getting bigger and bigger.’ But it is not doing
anything with it. Any mum and dad sitting
around the table and doing the budget know
they cannot buy a house by just sitting on a
bag of money; they have to borrow and in-
vest. That is the point. This government sim-
ply does not understand that aspect.

The moral of the story I am telling today
in the chamber is a simple one. It would have
been great if the minister had been here to
hear it. The small, minor change contained in
the bill that is before us is simple and
straightforward. Labor supports that change;
there is no question about that. It is some-
thing that needs to happen. But that is it; that
is the end of it. There is just one small, minor
administrative change to ACIS—the single
biggest scheme from the government in
terms of supporting the automotive indus-
try—but there is nothing else. I think that in
itself speaks volumes about the devastating
figures that we have before us regarding
where manufacturing is going.

If we look at some of the data, we see that
manufacturing output has actually shrunk.
No matter what the government says, output
has shrunk; productivity has shrunk. So our
capacity to grow is shrinking. While the
numbers may vary, it is the growth figures
that I think are the most important.
There is also a very sad side in terms of lost manufacturing jobs. Since 1996, 110,000 manufacturing jobs have been lost. That is sad. What is being done, though? I know that a lot of people who lose their jobs in traditional manufacturing areas, if they are skilled up, retrained, if there are packages in place for them, will go on to bigger and better jobs. They will go on to other industries—new, emerging industries. It is a matter of taking old industries and making them new again. So there is potential for them, but the government does not do that. This is not a government that looks forward; it is a government that reacts to what has happened in the past. Not only has it reacted by introducing ACIS, which rebadges a very good Labor program; it has also reacted in a backward fashion. It waits for people to be displaced from industry before it moves forward to do something for them. In my book, that is a little too late. It is a little too late, when somebody loses their job in manufacturing, to decide to give them some sort of assistance package to try and retrain them. It would be much cleverer if the government had packages in place that looked to the future to see where those new, emerging technologies, jobs and industries will be.

There are a whole range of sad figures, and I will not go through all of them. There are some good figures and some bad figures. Obviously, there are niche markets and areas where Australia does incredibly well. There are stories out of Victoria of a components manufacturer that once used to provide a bulk, generic type spring for a vehicle and decided that there was a great niche market for a high-performance, innovative product. It did that and now supplies a global market—Mercedes-Benz and other high-performance car manufacturers—with some great products.

In the short time remaining to me, I want to raise a couple of other points. With respect to the automotive industry, the action agendas—things that the government puts on paper that it wants to do—ended in 2002. In the five years since, there has been nothing. I assume it is no longer interested. There is no action agenda for the broad industry sector either. There is no action agenda for manufacturing. There is no action agenda for emerging industries. There is no action agenda for emerging technologies. Where is the government? Is it just looking backwards again? Obviously it is, because there is nothing in its own documents and papers to suggest that it is in any way interested about the future of the automotive industry or industry more broadly. It just looks to the past. It sits on its rear and hopes that, with a strong economy, driven by a resources boom which it has had nothing to do with, it can skate home and ride the wave of economic fortune. (Time expired)

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (1.57 pm)—I say to the three members who have spoken in the debate on the ACIS Administration Amendment (Unearned Credit Liability) Bill 2007—the member for Grayndler, the member for Corangamite and the member for Oxley—that we do appreciate their contributions. In relation to the most recent contribution, that of the member for Oxley, I say to him that perhaps he has been reading his own press releases and speeches for far too long and he has not actually taken a lesson in reality.

This government developed the action agendas on, and is working in, advanced manufacturing and tooling, and is progressing in the areas of the aviation industry and the motor industry. There is a lot to go forward. The whole idea is that the government works with industry but that industry takes a leadership role, because industry understands and knows the solutions. The action agendas
are designed for industry to have its say to government and then for government to have the opportunity to enact the recommendations that come out of the action agendas.

Today, we are talking about ACIS, involving the automotive industry. There are some key points for consideration, and I will come back to the comments by others in a little while. One of the key points is that this is an exciting industry—an industry that has gone through remarkable change. It is an industry that is renowned worldwide for its innovation; it is renowned for the quality of standards and, in particular, for expertise in design and engineering.

I want to give the House a level of understanding of this issue, which is perhaps highlighted by General Motors-Holden’s recently announced export deal. They will be sending Commodores to the USA, badged as the Pontiac G8. This shows that Australia can compete in an international environment. Americans in particular are very fussy about their motor vehicles.

Our motor vehicle sector has achieved a lot. It employs more than 70,000 people, has a turnover of nearly $24 billion, comprises four major motor vehicle producers and more than 250 component producers, machine tool producers and service providers. The ACIS provides assistance for research and development and is intended to assist investment in these areas in order to achieve further international competitiveness. It is an amazing sector that has gone through the ups and downs of industry, but a sector which has still achieved export volumes of $5.2 billion in 2005-06—a record figure.

In 2006, around 126,000 vehicles were exported to the Middle East, the United States, China, South America, South Africa, New Zealand and South-East Asia. As I said, last week Holden announced it would commence significant new exports to the United States from the fourth quarter of this year. Those exports are likely to be 30,000 units per annum, and possibly more. Ford will be producing new versions of its Falcon and Territory models, and has indicated some will be for export. Toyota has an excellent record in export; it is our leading exporter, primarily to the Middle East. The component sector is also performing well within its export performance arrangements. All of these factors are essential if we are to have a strong domestic industry. The export industry is the cream on the top of our domestic industry.

I listened with amazement to the comments by the member for Oxley. He talked about how it was Labor that got rid of the tariffs that built the viability of this industry. Unfortunately for the member for Oxley, he has not been here for the same period of time that I have. He does not seem to remember his colleagues voting against all of the tariff reductions this government put into place to enhance industry in particular and its competitiveness.

He talks about investment; he wants to talk like a drunken sailor spending. Ninety-six billion dollars was the black hole this government was left with. He wants to talk about increasing taxes so that the government has a bigger cash bag to spend as it sees fit. The best people to understand spending are those who pay the taxes. They do not mind their taxes being invested in a wise manner that returns the benefit to them or to Australia, but they do have concerns when they are used to ramp up spending and then go into an era where spending gets out of control—in particular, in the last year of the Labor government we were left with a $10 billion black hole, which accounted for roughly 10 per cent of the $96 billion worth of debt.
I contrast that to the comments by the member for Corangamite, who made a good contribution. He has been true and steadfast to this motor industry, predominantly because he has the Ford motor vehicle company in his electorate. The member for Corangamite could see the future and knew that, by reforming not only industrial relations, which he mentioned, but also reducing the tariffs agendas, it would provide a more competitive industry and would lead to a higher quality built product in Australia. He understands the industry.

The one who amazes me is the member for Grayndler. He gives the appearance of being a smart fellow, but his speech changed that interpretation. People like the member for Grayndler will continue to grandstand on false figures. It is this government, the Howard government, which is working hard to build a sustainable future for the Australian manufacturing industry. Its industry and workplace reforms have provided a sound economic framework, allowing industry to grow and adapt to a changing global market. As we heard the member for Corangamite say, ‘240,000 jobs have been created since the introduction of Work Choices.’

This is about reform. It is not about words written on paper; it is about affirmative action taken by government that delivers real results. The member for Grayndler talked about a lack of investment. I would say to him we are investing more than $7 billion in the automotive industry, plus another $1.4 billion in the textile, clothing and footwear sector, which he also mentioned, through our long-term industry plans.

It is within this positive economic climate that Australia’s manufacturing sector is achieving some impressive results. Manufacturing industry value added in 2005-06 was $96 billion in real terms, representing 10.4 per cent of GDP. That is sourced from the ABS national accounts figures. Our total manufactured exports on an industry basis rose by $11.4 billion in the 2006 calendar year to reach a record $83.1 billion. The source of that data was the ABS publication on international trade in goods and services. Over that same period exports of elaborately transformed manufactures, or ETMs, rose by nearly $1.4 billion to reach $27.4 billion. The source of that information is the DFAT STARS database. In fact, private new capital expenditure by the manufacturing sector was also at an all-time high last year, as sourced from the ABS publication Business indicators.

It makes a furphy of what those opposite have said: that we have driven back investment, that we have driven back jobs, that we have denied industry investment. I put it to you, Mr Deputy Speaker, that we have created the framework, we have made the investment and, in parallel with that, industry has made the development. In fact in 2004-05 research and development in the manufacturing sector represented almost 41 per cent of Australia’s total business expenditure on research and development, with total expenditure increasing by 3.8 per cent to a record of almost $3.5 billion. The source of that data is again the ABS, in its publication on research and experimental development in businesses. The government is working with industry, the government is creating jobs, the government is attracting investment. This bill, ACIS Administration Amendment (Unearned Credit Liability) Bill 2007 is part and parcel of that.

The government has been providing significant support to the industry through the Automotive Competitiveness and Investment Scheme—ACIS. ACIS is a transitional assistance scheme which encourages the industry to become internationally competitive through investing in its own future at a time of phased tariff reductions. Through these
arrangements, the government has provided the automotive industry with a decade of certainty.

The participants in ACIS number about 250, and they include the four motor vehicle producers and the automotive component producers, automotive toolmakers and automotive service providers. ACIS will deliver assistance to participants through the issue of duty credits and will provide over $4 billion in assistance during the period 2006-2015. This will be of great benefit to the 70,000 employees who work in this industry.

Assistance is provided up-front—that is, duty credits will be issued on receipt of quarterly claims from registered ACIS participants. A subsequent audit process will ensure that claims are legitimate and eligible expenditure. If items of ineligible expenditure or other areas are identified in unearned credit liability, it will be issued to the participant and offset against their future ACIS credits.

A recent decision by the Administrative Appeals Tribunal has important implications for the Commonwealth’s ability to issue UCLs under the ACIS Act other than in a very limited range of circumstances. That decision has raised the prospect that the eligibility of claims from participants may have to be fully assessed prior to any credits being issued, and that will create more red tape for industry. This government is about reducing red tape for industry.

It would be unacceptable from a financial management perspective for the Commonwealth to issue credits unless it is certain that it has the ability to recoup any issued credits to which a participant is subsequently found to be not entitled. The up-front assessment of all claims would result in lengthy delays in the issue of duty credits, which could impose significant financial hardship on members of the automotive industry. The industry has long accepted that issuing credit up-front, and then issuing UCLs should ineligible expenditure be identified, is the best way for them to receive credits in a timely manner. The Commonwealth is keen to ensure that that approach continues.

This bill will confirm the Commonwealth’s ability to issue UCLs. It will ensure that industry can continue to receive credits as soon as practicable after they submit their quarterly returns, and it will ensure that the ACIS scheme can continue to be administered in the manner agreed by all parties when it was established.

In summary, the amendments being debated are designed solely to restore to the Commonwealth the power to administer the ACIS scheme in a manner that best meets the needs of the Australian automotive industry. As I said, members opposite need to take a reality check when they look at industry, which is becoming more competitive and needs red tape to be cut. This bill is a part of that process. I commend the bill to the House and I urge members opposite to support it.

Question agreed to.

Bill read a second time.

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (2.10 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

AGED CARE AMENDMENT (SECURITY AND PROTECTION) BILL 2007

Second Reading

Debate resumed from 8 February, on motion by Mr Pyne:

That this bill be now read a second time.
Ms ROXON (Gellibrand) (2.11 pm)—It gives me great pleasure to be speaking today on the Aged Care Amendment (Security and Protection) Bill 2007. In fact this is the first opportunity for me to address this House on aged care since taking on my portfolio responsibilities for health, so standing here representing my colleague Senator McLucas on this matter is a great honour.

We are dealing with a very problematic issue within the community—that is, the abuse of elderly residents in aged care facilities. This bill is the government’s response to some particularly appalling allegations of abuse which you, Mr Deputy Speaker, and I am sure others in the House would remember came to light in February last year. Members may recall a program that ran on Lateline on ABC TV on 20 February 2006. The story revealed by the family of an aged care resident was about the abuse of their grandmother in an aged care facility. The claim was of the alleged rape of an elderly Victorian woman in a specialist dementia unit. This story offended each and every Australian and was certainly a very confronting issue for many people to address. Further allegations of a less serious but equally offensive nature were also discussed. They included the allegation that an elderly woman was squirted in the face with a water bottle by a so-called care provider. This apparently happened at least three times.

Unfortunately these are not isolated cases. When we debate this very serious issue, and we do not want to downplay the importance of it, we should also rush to add that the vast majority of aged care providers in our community do a fantastic job and that the vast majority of aged care nurses and those who care for the frail and vulnerable are amongst the most compassionate people and staff that we could find in many areas within our communities. But these instances do occur and, unfortunately, they are not isolated. These stories of abuse, sadly, occur far more often than we think. Questions at Senate estimates hearings reveal that, from July 2006 to date, there were 29 allegations of abuse in aged care facilities, of which seven have resulted in charges being laid. That is not a large number, but obviously we need to do and want to do anything we can to make that number zero. This legislation is part of the government’s response to these and other reported events.

While Labor will support the legislation, our view is that it is but a small part of what is needed to tackle the abuse of older people in Australia, not just within aged care facilities but more broadly within the community. This bill does not deal with any of the issues of abuse of elderly people in the community. The key elements of the bill are: the requirement for compulsory reporting; the protection of those who report; the establishment of ‘investigation principles’ by regulation; and significant changes to the aged care complaints process.

Staff members will now be required to report assaults. They can report to the approved provider or an approved provider’s key personnel, to the police, directly to the secretary of the department or to another person authorised by the approved provider to receive reports of suspected reportable assaults.

The particular subsection, 96-3(2), describes the matters that may be included in the way complaints are resolved, and section 63-1AA actually deals with responsibilities relating to alleged and suspected assaults. The section sets out the responsibilities of an approved provider of residential care in relation to an allegation or suspicion and defines what a reportable assault is. It includes unlawful sexual conduct, unreasonable use of force or assaults specified in the account-
ability principles, and there are a number of other matters.

Under this legislation, although this is instituting a process for compulsory reporting, approved providers are afforded with some discretion not to report some allegations of suspicions of sexual or physical abuse. In these cases covered by the investigation principles, all three of the following circumstances must exist in order for the providers to be given the discretion not to report. Firstly, the approved provider must have reasonable grounds for believing that the offender is a resident; secondly, a medical diagnosis must have been made of the mental impairment of the offender; and, thirdly, there must be a behaviour management plan in place for the suspected offenders.

These protections are there, no doubt, as many in this House would know, because a number of sad instances do happen between residents, particularly when you have residents affected significantly by dementia. This regime is designed to protect the elderly people in aged care facilities from abuse at the hands of their carers and others who are running these facilities. It cannot and does not hope to deal with all the issues that occur between residents. Obviously, any assaults and other serious matters will still be reportable and there is nothing in any way which suggests that these sorts of incidents should not be reported. It merely provides the providers with an opportunity and a discretion not to report where some very tight circumstances and conditions are met and where it would not be in anyone’s interests necessarily to pursue this course of action. Where an allegation or suspicion of physical or sexual abuse is made to an approved provider, the provider is responsible for reporting that allegation or suspicion to the police within 24 hours and also to the Secretary of the Department of Health and Ageing.

A very important change as part of this bill is to make sure that, if you are going to have a regime of reporting, you protect those who actually make a report. The legislation requires that staff members who make disclosures must have their identities protected and must not be criticised for having made those reports. Further, it protects the people who have made the disclosure from civil and criminal liability.

This is an essential element of the legislation. Too often in the past, aged care workers who have made reports concerning suspicions of sexual or physical abuse have themselves been ostracised in their working environments. Again, on the Lateline program that we saw early last year an unnamed aged care worker said, in relation to the elder abuse story in a specialist dementia unit in Victoria:

In the facility, in this particular facility, it was starting to happen before I left more and more and you feel you have—you can’t do anything. You have no recourse to say anything. Because if you do say anything, you are then bullied by management, from right up, the head office right the way down. You have no recourse. There is nowhere—you put in reports and say that this is happening. Nothing is ever done. It disappears never to be seen again.

As part of this proposal it is vitally important not just to protect people who do make a report but also to protect the identity of anyone who makes the report. There is a specific provision in the act, section 96-8(7), which specifies how a person should be treated and methods that should be used to ensure that the person’s identity is not given. Identity can only be provided where it is necessary to one or more of the following: a police officer with responsibility relating to the area, including the place where the assault is suspected to have occurred; the secretary of the department; and a person, authority or court
to which the approved provider is required by law to disclose the fact.

Obviously this is important. It means that a person is protected from having their information passed on to other staff, to family members, or perhaps to a range of other people who may have some vested interest in playing havoc with the fact that a report has been made. This is similar to the protections that are provided in many other circumstances when people report offences, to make sure that they are not going to be victimised for bringing the proper attention of the authorities to somebody who is alleged to have committed a terrible offence.

The third element of this bill relates to the provision of ‘Investigation Principles’ by regulation. These principles will provide guidance for which matters are to be investigated, how investigations are to be conducted, considerations in making decisions relating to investigations and procedures for reconsideration or examination of decisions relating to investigations.

This is a significant change to the way complaints about aged care will be dealt with. Many complaints about the current system focus on the frustration caused by the current requirement for complaints to reach a mediated resolution. This has not always proven to be possible or necessarily to be the best way to deal with these matters. For example, Advocacy Tasmania in its evidence to the Senate inquiry into aged care, which was tabled in June 2005, said:

... you cannot mediate about some things. It depends on the actual incident that has happened ... Mediation is fine if there has been some behaviour ... someone being nasty. Ideally it should be recognised that that did happen and there should be some acknowledgement of the fact that it happened ... mediation is not always satisfactory, and unless people are supported it can be extremely intimidating.”

So this system should improve on that situation. The new Office of Aged Care Quality and Compliance will have the power to investigate all complaints. In the case of a breach the office will have the power to require the approved provider to remedy the situation and apply sanctions if necessary.

The fourth element contained in this bill is the insertion of a new part 6.6 into the act and concerns the Aged Care Commissioner. The Aged Care Commissioner will replace the existing Commissioner for Complaints and will have the powers to investigate complaints arising from the actions taken by the new Office for Aged Care Quality and Compliance with regard to investigations and conduct of the office.

The commissioner will also examine certain decisions and complaints made by the office and make recommendations accordingly. The commissioner will examine complaints about the conduct of an accreditation body or the conduct of a person carrying out an audit or making a support contact under the accreditation grant principles. The commissioner may make recommendations to the accreditation body arising from the examination but will not examine a complaint about the merits of a decision under these principles.

It may all sound like a fairly technical process with the number of new offices, but I think in this area it is really important to get good procedures in place, and this is the government’s attempt to do that. These technical changes will hopefully make a difference to the safety and security of people who are in our aged-care facilities and also to the comfort and confidence of families that their loved ones are being treated appropriately.

The commissioner—and I think this is quite an important addition—will also have the capacity to undertake ‘own motion’ reviews. The commissioner will advise the
minister, at the minister’s request, about any matters that arise from examinations.

While there is some flexibility in the terms of the commissioner’s functions, the bill also ensures there is appropriate parliamentary scrutiny of any additional functions that might be proposed in the future. The commissioner will have some discretion not to deal with a complaint when a complaint is deemed to be frivolous or vexatious, or was not made in good faith because it was already being reviewed by a court or tribunal.

I turn now from the key elements of the bill to the financial impact of these changes. It is important for the House to note the financial impact statement in the explanatory memorandum, because it is staggeringly brief. It boldly states:

The new initiatives that are implemented through this Bill are part of a $90.2 million … package of reforms aimed at further safeguarding older people in Australian Government-subsidised aged care from sexual and serious physical assault.

But these words in no way indicate what the financial impact of this legislation will actually be. Deputy Speaker Jenkins has been in this place a lot longer than me and probably remembers when financial impact statements were introduced—he may not go quite that far back; I am certainly not trying to cause any offence to the Deputy Speaker! They were introduced by the Hawke government, by the then finance minister, John Dawkins, who set out the need for governments or parliaments to tell the community what action they are taking, why they are taking it and how much money they are going to spend on it.

The new initiatives that are implemented through this Bill are part of a $90.2 million … package of reforms aimed at further safeguarding older people in Australian Government-subsidised aged care from sexual and serious physical assault.

He said at the time that the government was ‘taking this action on financial impact statements because it believes the community has the right to know the financial and economic effect of government policies and programs and that this reform would give tangible effect to this belief’. Unfortunately, if Mr Dawkins were here today to read the financial impact statement for this bill, I think he would be very disappointed. Labor put that framework in place for sound financial management, but the Howard government is now thumbing its nose at it—quite regularly, I might say, but particularly in relation to this bill. It is far from adequate, but it is not that surprising given the lack of respect that the Minister for Ageing—not to mention the Minister for Health and Ageing in this chamber—has traditionally shown for parliamentary processes and scrutiny. I would have thought that the department in particular would be desperate not to have this bill go forward with such a flippant explanation of its financial impact and so little opportunity to understand what it includes. The community, of course, have a right to know how much is being expended and on what.

I also want to draw the House’s attention to the issue of timing in relation to this bill. The issue of timing has been a regular problem for the Minister for Ageing. He announced that the government would introduce this legislation in July last year, with a start-up date of 1 April 2007. But it is not as though the legislation was available in July last year; that might have given people some time to think about it! He seems to have forgotten the need for what is perhaps just of passing interest to a minister: the legislation needs to pass through the houses of parliament to come into effect. Having only introduced the bill on Thursday and wanting it debated today, with no opportunity for feedback from the community, the minister seems to have taken it for granted that the parliament will pass whatever the government wants and in whatever time frame it wants. He does not seem to believe that the parliament has a proper right to be involved in this process and the community has a right to understand the proposals.
Although these concerns have been around for a long time—these issues have been raised regularly and the government could have acted much more quickly in responding to them—the government took their time to take any action. But now that they have taken action they are determined to rush the legislation through, to the point that the bill had not actually been introduced into this House when our shadow minister in the other place was asked to sign on to a Senate committee reviewing the bill, a bill that she had not even been paid the courtesy of being shown. She was asked to agree to a timetable for consultation through the Senate review process when the bill had not even been provided to her.

This is a ridiculous way to run a government. Unfortunately, we are seeing it more and more now that the government has the numbers in both this House and the Senate. The Senate has set a reporting date of 1 March 2007 for the committee reviewing this bill, a very short time frame—one that the government pushed through and expected Labor to agree to even though the bill had not been shown to the shadow minister. On what basis does the government think that people will make a decision if they do not even get to see the legislation before they are expected to agree to it?

Then, last Thursday, the bill was tabled in the House of Representatives and, of course, long before any opportunity for feedback or response, changes were able to be made in the Senate. We have come to expect this from the Minister for Ageing: on 21 December 2006, just four days before Christmas, this minister tabled a series of delegated instruments which were to have immediate effect and of which he had not given the aged-care sector any notice at all. I am not sure how the minister thinks the aged-care sector can actually deal with these sorts of issues when they are given no notice of changes and things are rushed through several days before Christmas.

As I mentioned, the bill has now been sent to a Senate committee legislation inquiry through which we will ascertain the workability of a number of these proposals. In particular, Labor senators will need a clarification of the discretion not to report; the definition of ‘mental impairment’, including the evidence needed to establish it; the process for establishing existing resident diagnosis; and the actual cost of the changes. Labor flags here that, as a result of the Senate inquiry, it may become apparent that amendments are needed to technical aspects of the bill.

In conclusion, while these measures are welcome and Labor supports the bill, the process for the bill is not welcome. The bill has been rushed into the parliament. The shadow minister was not even paid the courtesy of being shown the bill before the government recommended it go to a Senate legislation inquiry. The ‘Investigation Principles’ that support this bill are still in draft form and have not even been sighted; they are being implemented two years after a Senate inquiry. We are still being forced to rush the bill through the House even though the government dragged its feet for two years on this vital issue of protecting people in aged-care facilities from serious abuse. It is about time that the government took this seriously and worked with the community to deal with these shocking and appalling reports of how some older Australians have been treated, in limited circumstances, in aged-care facilities. We need to make sure that steps are also taken to deal with the abuse of older people outside aged-care facilities.

The SPEAKER—Order! It being 2.30 pm the debate is interrupted in accordance with the resolution agreed to earlier today. The
debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.30 pm)—Mr Speaker, I inform the House that I will be absent from question time tomorrow as I will be in New Zealand to attend the annual trans-Tasman prime ministerial talks. The Deputy Prime Minister, who will act as Prime Minister during my absence abroad, will answer questions on my behalf.

QUESTIONS WITHOUT NOTICE

Iraq

Mr RUDD (2.30 pm)—My question is to the Prime Minister. I refer to the Prime Minister’s rejection of the bipartisan US Baker-Hamilton strategy recommending a staged withdrawal of US forces to pressure the Iraqis to negotiate a political settlement between the Sunni and the Shia. Why does the Prime Minister reject a strategy that his own Minister for Foreign Affairs greeted as a good piece of work and one that drew all the right conclusions?

Mr HOWARD—As usual the Leader of the Opposition is misrepresenting not only what I say but also what the Minister for Foreign Affairs says. Let me go to the Baker-Hamilton report. Let me read to the House an excerpt from the Baker-Hamilton report. On page 37 it states:

A premature American departure from Iraq would almost certainly produce greater sectarian violence and further deterioration of conditions, leading to a number of the adverse consequences outlined above. The near-term results would be a significant power vacuum, greater human suffering, regional destabilization, and a threat to the global economy. Al Qaeda would depict our withdrawal as a historic victory.

Let me repeat that:

Al Qaeda would depict our withdrawal as a historic victory. If we leave and Iraq descends into chaos, the long-range consequences could eventually require the United States to return.

Those words are very close to the words of the national security estimate, which no doubt the Leader of the Opposition has read, in which it said amongst other things:

If Coalition forces were withdrawn rapidly during the term of this Estimate, we judge that this almost certainly would lead to a significant increase in the scale and scope of sectarian conflict in Iraq, intensify Sunni resistance to the Iraqi Government, and have adverse consequences for national reconciliation.

It went on to say:

If such a rapid withdrawal were to take place, we judge that the ISF—

Iraqi Security Forces—would be unlikely to survive as a non-sectarian national institution; neighboring countries—invited by Iraqi factions or unilaterally—might intervene openly in the conflict ...

and it goes on in similar vein. When challenged to state his own view as to the consequences of an American withdrawal by March 2008, the Leader of the Opposition has sought refuge in cherry picking Baker-Hamilton. That is what he has sought to do. The Leader of the Opposition has sought refuge in cherry picking Baker-Hamilton and he has ignored the conditionality of the proposition put in Baker-Hamilton. He has completely ignored the assessment that if there were a premature withdrawal in Iraq by the American forces there would be the consequences that have been outlined.

The most that the Leader of the Opposition would say this morning on AM when he was asked about the consequences of an American defeat or withdrawal in circumstances of defeat was: it would be bad. The sum total of the Leader of the Opposition’s assessment of the consequences of an American withdrawal in circumstances de-
picted as defeat is that it would be bad. That is the one word: it would be ‘bad’. I think it would be worse than that. It would represent a catastrophe for the West. It would have serious security implications for this country. A humiliated, weakened America after a withdrawal from Iraq depicted as a defeat would be bad news for the world and it would be bad news for the security of Australia.

Iraq

Dr SOUTHCOTT (2.34 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of international attitudes on the future of Iraq? Is the minister aware of views which could imperil Iraq’s future?

Mr DOWNER—First, I thank the honourable member for Boothby for his question and for his interest. I have been in Munich at the security conference there and I had the opportunity to talk with US Defense Secretary Gates, several United States Republican and Democrat members of the Senate and the House of Representatives, the German foreign minister and the defence minister, the Pakistani foreign minister, the NATO Secretary General and the Swedish foreign minister. I also went to Ankara and met with the president, the foreign minister and the speaker of their parliament, who, Mr Speaker, sent his best wishes to you—I believe you are acquainted.

The point is, in relation to the honourable member for Boothby’s question, that of course this list of people—and there were others—have a variety of different views over whether it was right or wrong to throw Saddam Hussein out of office. But they are all united on one point—that is, a precipitate withdrawal from Iraq would be disastrous. It would be a victory for terrorists. It could draw neighbouring countries, such as Iran, Saudi Arabia and possibly even Turkey, into the conflict. It would destabilise the Middle East as a whole. It would have disastrous consequences in the war against terrorism. It would embolden terrorists around the world and bring terrorism closer to Western countries. But, ultimately, it would also be a human disaster for the people of Iraq. They are suffering enough.

Opposition members interjecting—

Mr DOWNER—Labor members interject. ‘What about now?’ They are suffering enough already. Why is it that the Leader of the Opposition would wish them to suffer more by the precipitate withdrawal of American troops? As the Prime Minister has pointed out, when the Leader of the Opposition—and before he was Leader of the Opposition, by the way, when he was the spokesman on foreign affairs—is asked, ‘What would be the consequences of an American withdrawal?’ he always ducks the question. On 17 October he was asked that question eight times and he decided it was not convenient to answer that question. Of course I know while I have been away he has been asked that question and has continued to duck it. He came up with this thought bubble that he might quote the Iraq Study Group, and so he ran that line. He would not answer the question—

Ms Plibersek—What’s your exit strategy?

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

Mr DOWNER—except for some blather on the Iraq Study Group, which is, to say the least, cherry picking, selective quoting and deeply misleading. The Iraq Study Group has been quoted by the Prime Minister, but it also said:

The point is not for the United States to set time-tables or deadlines for withdrawal, an approach ... we oppose.

That is what the Iraq Study Group said. Labor members obviously have not read the
report of the Iraq Study Group. There is no doubt about it: the international community believes it would be a mistake for America to withdraw precipitously and the Leader of the Opposition happens to think the reverse. The opposition spokesman on foreign affairs, the member for Barton, said, when President Bush announced the surge, that Labor was opposed to the surge.

Mr McClelland—Dead right!

Mr DOWNER—Yes, he says. But the Iraq Study Group said that it could support a surge. So the Labor Party says it supports the Iraq Study Group; the Iraq Study Group said ‘we could ... support a short-term redeployment or surge of American combat forces to stabilise Baghdad’. So when the Labor Party, in particular the Leader of the Opposition, desperately trying to find populist positions, starts flailing around on a national security issue, he is exposed, as he has always been exposed on national security issues, for being an opportunist and not a deep policy thinker.

Mr McClelland—Mr Speaker, I rise on a point of order. Insofar as the Minister for Foreign Affairs was referring to the report of the Iraq Study Group, will he table the—

The SPEAKER—that is not a point of order.

Mr McClelland—I seek leave that I might request that the Minister for Foreign Affairs table the entirety of the document from which he was referring, including the recommendations of the Iraq Study Group.

The SPEAKER—Was the minister reading from a confidential document?

Mr Downer—He can borrow the Iraq Study Group report—the Leader of the Opposition has a copy just there.

The SPEAKER—Was the minister reading from a confidential document?

Mr Downer—Yes.
defence minister over a lengthy period of
time, and they are that by our continued
presence, by the contribution we make to the
training of the Iraqi security forces, by the
confidence we give to the people of the Iraq
by our continued support, we are creating the
circumstances where the people of Iraq—

Mr Tanner—How’s that going?

The SPEAKER—Order! I have had to
take action with the member for Melbourne
every sitting day this year. I give him a very
clear warning: if he continues to interrupt I
will deal with him very severely.

Mr HOWARD—I repeat that our strategy
is through what I have said, most particularly
through the training that we are providing in
cooperation with our allies, the contribution
we are making by our presence to the general
security situation, the backup role that we
have in the southern part of Iraq, we are cre-
ating—

Mr Price interjecting—

The SPEAKER—Order! The Chief Op-
position Whip is warned!

Mr HOWARD—the circumstances where
it will be possible for the Iraqi security
forces to provide in time the protection that
is needed so that we can be reasonably con-
fident that the people of Iraq can embrace the
democracy they so clearly have voted for.

That has always been our goal: to give the
people of Iraq a bit of hope. You want to
deny them a future. You want to deny them
any hope. You want to condemn them to the
violence and chaos which everybody from
Baker through to General Pace through to the
Prime Minister of Iraq through to the head of
the CNN bureau in Baghdad, reported this
morning on Radio National—

Mr Albanese—Mr Speaker, on a point of
order: this question is less than 19 words.

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

Mr Albanese—It asks: what is the Prime
Minister’s exit strategy for Iraq?

The SPEAKER—The member for
Grayndler will resume his seat. That is not a
point of order.

Mr Albanese—On relevance.

The SPEAKER—You did not raise the
point of relevance when you were on your
feet.

Mr Abbott—Mr Speaker, this is clearly a
tactic by the opposition, orchestrated by the
Leader of the Opposition. He has plainly
unleashed the member for Grayndler to de-
liberately disrupt answers to questions.

The SPEAKER—What is the point of
order?

Mr Abbott—It must be dealt with.

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

Opposition members interjecting—

The SPEAKER—I do not believe the
Leader of the House raised a point of order. I
have dealt with the member for Grayndler’s
non point of order. The member for
Grayndler has another point of order?

Mr Albanese—Mr Speaker, on relevance:
the Prime Minister, at the beginning of the
answer, redefined the question.

The SPEAKER—The member for
Grayndler will resume his seat. The member
for Grayndler knows that if he wishes to
raise a point of order he should come straight
to it. He has done that and I will rule on it. It
is clear to me that the Prime Minister is en-
tirely in order.

Mr HOWARD—Our strategy, in coop-
eration with our coalition partners, is to build
the circumstances where the Iraqi security
forces are able to provide a reasonable level
Mr Burke—Mr Speaker, I raise a point of order under standing order 104. The Prime Minister missed the word ‘exit’.

The SPEAKER—The member for Watson will resume his seat and I will rule on his point of order. I have been listening carefully to the Prime Minister and he is entirely in order.

Mr HOWARD—Part of our goal is to avoid the disastrous consequences of a premature withdrawal from Iraq—as described by Baker-Hamilton, as described by the national intelligence assessment and as described by General Peter Pace, Chairman of the Joint Chiefs of Staff, who was here in Canberra only two days ago. This is what he had to say:

I think that if coalition troops pull out prematurely then we will then have a humanitarian disaster—

A humanitarian disaster! That is what the opposition want to happen in Iraq—a humanitarian disaster—

because you will have sectarian violence that will get out of hand. You will have then many more Iraqis who are killed and you will have then, I believe, a spillover effect into Afghanistan.

So our strategy is to create the circumstances of stability by staying until the job is done so that the Iraqi security forces can look after the security of that country without foreign assistance. And our strategy is also to avoid a precipitous withdrawal and a withdrawal of American forces in circumstances depicted as defeat.

I say again—and I say it very deliberately to the Leader of the Opposition—that if out of Iraq America retreats in circumstances of defeat and humiliation, the consequences will be enormous not only in the Middle East and for Iraq but around the world, including for the long-term security interests of our nation.

Water

Mr SECKER (2.49 pm)—My question is to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister explain to the House why a national approach to water management in the Murray-Darling Basin is important for regional Australia and especially for my electorate of Barker?

Mr VAILE—I thank the member for Barker for this question. To specifically answer the question, the member for Barker need look no further than the fact that, until Melbourne Cup day last year, the states had not done any contingency planning at all for supplying water to the communities across the lower Murray-Darling Basin, particularly in the electorate of Barker, given the extreme circumstances as far as those water supplies were concerned. It took a meeting convened by the Prime Minister to address the issue and put in place those contingency plans. It took the federal government’s announcement of a $10 billion investment to secure those water supplies into the future and take a national approach to what is a significant issue.

The member for Barker knows only too well the track record of our government in securing water supplies in his electorate. We have made significant contributions to piping the Loxton irrigation system which have ad-
dressed a couple of issues: water security and salinity. It is very important to recognise our government’s commitment. We have continually tried to improve the circumstances of industry and communities alike throughout the Murray-Darling Basin system.

We have heard comments today from the National Farmers Federation supporting our National Plan for Water Security. We welcome that support. The farming community have been calling for this sort of investment for quite some time. They have been calling for a recognition of what needs to be done to improve the circumstances of the system. To them, this $10 billion investment represents an acceleration of the National Water Initiative, something they have been consistently calling for.

This morning, along with the Minister for the Environment and Water Resources and the Minister for Agriculture, Fisheries and Forestry, I met with representatives of the National Farmers Federation and also with an expert based group of representatives from the irrigation industry to discuss the implementation and the way forward with this plan. They are all committed to seeing the investment taken across a number of states in this system to generate more water—to save that water that we have indicated can be saved with the $10 billion investment. They want the federal government to get on with it. They want to be involved in this process and in the technical development of the scheme, and we welcome that commitment from the industry.

It is important to note that we need to implement this plan and we need the states to agree that this plan needs to be implemented. The Prime Minister has made abundantly clear to the states our view of how this structure should work, and this decision should be taken in the national interest. That is the attitude of the National Farmers Federation.

That is the attitude of the irrigators in industry that operate right throughout the basin towards this plan. It is time that the state governments also took that approach and started thinking about the communities, thinking about the industry and thinking about the jobs that rely on water security throughout the basin and beyond that can benefit from the implementation of this plan. They should understand that water security equals job security, and just at the moment in regional Australia there is no greater imperative to dealing with some of these issues than securing job security into the future.

DISTINGUISHED VISITORS

The SPEAKER (2.53 pm)—I inform the House that we have present in the gallery this afternoon visitors from the Swedish regional ambassadors meeting. On behalf of the House, I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Iraq

Mr RUDD (2.54 pm)—My question is again to the Prime Minister, on Iraq. Given that the mission statement of our troops in Iraq has been first to find weapons of mass destruction, then to secure a regime change, then to protect Japanese troops and then to perform security overwatch, given these changes, will the Prime Minister precisely define for the parliament what is the current mission statement of our troops in Iraq and what reasonable, precise benchmarks have been set in terms of the numbers of Iraqi forces which need to be trained?

Mr HOWARD—I have already indicated in answer to the last question what, to use the Leader of the Opposition’s expression, mission statement. In an earlier question it was ‘exit strategy’. I think, ‘mission statement’, is a better term to use. It is a rather more
hopeful expression, and I am into hope; I am not into surrenders—so I think it is a rather more hopeful expression. I noticed this morning on radio that the Leader of the Opposition was sort of saying, ‘Oh, well, we only have this number of people.’ Yes, we only have just under 1,500. They are making a wonderful contribution in a very difficult situation, and it ill behoves the Leader of the Opposition to give any credence to the proposition that our contribution is inadequate.

But what we want is a situation where the Iraqis can reasonably provide for their own security. They plainly cannot do that at the present time, and all the intelligence assessments suggest that. It stands to reason that if participants in the coalition from the very beginning—and that includes Australia—start nominating so-called exit dates, it will only encourage those who want to prevent the Iraqis being in a position to look after themselves to continue the mayhem and maintain the chaos, maintain the sectarian strife and the sectarian violence in the full knowledge that, eventually, nations having nominated an exit date will give fulfilment to that prediction.

It seems to me to be an elementary exercise in common sense that when a nation that was in the coalition from the beginning stands up and says, ‘We want to be out by X month in X year,’ those who are opposed to our interests are going to say, ‘All we’ve got to do is keep the mayhem going until that particular date and then we know we’ve got them.’ That was really, in a sense, the starting point of some observations that I made at the weekend. I think it is very unwise in the extreme, if you are interested in a strategy that produces a positive result for the people of Iraq, to be nominating the benchmarks that the Leader of the Opposition is calling for. And he knows that. Part of the Leader of the Opposition’s dilemma in this matter is that in his heart he knows what I say is right about the consequences of a precipitate coalition withdrawal. He must understand that if the coalition leaves before the Iraqis are able to look after themselves, the place will descend into greater conflict and into total civil war, and the consequences of that will be enormous.

I say again to the Leader of the Opposition: our position has been clear. Our position has been forthright. We know it is not popular with a lot of Australians. We know it is not popular with the opposition—but at least we have the courage to state our position. At least we have the courage to state it and argue it. But all the Leader of the Opposition can do in response to my challenge is to go on radio this morning and try and cherry pick the Baker-Hamilton report and, when he is finally confronted on the third or fourth occasion with a question about the consequences of an American defeat in Iraq, he says, ‘Oh, it would be bad.’ It would be more than bad, let me say to the Leader of the Opposition. It would be, to use one of his expressions, a ‘rolled gold’ catastrophe for the security interests of our own nation.

Economy

Mr McARTHUR (2.58 pm)—My question is addressed to the Treasurer. Would the Treasurer outline to the House the recommendations of the OECD’s report Going for growth? Are there alternative models for the economy?

Mr COSTELLO—I thank the honourable member for Corangamite for his question. Overnight, the OECD released Economic policy reforms: going for growth 2007, which made recommendations for all of its members, including Australia. The OECD recommended five reforms that it believed would enhance growth and productivity in the Australian economy. The first was to ‘reform disability benefit schemes’.
Mr Speaker, you would know that the government has been attending to this, against the opposition of the Labor Party—alas!—over the last couple of years.

The second thing the OECD recommended was to ‘improve upper-secondary education attainments’. You would know, Mr Speaker, that it is a focus on this that has led the government to introduce the Australian technical colleges and, indeed, to push standards under a national curriculum, because the secondary education system is mostly run by the states.

The third recommendation was to ‘strengthen competition in network industries’, such as electricity and telecommunications. Again, the government is focusing on this with the Australian energy market, which the Commonwealth has been leading at the national level.

The OECD recommended that withdrawal rates for means-tested benefits be lessened, and of course the government has been putting this in place over successive budgets, reducing withdrawal rates on pensions, on family payments, on Newstart allowance and on other payments.

The fifth thing which the OECD recommended was a phase-out or rationalisation of the award system, and members of the House will know that the Work Choices legislation is designed to make the Australian economy much more flexible.

May I stop there and say that most of these reforms were opposed by the Labor Party. The Labor Party opposed reforming the DSP system when we introduced it, and cried foul about it. The Labor Party has been attacking the government over technical colleges. The Labor Party, through its state branches, has not been cooperating to the degree it should have in relation to competition and national energy markets. The Labor Party never had the wit to reduce withdrawal rates, which this government has attended to in recent budgets. And, of course, the Labor Party defends the award system.

The Labor Party has been opposing all of these things which the government has been working on, just as it opposed balancing the budget, repaying debt, introducing the new tax system, reforming industrial relations and establishing the Future Fund. Then of course the Leader of the Opposition goes on television on the weekend and says: ‘Coalition policy is my policy on the economy. Don’t worry about my policy; it’s all the coalition’s policy.’ The people of Australia are not fooled by that. They are not fooled by the bloke who turns up after the house has been constructed and says: ‘It’s all my handiwork. I might have opposed you when you were laying the foundations, tried to stop you putting up the frame, delayed the delivery of the tiles and kept the plumber away, but it’s all my work.’ That is the way the Leader of the Opposition approaches economic debate, and he is probably one of the best of them.

I am asked what other models there are. One of the models that seem to have a lot of appeal to the Labor Party is the Venezuelan model—Hugo Chavez. Let me remind the House that Labor has signatories to an invitation to President Chavez to come to Australia so that he can talk to us here in Brutopia about how to improve things. It says:

... what Venezuela has been able to achieve in so little time will be a source of inspiration and ideas for many in Australia.

Ms Roxon—Mr Speaker, I raise a point of order on relevance. This cannot possibly be relevant to the question. It might have been funny once, but not twice.

The SPEAKER—The member for Gellibrand will resume her seat. The Treasurer is responding to the question and he is certainly in order. I call the Treasurer.
Mr COSTELLO—This is the model which a former ALP president and current senators actually endorsed that we should learn from, and they are not the only ones. As you go around the ALP websites, there are a lot of people who are enamoured with President Hugo Chavez. For example, Duncan Kerr, member for Denison, is advertising a speech on Venezuela ‘challenging US domination in the 21st century’.

Mr Albanese—Mr Speaker, I raise a point of order on relevance. This was a question about the OECD.

The SPEAKER—The Manager of Opposition Business will resume his seat. As he would be aware, there was more to that question than the point that he just raised. I call the Treasurer and ask him, given the time he has taken, to draw his answer to a close.

Mr COSTELLO—It is the part of the question that asks about different models—

Mr Price—Mr Speaker, I rise on a point of order. I ask that you enforce standing order 64.

The SPEAKER—I call the Treasurer. The Treasurer is in order.

Mr COSTELLO—The OECD has a recommendation in relation to the Australian economy and how economic policy should be adopted. The model which the government will not be following is the Venezuelan model of Hugo Chavez, as recommended by the member for Denison. He tells you how you can get down to the University of Tasmania and discuss:

... the challenges and goals for the Bolivarian Revolution that is improving the quality of life of millions of poor, and empowering them to take control of their society and build an alternative system to the US Empire...

That is just one of the Labor Party members, but let me assure the member for Gellibrand that this will go on day after day because there are so many of the ALP who admire Hugo. They admire all of the shortages in the Venezuelan economy. They regard themselves as supporters of the Bolivarian Revolution—Bolivarian socialism.

The Leader of the Opposition may be a Christian socialist by his own admission, but many of his backbench are Bolivarian socialists—and we are entitled to know how much influence they will have over economic policy in relation to a future Labor government. We are entitled to know where this motley, ragtag left-wing crew would take this country if they ever got their hands on the levers of power and brought the Bolivarian dictator’s ideas for inspiration to Australia.

Iraq

Mr RUDD (3.07 pm)—My question, again to the Prime Minister, is on Iraq. I refer to his previous answer where the Prime Minister rejected any role for benchmarks when it comes to a future exit strategy for Australia. The Prime Minister has also endorsed the Bush surge strategy on Iraq. Is the Prime Minister aware that it refers to a large number of benchmarks which should be met by the Iraqis in the period ahead? Can the Prime Minister guarantee, if in response to President Bush’s surge strategy over the next few months the Iraqis fail to meet these benchmarks demanded of them, that the US will not then begin a staged withdrawal?

Mr HOWARD—In a situation that is so difficult and fraught in Iraq, it is difficult, as he knows, for anybody to responsibly give ‘guarantees’, as he calls them. But I can, using that term in a very broad sense, guarantee that, if the approach that he is adopting were to be adopted by coalition governments, you could guarantee total chaos in Iraq; you could be certain of that. The point I was making, as he knows, in answer to the earlier question is very simply that, if participant governments in the coalition start nominating dates by which forces are going to be with-
drawn, what they are doing is inviting our enemies, inviting the terrorists in Iraq, to persist with the destabilisation and the mayhem and the bloodshed in the certain knowledge that ultimately the nerve will be lost and ultimately a withdrawal will take place. The Leader of the Opposition knows that.

Mr Kelvin Thomson interjecting—

The SPEAKER—The member for Wills is warned!

Mr HOWARD—If the Leader of the Opposition is wanting to make a constructive contribution to the debate, he should address his central responsibility, and that is to tell the Australian people what he honestly believes will be the consequences of a precipitate coalition withdrawal by 2008, next year. That is really what this all revolves around. This latest rekindling of the debate in the parliament on Iraq started because I was criticised for responding to a view about withdrawal by 2008. I have said what I think; I have told the Australian people. I have been criticised—an attempt was made to censure me by the Leader of the Opposition; I have been criticised in sections of the Australian media, not by all of it but most of it—but that is the consequence of taking a stand.

Mr Swan—Also in parliament.

The SPEAKER—Order! The member for Lilley.

Mr HOWARD—The problem is that those who sit opposite will not take a stand.

Opposition members interjecting—

Mr HOWARD—Well, they laugh! I notice the shadow Treasurer, the member for Lilley, was interjecting a moment ago. He was on Brisbane radio this morning—with my friend and distinguished colleague the Minister for Families, Community Services and Indigenous Affairs—and the question was asked by Madonna King:

The situation is dire there right now, Wayne Swan. What do you think would happen if the troops did pull out?

Answer:

I don’t know what would happen when the Americans pull out.

That is what Wayne Swan had to say. Then he was asked, a bit later on, a very similar question, and he said, ‘Oh, look, don’t ask me. Go and talk to Kevin about it.’ That is the measure of responsibility from this great contributor!

The SPEAKER—Order! The Prime Minister will refer to members by their seat.

Mr HOWARD—Can I just say to those who sit on the opposition front bench that this is a serious public policy issue. If you want to make a serious contribution to the debate, the first thing that you have got to do is to have the courage to say what you really believe. Don’t hide behind cherry-picking the Baker-Hamilton report, don’t hide behind misrepresenting what the Minister for Foreign Affairs said, don’t hide behind slogans; actually front up to the Australian people and say, ‘I believe that if the Americans were to pull out by March of 2008 then the following would be the consequence.’ I have had the courage to do it; it is about time the Leader of the Opposition did likewise.

North Korea

Mrs MOYLAN (3.12 pm)—My question is addressed to the Minister for Foreign Affairs. What is the government’s reaction to the announced North Korea six-party talks agreement?

Mr DOWNER—First of all, I thank the honourable member, and I can tell her that the Australian government welcomes the agreement that has been reached at the most recent session of the six-party talks in Beijing. This is a good start. But, having said that, obviously it will require monitoring and follow-up.
Clearly, we very much hope that, having reached this agreement, the North Korean government will fulfil their obligations to move quickly to disable permanently its nuclear programs. Under this agreement, within 60 days North Korea is to shut down and seal its nuclear reactor at Yongbyon and allow the entry of International Atomic Energy Agency inspectors. Also, working groups will meet within 30 days to discuss economic and energy cooperation with North Korea and the whole issue of the normalisation of political relations. The next phase of activity will see North Korea provide a complete declaration of all of its nuclear programs and the disablement of all of its existing facilities, and North Korea would then receive emergency energy assistance followed by a package of economic, energy and humanitarian assistance.

I want to take the opportunity in particular to pay tribute to the American negotiator, Assistant Secretary Christopher Hill, whom many members of the government know, and to the Chinese government for the very good work that they have done also to help make this early step forward possible. This is of course the beginning of a process for North Korea to rejoin the international community. It does need to abandon all of its nuclear weapons and programs and return to the nuclear non-proliferation treaty and subject itself fully to International Atomic Energy Agency safeguards.

I am glad to say that Australia worked closely with our regional partners—Japan and China. I visited North Korea on a couple of occasions myself. We clearly worked closely with the United States in order to do what we could in support of an agreement. In continuing support of an agreement, we will consider what assistance in certain circumstances we might directly provide to North Korea. We have in the past provided food assistance through the World Food Program, and it is possible that we could provide some additional assistance, including energy assistance and safeguard expertise.

I am glad to observe that the opposition’s spokesman for foreign affairs, the member for Barton, has welcomed this agreement. That is good to see. I note, though, that he said in the same context that, whilst he welcomed this agreement, Iraq had been a ‘distraction’. I thought that was a curious thing to say. It is pretty obvious that it has not been. It is pretty obvious that the Americans and the international community have been able to work on this issue. It has been laborious and difficult, but it is a process that has so far gone pretty well. Iraq or no Iraq, it has certainly been possible to do a good job on this. If American prestige is damaged by defeat in Iraq, it will make it much more difficult for the Americans to negotiate these sorts of agreements with other countries in the future. There is no doubt about that. If America is humiliated in Iraq, it will diminish American power and influence around the world and that will be at a price that all of us, including Australia, will pay.

**Iraq**

Mr Rudd (3.16 pm)—My question is to the Prime Minister. I refer to the Prime Minister’s last answer where he conceded that he could not guarantee that the United States would not begin a staged withdrawal following President Bush’s surge strategy in Iraq. Given that another 100 Iraqi civilians will die today, adding to the 61,000 who have died so far following his failed invasion of Iraq, when will the Prime Minister have the courage and decency to admit that he got this war radically wrong from day one?

Mr Howard—Let me start at the beginning. I believe that the participation of Australia in the coalition back in 2003 was correct. I remind the Leader of the Opposition that he was even more strident than I
was in his assertion that Iraq had weapons of mass destruction. He was not relying on intelligence when he gave that now famous address—and it is going to become even more famous as time goes by—to the State Zionist Council of Victoria. This is what he had to say:

Saddam Hussein possesses weapons of mass destruction.

It got even better—

That is a matter of empirical fact. If you don’t believe the intelligence assessments, you simply read the most recent bulletin from the Federation of American Scientists, which lists Iraq among a number of States in possession of chemical, biological weapons and with a capacity to develop a nuclear program.

Mr Bowen interjecting—

Mr Howard—He actually went further in what he said on weapons of mass destruction than anything I said in the addresses I gave to this parliament or to the National Press Club. Let us understand that, in terms of a motive for opposing Saddam Hussein back in March 2003, the Leader of the Opposition and I were actually in lockstep—he on the basis of scientific evidence and I on the basis of intelligence assessments.

Mr Swan interjecting—

Mr Howard—That is why—

Mr Georganas interjecting—

The Speaker—Order! The member for Hindmarsh is warned too.

Mr Howard—as I indicated at the time—

Mr Kelvin Thomson—Mr Speaker, I rise on a point of order. Labor opposed the war. I ask you to draw him back to the question.

The Speaker—The member for Wills will resume his seat. If the member wishes to take a point of order, he will come straight to it; he will not debate it.

Mr Howard—The Leader of the Opposition asked me whether the original decision was wrong. My answer is: no, it was not wrong. I stand by that decision. I will continue to be accountable for that decision in the bar of public opinion in Australia. I have never hidden from the responsibility for the decision that I took back in 2003 and, unlike the Leader of the Opposition, I have always been prepared to tell the Australian people what I believe will be the consequences of certain actions. The Leader of the Opposition is once again avoiding that responsibility. He asked me about guarantees. Nobody can give ironclad guarantees. Of course they cannot, and he knows that. If you want me to venture a view, I do not believe that, under the current administration or, I would hope, under any other administration, whether it be Republican or Democrat, the Americans will embrace a strategy that leads to defeat. That is the basis for my criticism of what the Leader of the Opposition is saying. He is, in effect, advocating a precipitate coalition withdrawal. It is my belief that sensible counsel will prevail in the United States, because a defeat in Iraq for the United States would be more than bad for the war against terrorism; it would be catastrophic. It would lead to not only a bloodbath in Iraq but the destabilisation of Saudi Arabia and Jordan and the end of any real hope of getting a Palestinian peace settlement. It would also embolden the terrorist cause in our part of the world. I say again to the Leader of the Opposition: why doesn’t he have the courage to tell the Australian people what he genuinely believes will be the consequence of a precipitate coalition withdrawal by March 2008?
Workplace Relations

Mrs VALE (3.21 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House how the government’s workplace relations reforms have strengthened the economy and assisted families?

Mr HOCKEY—I thank the member for Hughes for her question and note that the unemployment rate in the great electorate of Hughes is now down to 3.1 per cent. Once upon a time they said five per cent was full employment, but in the electorate of Hughes it is 3.1 per cent. It would not have happened under David Hill.

Mr Martin Ferguson—Or Robert Ticker.

Mr HOCKEY—That is right—a few of them. One of the reasons for that is that this government believe in helping families and we want to encourage women in particular to enter the workplace and to give them the choice of either staying at home with their families or, on occasions, going into the workplace. Since we were elected to government in 1996, one million more women have entered the workplace in Australia. There has been a 35 per cent increase in part-time work, participation rates are at all-time highs and the pay gap between men and women has narrowed. So we are getting to a better position in relation to the pay gap. In fact, the World Economic Forum’s Global gender gap report 2006 described Australia as a leader in closing the gender gap.

This is all in addition to our other initiatives in which we have doubled the number of childcare places, introduced and extended the family tax benefit, introduced the baby bonus, introduced the childcare benefit and provided up to $4,000 in tax deductibility for child care, helping to provide choice for Australian families.

The interesting thing is that under the Labor Party between 1993 and 1996—and note that their workplace changes were made in 1993 by Laurie Brereton and Paul Keating—the last three years of Labor, the wages gap between men and women grew; and it has narrowed under the coalition. That is what happens when you have a centralised system. That is what happens when you have an inflexible workplace system that does not take into account the aspirations of women. The Labor Party now want to return to that system. I note that Greg Combet yesterday sank to a new low when he wheeled out research—

Mr Burke—Mr Speaker, on a point of order under standing order 104: there was nothing in the question about alternative policies.

The SPEAKER The minister is answering the question and he is in order.

Mr HOCKEY—I noted the research yes- terday from Professor David Peetz. He is cited by the trade union movement as an independent authority on our workplace laws. Aside from the fact that Professor Peetz’s analysis was fundamentally flawed, and aside from the fact that he used outdated information and his report lacked academic integrity—

Mr Bevis—Oh, shoot the messenger!

Mr HOCKEY—I question why someone who claims to be independent would put their name to this report. I looked into Professor Peetz’s history and found that he has—

Mr Bevis interjecting—

The SPEAKER The member for Brisbane is warned!

Mr HOCKEY—a rich level of experience. He worked for Gough Whitlam when Gough was Prime Minister—not that there is anything wrong with that; I think there is a
presents of The 7.30 Report who worked for Gough Whitlam—

Opposition members interjecting—

Mr HOCKEY—In 2001 he undertook an economic study, sponsored by the ACTU, on the work of union officials. His curriculum vitae lists his research interests as ‘union membership’ and he has been reported as being a singer in the trade union choir. This is the ‘independent analyst’. But, wait, there is more. Professor Peetz, the independent expert, writes poetry for the Workers Online website, the official organ of Unions NSW, where they describe him as the ‘resident bard’.

On a more serious note, on 17 September 2001, six days after the terrible terrorist attack in New York, he wrote a poem which included a verse about a terrorist telling the President:

Yes, evil will be overcome by good, but Sir, you see
I know you are the evil one, and good is on my side!
This is a terrorist telling the President of the United States that he is evil and that good is on the side of the terrorist. This is the independent expert. He goes on to say:
You are the force of Satan.

Mr Albanese—Mr Speaker, as fond as I am of the New South Wales Left, I raise a point of order under standing order 104.

The SPEAKER—The minister is answering the question.

Mr HOCKEY—It comes back to the point that you have to judge people not by what they say but by what they do. The coalition has been about helping Australian families in the workplace, through the tax system and with family benefits. The Labor Party is about getting these concocted reports put together by flawed academics and parading them as a new paradigm for women in the workplace. The coalition is about getting more women into work if they choose to do so, providing them with better pay and better opportunities and helping Australian families.

Opposition members interjecting—

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

Water

Mr WINDSOR (3.28 pm)—My question is to the Prime Minister, who is looking for the answer, I presume.

Mr Howard—I certainly did not have notice of it.

Mr WINDSOR—I am very kind. My question relates to the taxation of payments to groundwater users under the Achieving Sustainable Groundwater Entitlements Program and the integrity of the government’s future role in water management. Prime Minister, you would recall saying in your answer to my question in this place on 6 September 2006:

The New South Wales government thus far have represented to us that they want the payment treated as income because, apparently, they are fearful of a precedent being established whereby such payments are seen as truly they are, and that is as compensation for the withdrawal of a previously conferred water right.

Prime Minister, freedom of information documents obtained from the New South Wales government relating to this matter clearly indicate that the New South Wales government, through Ministers Knowles and McDonald, were indeed pleading the case of groundwater users in New South Wales not to be taxed under the income tax arrangements for payments received via the joint program.

Given that the intergovernmental agreement is under the hand of the Australian
Government Solicitor and given that the Prime Minister was a co-announcer of the program on 9 June 2005, has the Prime Minister misled the parliament by claiming it was the New South Wales government that wanted the payments to be treated as income, or will he now produce the documents that will support his answer on 6 September and again on 30 October last year? I simply say to the honourable Prime Minister—

The SPEAKER—Order! The member will resume his seat. I think he has asked a lengthy question. I call the Prime Minister to answer his question.

Mr Albanese—Mr Speaker, I rise on a point of order. The normal process if it is a long question would be to ask the member to wind up or conclude. Can he be allowed to conclude his question.

The SPEAKER—The Manager of Opposition Business will resume his seat. I think the member for New England has made his question clear. I call the Prime Minister to answer it.

Mr HOWARD—I will come to the question of the alleged misrepresentation in the latter part of this answer, but let me for the information of the House and those who are very interested in this issue just remind them that I initiated discussion between the Australian Taxation Office and the New South Wales government following representation from the member for Gwydir, amongst others, and some irrigators in New South Wales about the treatment of these payments. I am told that those discussions are now concluded and that the Taxation Office will shortly be providing advice to the New South Wales Department of Natural Resources on their request for a class tax ruling. The details of this advice are a matter between the applicant for the ruling—in this case, the New South Wales Department of Natural Resources—and the Australian Taxation Office. The ATO’s practice is not to provide a copy of their advice or a draft class ruling to anyone other than the applicant. The government is awaiting advice from the New South Wales government on their most recent discussions with the tax office relating to the class ruling. If irrigators have any remaining concerns with the tax treatment of water licences, the government is always willing to listen to their concerns, as it has done to date.

The representations arose out of the fact that the payments had been structured and made in an environment where they were not intended to provide compensation for any perceived loss to farmers. In those circumstances they fell to be taxed as income. I am happy to provide to the member a letter that was written by Mr Ian McDonald on 28 August last year in relation to taxation arrangements for payments to landholders under the New South Wales government’s Native Vegetation Assistance Package. It reflected the approach and the philosophy of the New South Wales government in relation to these matters. It says, inter alia:

This package does not intend to provide compensation for any perceived loss for farmers. It also goes on to say, crucially, on page 2 of the letter:

I am advised that it is likely that the Australian government—

and they really meant there the tax office—

will treat such payments as income.

And, of course, they would, because they have not been designed to look as though there is compensation, despite the fact that the payments are clearly being made as a result of the loss in the value of their capital assets. It is quite clear from this that the approach of the New South Wales government was to have these things not treated as compensation, because their argument at the time was that they did not want to open up the
possibility of compensation for the withdrawal of water rights.

I think the member for New England will understand that this is very pertinent to the government’s water package for national water security. This is really where the $3 billion component comes in. You have a situation where, if we are ever going to settle this water thing, we will have to take back entitlements, and people will be entitled to some compensation. Whatever may be the strict legality of every situation, they will be entitled to compensation. I think this is pretty good evidence that the New South Wales government did not want to be liable for compensation. That is one of the reasons why we have put $3 billion on the table.

So let me say to the member for New England—and I also might say it to the member for Gwydir, who of course has been very active on this issue for a couple of years—that we have initiated discussions. I do not know what was in the tax office ruling, but I do live in hope that common sense will obtain and that what were clearly intended to be payments for capital losses will not be treated as income but will in fact be treated as what they were—payments for capital losses—and therefore the capital gains provisions of the taxation act ought to apply. I think, when he reads this letter and when other matters are discussed, he will see that, so far from us pushing back the pleas from Mr McDonald, we are in fact the people who have initiated a sensible discussion of this issue and we are the people who have provided, through our $3 billion component of the water package, a lasting solution to the overallocation problem, which is fundamental to fixing the future water security of the Murray-Darling Basin.

Dental Services

Mrs Elson (3.36 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister advise the House of the Commonwealth’s support for dentistry and in particular the 90 per cent of services provided by the private sector? Is the minister aware of any alternative policies, and what is the government’s response?

Mr Abbott—I thank the member for Forde for her question. I think it is important that this parliament notes that at least 90 per cent of all dental services in this country take place in the private sector, and that has always been the case. The former Labor government provided no support whatsoever to 90 per cent of the dental services of this country but, thanks to the private health insurance rebate, the Howard government provides no less than $440 million a year to support dentistry in this country.

This government also supports dental services by massively increasing dental training places. There were just 221 dental training commencements in 1995; there were 312 in 2005; and, thanks to the policies of this government, there will be 560 dental training commencements in 2010. As well, this government provides for the first time some limited Medicare support for dentistry through the allied health professional initiative started in 2004. By contrast it is true that state-run public dental services are failing. Unfortunately, there are now some 650,000 people on state public dental waiting lists right around Australia. This is fairly and squarely the fault of the state Labor governments. I say to members opposite: why is it the Howard government’s fault when the state governments do not do their job properly? How can the Leader of the Opposition say he is ending the blame game when he blames every single problem in this country on the Howard government? Let us be clear about this: between 2000 and 2004, the most recent period for which the figures are available, state dental funding fell from $374 million to $327 million a year. That is according
to the Australian Institute of Health and Welfare.

Opposition members interjecting—

Mr ABBOTT—Oh, yes, the Howard government made the states cut their dental funding. Members opposite like to regale this parliament with horror stories about people pulling out teeth with pliers. I came across a story the other day—a very sad story. It was a pensioner who waited three years—

Ms King interjecting—

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

Mr ABBOTT—to have six teeth extracted and then eight months to have dentures supplied.

Ms King interjecting—

The SPEAKER—Order! The member for Ballarat will remove herself from the chamber under standing order 94(a).

Mr Cameron Thompson interjecting—

The SPEAKER—The member for Blair is warned too!

Mr ABBOTT—This pensioner waited three years to have six teeth extracted and eight months to have dentures supplied. This poor pensioner was eight months without teeth. You would think that this happened under Howard’s Brutopia but no, this was in 1994 on the Gold Coast when the Leader of the Opposition had been the de facto Premier of Queensland for five years. In 1995, when we had had six years of Christian socialist government in Queensland—

Ms Roxon—Mr Speaker, I raise a point of order on ministers answering questions in their area of responsibility. I just refer the minister to—

The SPEAKER—Order! The member will resume her seat.

Mr ABBOTT—In 1995, when the Christian socialist sitting opposite had been the de facto Premier of Queensland for some six years, his own health minister went into the parliament and said, ‘Dental waiting lists of up to three years are unacceptable.’

Mr Kelvin Thomson—Mr Speaker, I raise a point of order under standing order 104—relevance, I ask you to draw the minister back to the question he was asked.

The SPEAKER—I am listening closely to the minister and I believe that he will come back to the question.

Mr ABBOTT—I am always being asked what I am doing about dental services, and I am explaining. Mr Speaker, about what the Christian socialist sitting opposite did about dental services—

Mrs Elliot interjecting—

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

Mr ABBOTT—when he was the de facto Premier of Queensland. His own health minister—

Mr Georganas interjecting—

The SPEAKER—The member for Hindmarsh has been warned; he continues to interject. He will remove himself under standing order 94(a).

The member for Hindmarsh then left the chamber.

Mr ABBOTT—His own health minister admitted that dental waiting lists were up to three years and he said that it was completely unacceptable. And this was in the period of the Keating government’s dental scheme. They were taking the Keating government’s money and at the same time the public dental waiting lists were three years. What sort of Christian, I say to the Leader of the Opposition, allowed a three-year dental waiting list? I tell you what: he is not very Christian but he is—

Mrs Elliot interjecting—
The SPEAKER—I have called the member for Richmond to order and I have warned her but she continues to interject. She will remove herself under standing order 94(a).

The member for Richmond then left the chamber.

Mr Bevis—Mr Speaker, I raise a point of order. While we are implementing the standing orders so rigidly, can I suggest that you invite the Leader of the House to refer to members by their title rather than the House having to witness the repeated abuse of that standing order?

The SPEAKER—I have been listening carefully to the minister; I have not heard him refer to members by their name. I call the minister and I will listen closely to his answer.

Mr ABBOTT—He calls himself a Christian socialist and I simply ask: what is so Christian about a three-year public dental waiting list? I say: do not let this guy wreck Australia’s dental services like he did those of Queensland.

Opposition members interjecting—

The SPEAKER—Order! Has the minister completed his answer?

Mr ABBOTT—Yes.

Workplace Relations

Ms GILLARD—My question is to the Minister for Employment and Workplace Relations.

Government members interjecting—

The SPEAKER—Order! The Deputy Leader of the Opposition has the call.

Opposition members interjecting—

The SPEAKER—Order! Members are holding up their own question time. When a member gets the call to ask a question she—in this case—will be heard. I call the Deputy Leader of the Opposition.

Ms GILLARD—Thank you, Mr Speaker—they don’t get out much! My question is to the Minister for Employment and Workplace Relations and it relates to his claims that the government’s so-called Work Choices laws have created jobs. Minister, why is it that 13,000 fewer jobs were created between March 2006 and January 2007, after Work Choices, than in the period between March 2004 and January 2005, which was before Work Choices?

Mr HOCKEY—We do not apologise for introducing laws that have helped to create an environment where jobs can be created. I say this to the Deputy Leader of the Opposition: governments do not create jobs; business creates jobs.

Honourable members interjecting—

The SPEAKER—Order!

Mr HOCKEY—I say to the Deputy Leader of the Opposition: a strong economy is the best basis upon which you can create a job. All the regulation in the world under the Labor Party in the 1990s—

Mr Brendan O’Connor interjecting—

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

Mr HOCKEY—could not prevent nearly one million Australians losing their jobs. All the laws that the Labor Party had in the 1990s could not protect one million workers who were left on the scrapheap. The only way you can create jobs is if you have got a customer coming in the door—

Ms Gillard interjecting—

The SPEAKER—Order! The Deputy Leader has asked her question.

Mr HOCKEY—and under the coalition business is having strong growth and low inflation and we are helping to create an environment that creates jobs.
Workplace Relations

Mr CAMERON THOMPSON (3.46 pm)—My question is also to the Minister for Employment and Workplace Relations. Would the minister inform the House how a flexible workplace relations system contributes to jobs growth and economic prosperity? Is the minister aware of any threats to this system and Australian jobs?

Mr Albanese—Mr Speaker, I rise on a point of order. I refer you to standing order 100(b).

The SPEAKER—The question is in order. It is not the same question.

Mr HOCKEY—I note that the unemployment rate in the member for Blair’s electorate is now 5.2 per cent. In the last year of Labor it was 9.4 per cent. As I just said, sound economic management gives business the platform to be able to create jobs. That was confirmed by an overnight OECD report, and I urge the deputy leader to listen to this carefully. The OECD report backed our Work Choices legislation by saying that—

Ms Gillard interjecting—

The SPEAKER—Order! The Deputy Leader of the Opposition!

Mr HOCKEY—the unfair dismissal law was an impediment to job creation. The OECD said:

Strict employment protection legislation—such as unfair dismissal laws—is likely to increase the length of unemployment spells and thereby long-term unemployment. Likewise, the job prospects for those groups with relatively weak attachment to the labour market such as young workers and women can be compromised.

Basically, they are saying that the Labor Party’s job-destroying, unfair dismissal laws actually hurt those most vulnerable—

Mr Bevis—They were Peter Reith’s.

The SPEAKER—Order! I have called the member for Brisbane to order several times. I have given him a warning. He continues to interject. He will remove himself under standing order 94(a).

Mr Bevis interjecting—

The SPEAKER—I name the member for Brisbane!

Mr ABBOTT (Warringah—Leader of the House) (3.49 pm)—I move:

That the member for Brisbane be suspended from the service of the House.

Question put.

The House divided. [3.53 pm]

(The Speaker—Hon. David Hawker)

Ayes............. 84

Noes............. 57

Majority........ 27

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. Cauley, I.R.
Ciobo, S.M. Costello, P.H.
Downer, A.J.G. Draper, P.
Dutton, P.C. Elson, K.S.
Entsch, W.G. Farmer, P.F.
Fawcett, D. Forrest, J.A.
Gambaro, T. Gash, J.
Georgiou, P. Haase, B.W.
Hardgrave, G.D. Hartsuyker, L.
Henry, S. Hocke, J.B.
Howard, J.W. Hull, K.E. *
Hunt, G.A. Jensen, D.
Johnson, M.A. Jul, D.F.
Keenan, M. Kelly, D.M.
Kelly, I.M. Laming, A.
Ley, S.P. Lindsay, P.J.
Lloyd, J.E. Markus, L.
May, M.A. McArthur, S. *
McGauran, P.J. Mirabella, S.
Moylan, J.E. Nairn, G.R.

CHAMBER
Question agreed to.

The SPEAKER—Order! The honourable member for Brisbane is suspended from the service of the House for 24 hours under standing order 94(b).

The member for Brisbane then left the chamber.

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

QUESTIONS TO THE SPEAKER

Speaker’s Rulings

Mr TANNER (4.00 pm)—Mr Speaker, I have a question about the warning that you issued to me earlier on today. It seemed to imply that the impact of a warning on a previous day could somehow flow through to subsequent sitting days. Could you clarify whether when a member receives a warning on another sitting day that may be the basis on which they could be ejected without a warning being issued to them on the day on which you seek to eject them?

The SPEAKER—I think, if the member for Melbourne had listened carefully to what I said to him before, he would have noted that I said that I have either given him a warning or taken action every sitting day this year. Given that, and given the way I gave him his warning today, I think he ought to reflect carefully on what I said.

Mr TANNER—With due respect, I have reflected carefully on what you have said and that is why I asked you a question.

The SPEAKER—I think, if the member for Melbourne had listened carefully to what I said to him before, he would have noted that I said that I have either given him a warning or taken action every sitting day this year. Given that, and given the way I gave him his warning today, I think he ought to reflect carefully on what I said.

Mr TANNER—With due respect, I have reflected carefully on what you have said and that is why I asked you a question.

The SPEAKER—I thank the member for Melbourne and I have given him a response.

Speaker’s Rulings

Mr ALBANESE (4.02 pm)—I have a question to you, Mr Speaker, and I refer to previous questions to you that indicate that over 98 per cent of people excluded from this House under your rulings have been members of this side of the House. Today the member for Brisbane has just been excluded for one day and the members for Richmond, Hindmarsh, Ballarat and Maribyrnong were also all excluded. In addition, a number of

* denotes teller

Question agreed to.

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Mr TANNER (4.00 pm)—Mr Speaker, I have a question about the warning that you issued to me earlier on today. It seemed to imply that the impact of a warning on a previous day could somehow flow through to subsequent sitting days. Could you clarify whether when a member receives a warning on another sitting day that may be the basis on which they could be ejected without a warning being issued to them on the day on which you seek to eject them?

The SPEAKER—I think, if the member for Melbourne had listened carefully to what I said to him before, he would have noted that I said that I have either given him a warning or taken action every sitting day this year. Given that, and given the way I gave him his warning today, I think he ought to reflect carefully on what I said.

Mr TANNER—With due respect, I have reflected carefully on what you have said and that is why I asked you a question.

The SPEAKER—I thank the member for Melbourne and I have given him a response.

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Mr ALBANESE (4.02 pm)—I have a question to you, Mr Speaker, and I refer to previous questions to you that indicate that over 98 per cent of people excluded from this House under your rulings have been members of this side of the House. Today the member for Brisbane has just been excluded for one day and the members for Richmond, Hindmarsh, Ballarat and Maribyrnong were also all excluded. In addition, a number of

* denotes teller

Question agreed to.

The SPEAKER—Order! The honourable member for Brisbane is suspended from the service of the House for 24 hours under standing order 94(b).

The member for Brisbane then left the chamber.

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

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The SPEAKER—...
members on this side were warned, whilst to the best of my recollection only one member from that side of the House was warned, in spite of the fact that our questioners were heckled, such as the Deputy Leader of the Opposition when she got to her feet—

The SPEAKER—The member is going close to reflecting on the chair. He will come to his question.

Mr ALBANESE—I am outlining what happened today. I am asking you to reflect on whether you think that was an accurate and fair implementation of the standing orders and the rules, particularly given the answers that were given today from people such as the Leader of the House.

The SPEAKER—In responding to the Manager of Opposition Business, can I make it clear, as I have made it clear in the past, that when members interject, I call them to order. I usually give them a warning if they continue to interject. If they ignore that warning then I will take action, and that is consistent with the way I have upheld the standing orders on discipline all the way through. If all members observe that point then they would understand where we have got to.

COMMITTEES

Procedure Committee

Report: Presiding Officer’s Response

The SPEAKER (4.04 pm)—I present the Speaker’s response to certain recommendations of the report by the House of Representatives Standing Committee on Procedure entitled Media coverage of House proceedings: including the chamber, Main Committee and committees.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (4.04 pm)—A document is tabled as listed in the schedule circulated to honourable members. Details of the document will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Workplace Relations

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

The risk to Australian families and the Australian economy from the Government’s workplace relations laws which are unfair, complex, flawed and a burden for business.

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

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

Ms GILLARD (Lalor) (4.04 pm)—It was a pity that the government cut and ran from question time today because we had a series of questions for the Minister for Employment and Workplace Relations. Let me say this in relation to the one question he answered: one question, one gaffe. The case of this government since parliament convened this year has been that Work Choices creates jobs. The Prime Minister has said it, the Treasurer has said it and the Minister for Employment and Workplace Relations sitting at the table has said it. Now the minister, confronted with the fact that employment growth was stronger before Work Choices than it has been afterwards, has made a fatal concession in answer to a question. He conceded that the government does not create jobs, that its laws do not create jobs, but that it is businesses and a growing economy that create jobs. And so we should never again hear in this House from the Prime Minister, the Treasurer, the minister or any members of the Howard government backbench this
nonsense that Work Choices is about employment growth.

I am going to speak about these matters a little bit more later, but I want to start by saying that this matter of public importance debate today is truly one for Australian working families. We know that it is important for Australian working families because, even if they have not been directly affected, Australians are bighearted enough to be concerned about what happens to their neighbours and to their friends. Parliament is often criticised for being an ivory tower and certainly some of the behaviour we see on display from the government shows how distant from ordinary life they really are. But today, in what can be criticised as being an ivory tower, we are talking about the same thing that Australians are talking about in their workplaces and in their homes.

When they have those discussions, I think I know what they are saying to each other. They are saying to each other that they think the Prime Minister and his government have changed. They are saying to each other that there was a time when they thought the Prime Minister and his government were doing a good job. There was a time when they thought that, but these harsh laws have caused them to think again. And they are thinking again, and they are thinking, ‘The Howard government is trying to hurt me and my family.’ They believe the government has changed and they believe that that is a fork in the road.

In response to this sentiment in the Australian community, what has the Howard government done? It has appointed a new minister. It has not done anything of substance; it has appointed a new minister. When the Prime Minister gave us this new minister he said that he was ‘a good media performer’, that he was an ‘avuncular sort of bloke’. He actually contrasted him with the previous minister, whom he described as having ‘command of the detail’, something he obviously thought the new minister would never achieve.

So it is apparent from the government’s initial announcement of the new minister that they are not intending to help Australian working families by getting rid of these laws. It is the same old laws, the same old product, the same old politics from the Howard government, and changing the salesman does not fix that. These are the same unfair laws, and this is the same arrogant government. It does not matter who holds the job of Minister for Employment and Workplace Relations. The Prime Minister might well describe this minister as a ‘big bear of a man’, but fronting these shameful laws means that he is more grizzly bear than teddy bear—because the truth is that these unfair laws have dire consequences for hardworking families, employers and employees throughout this country, and no-one is going to be distracted by the window dressing.

We know that these laws are unfair because they have caused Australians to lose pay and conditions. We know that they have ripped away basic award conditions, penalty rates, overtime, leave loading, public holidays—all of these have been taken away from Australian families through Australian workplace agreements. We know these laws have jeopardised the ability of families to plan their time together with regularity and that hours clauses and the ability to know when you are going to be at work and to plan your non-working time with your family have been torn up by these laws and by this government.

Earlier this year the Herald Sun ran a poll which had an alarming result. It said that 31 per cent of respondents did not spend enough time with their families. They felt that their families were missing out on the very basic
thing they had to give, which was their personal time, care and concern. This government’s laws make that worse. They make the pressures on working families stronger. We already know that working families are struggling just to keep their heads above water. With this new pressure on them, it is too much for many of those working families to bear. We know many working families are struggling to balance the pressures of work and family life in the modern age, and these new laws undermine their ability to do so.

The government pretends that it is proud of these new laws, but if you hold these new laws up to the white light for a period of time, if you scrutinise them intently, they do not hold up to analysis. The government that is proud to spruik them in the broad does not actually want you to see the details. If the government was proud of Australian workplace agreements, if these AWAs were heralding a new era of flexibility, good working conditions and work-family life balance, you would think that the government would be publishing each of these AWAs. Of course it would take the individual identifiers off, but it would be publishing each of these AWAs. It would be publishing statistics about them. It would be only too proud to tell you how many of them have family flexibility clauses, how many of them gave people a huge, big pay increase.

But of course the government does not do that. It tipped out one set of stats which showed us that 100 per cent of AWAs had taken something, an award condition, away; that 64 per cent of AWAs had removed leave loading, 63 per cent had removed penalty rates, 52 per cent had removed shiftwork loadings and 41 per cent had taken away public holidays. The government knows they are a bad set of statistics. Since then, it has covered it up.

The challenge for the Minister for Employment and Workplace Relations, who is at the table, if he is really proud of these AWAs—if they are so glowing, so good for workers—is that he has a chance this week in Senate estimates to tell us all about it, and if he does not publish those statistics there will only be one reason. Why: because, whilst they pretend to be proud of these laws, they know the truth is shameful and they want to hide it. They do not want us to know what is going on with these laws. When you hold up to the light of day their spin that these laws have created jobs it falls away. It fell away in question time today with the statistics I put to the minister about employment growth—and of course there are more. Employment growth since Work Choices, from March 2006 to January 2007, has been 2.39 per cent, whereas in the same period in 2004-05 it was 2.64 per cent and in 2002-03 it was 2.79 per cent.

Mr Hockey—It’s about the participation rate.

Ms GILLARD—If the minister wants to make arguments about the participation rate he could get up in question time every day and say: ‘I acknowledge Work Choices does not create jobs. I acknowledge that businesses actually create jobs, and I’m now going to tell you about the participation rate.’ But of course that is not what the Howard government have been doing, is it? They have been trying to pretend these laws create jobs and they do not.

When you look at the pattern of employment growth, it is abundantly clear that it is the resources boom that is driving employment growth. It is the states of Queensland, Western Australian and the Northern Territory that are leaping ahead. Mining is showing annualised growth of 15 per cent. To use a well-known political catch cry: ‘It’s the resources boom, stupid!’—not the Howard
government’s industrial relations laws—that is driving employment growth in this country.

Then they would have you believe that somehow these laws are doing something for productivity. But, once again, if you hold it up to the light of day, the truth is something very different. In the six months to September, after the introduction of the Work Choices laws, productivity went backwards by 1.6 per cent.

Mr Hockey—What about the drought?

Ms GILLARD—The minister at the table is full of mealy-mouthed excuses, but he has not been above claiming that these laws are good for productivity. They are not, because productivity has gone backwards by 1.6 per cent. If the government had been proud of these laws then they would have been out each and every day in the last election campaign saying to Australians: ‘Vote for us because we’re going to give you this thing we call Work Choices. Vote for us because this is what Work Choices is going to do to you.’ But we all know that they were not doing that in the last election campaign. Indeed, the then Minister for Employment and Workplace Relations was confined to party headquarters and doing the daily spin from there. He would wander out every day and say, ‘Ooh, industrial relations is a big battleground in the election!’ Journalists would say to him, ‘If it’s a battleground, where’s the Liberal IR policy?’ He never gave an answer to that. If the government had been proud of these laws, they would have put them to the electoral test. They did not.

When it comes to industrial relations, the Prime Minister and his ideological laws are the past and Labor is the future. In industrial relations we will restore the balance and we will reclaim the middle ground. Australians believe that these laws have gone too far, that the pendulum has gone too far and it should come back to the middle. Balance should be restored. We should be reclaiming the centre ground in this debate and in a whole series of other debates in this nation—and we will.

Labor believes in a productive, fair and flexible industrial relations system that will put the balance back into Australian workplaces. We want higher wages and we want real productivity growth. That can only be achieved when employers and employees treat each other with respect, and that is what our industrial relations system will deliver. Yes, there will be flexibility. There will be flexibility upwards. There will be flexibility to balance work and family life. There will not be the flexibility downwards that this government says it is proud of but will not give you the details of. Yes, we will make sure that people can plan their lives with some security and some safety. We will make sure that there are common-law agreements that can help people make arrangements in that way if that is what they choose to do.

We will make sure there are sensible transitional arrangements for people who are on Australian workplace agreements and we will restore to the centre of the industrial relations system a sense of democracy. If the majority of workers in a workplace want to bargain collectively with their employer then they will be able to do so. What is wrong with that? If the majority of workers in a workplace all get together and say, ‘Hey, instead of going to see the boss individually, why don’t we all handle this together?’ they will be able to do so. That is something that is not achieved under these laws because they are fundamentally undemocratic and fundamentally ideological.

We will get the burden of red tape off the business community. The business community is complaining. Every time they turn round, these laws have been changed again. We have had laws which mean all employ-
ees, including managers and executives, have to fill in time sheets, and then we have had amendments to try and fix this, which created more headaches. We have had rules about leave accrual which meant employers had to give employees more annual leave when they worked overtime—something they had not had to do before. We have had amendments which tried to fix the rules about cashing in leave, and they have caused more confusion. We have had record-keeping obligations which were so onerous they were deferred and then deferred again. We will get the burden of this kind of red tape off the back of business so that they can do what they want to do, which is to go about doing business.

These laws are harsh, complex and not in the national interest. The laws we have will put working families first, they will drive up productivity and employment growth and they will get the burden of red tape off the back of business. Under Labor these laws will go—and make absolutely no mistake about that—and they will be replaced by laws that work for working families, businesses and the nation. (Time expired)

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.20 pm)—I am the minister for jobs. Together with the Treasurer, every other member of the frontbench and all my colleagues in the coalition, I am focused on how we can help to build an economic infrastructure that encourages businesses to create jobs. In this area, perhaps more than any other, there is a clear difference between the Labor Party’s approach and our approach to economic policy. Our belief is that our laws are evolutionary, that they are responding to the changing workplace. With a flexible system, where people can enter into individual agreements, non-union collective agreements, we can meet the challenge of a changing workplace in the 21st century.

The Labor Party’s proposal is simply to tear up Work Choices. Their total proposal is that all the ills of the world will be fixed by ripping up Work Choices and returning to the ACTU plan of centralised negotiations and centralised agreements. We reject that and so does the OECD. Interestingly, in its report last night the OECD said that, in countries such as France, Germany and Spain—with stringent employment protection legislation for permanent workers—youngsters and women are crowded out from employment and suffer from erratic career paths. What the OECD is saying is that the most vulnerable people in the community are the most disadvantaged by prescriptive laws that cut to the heart of workplace relations.

The reason why we are freeing up the marketplace and have put in place evolutionary laws is that there has been a comprehensive change in the workplace over the last 10 years—even before that. It was even recognised by Hawke in 1988 and Keating and Brereton in 1993 that the workplace was changing, that individuals were engaging more with bosses to come up with working solutions that were more practical, helped to improve productivity and embraced new technology.

The laws that the Labor Party was so proud of—the laws that governed the workplace in the eighties and early nineties—were so inflexible that they failed to recognise the development of job sharing. They failed to recognise the outsourcing of work to people working from home. They failed to recognise technological change, such as the internet, email, SMS and BlackBerries. They failed to recognise that the global marketplace had changed and that we now had competition in our time zone from China and most of Asia that was cutting to the heart of
our economic prospects. And Labor failed to recognise that these laws, and the award system in particular, were so inflexible. And the OECD—not some whacked-up professor from Griffith University—last night again said that the award system is like a ball and chain on the freeing up of the marketplace and the ability of the marketplace to respond with productivity improvements.

The Deputy Leader of the Opposition talks about productivity. It is a fact that, with our workplace changes in 1996, what took five hours to deliver in goods and services now takes four hours. That productivity improvement is not solely linked, of course, to any workplace relations laws, but they are part of the fabric of it that allows people to engage individually. And the people most empowered by that are in many cases the most disadvantaged. That is how you get 4½ per cent unemployment. That is how you have an economy that creates two million jobs. That is how you end up with more people today in full-time employment than at any other time in Australia’s history. That is how you end up with real wages increasing under the coalition by 17.9 per cent compared to 1.7 per cent under the Labor Party for the previous 13 years. That is not by accident; that has come about because of hard work and economic reform, which includes workplace reform.

Yet the Labor Party wants to tear that all up. I know—I am not sure if the Deputy Leader of the Opposition knows—that her proposal to tear up AWAs is going to cut to the fabric of enterprise. On the one hand she says that a lot of the jobs growth is in the mining sector and on the other hand she says she is going to tear up AWAs, and of all the industries the mining sector has embraced AWAs more than any other. She is tearing up agreements that she believes have helped to create disharmony in the workplace, and yet the mining sector, in the belief of the Deputy Leader of the Opposition, is the only thing that is driving our strong economy. In fact, that is quite incorrect. Of the jobs growth that occurred over the February to November period in 2006, only 14,000 jobs were created in the mining sector, 46,400 in wholesale trade—

Ms Gillard—Do it as a percentage!

Mr HOCKEY—Okay, percentages—I am happy to do that: 6.8 per cent in the mining sector, 22.6 per cent in wholesale trade, 21 per cent in construction and 16.8 per cent in finance and insurance.

Mr Snowdon interjecting—

Mr HOCKEY—The member for Lingiari says, ‘How many full-time?’ Eighty-three per cent full-time. Two hundred and forty thousand new jobs, 83 per cent full-time, since the introduction of Work Choices.

Mr Snowdon interjecting—

The DEPUTY SPEAKER (Hon. IR Causley)—If the member for Lingiari wishes to speak, he should seek the call.

Mr HOCKEY—The Deputy Leader of the Opposition talks about jobs growth in the period from March to January. On a preliminary look at the figures, I note that the participation rate in 2004 was 64.1 per cent and the unemployment rate was 5.1 per cent. In 2006 the participation rate was 64.8 per cent and the unemployment rate was 4.5 per cent. Somehow she thinks the great King Kong hit has come upon this side of the parliament and somehow she believes she has scored a killer blow. I will tell you what a killer blow is: every time the Deputy Leader of the Opposition gets up and talks about rip up Work Choices—

The DEPUTY SPEAKER—The minister will refer to the member by her title.

Mr HOCKEY—Every time the Deputy Leader of the Opposition gets up and talks about ripping up Work Choices, the people
and the workers of Australia want to know what the alternative is. You do not have to dig too deep. It is everything that Greg Combet, Bill Ludwig and John Robertson have been saying for the last few weeks. They said: ‘We’re not for turning; we’re going to reintroduce the unfair dismissal laws’—the same unfair dismissal laws that have been such a burden to small business; the same unfair dismissal laws that, according to the OECD, have been one of the greatest barriers to women, young people and those susceptible to long-term unemployment entering the workforce. Yet the Labor Party want to reintroduce those laws—and why? Because the trade union movement are telling them to.

You know what, Mr Deputy Speaker? This is the irony of it. On the one hand, the Deputy Leader of the Opposition is trying to whisper sweet nothings into the ears of business and con them—they are very smart but she is trying to con them—into the belief that somehow she is going to water down these laws. We know that is not right. We know that it is a matter of principle for the Labor Party and the unions that unfair dismissal laws should cover everyone. In fact, the Deputy Leader of the Opposition has voted 44 times with that principle in her back pocket. Somehow we are meant to believe that that principle flew out the door in February 2007. The Deputy Leader of the Opposition and the Labor Party will be caught out if they try and walk both sides of the street.

We recognise that the workplace has changed. We recognise that individuals really do want to negotiate with their bosses and to have a flexible workplace arrangement that can accommodate home-based business and that allows people to work the hours that suit them. And do you know what? The best environment for that will be 4.5 per cent unemployment and record levels of workforce participation, particularly of women.

Somehow the Deputy Leader of the Opposition believes that jobs are created by government legislation. I say to her: say that to the one million Australians who were unemployed in the 1990s. All the legislation in the world under Labor could not protect their jobs. The Labor Party wants to reintroduce a no disadvantage test. That subjective test did not work. The proof that the subjective no disadvantage test did not work was one million Australians unemployed in the 1990s. Go and tell them that there will be a government introduced test that is somehow going to protect their jobs. The opposition believe that it is an absolutely inflexible notion that government regulation creates jobs and that government regulation protects jobs; it does not. The only guarantee of a job is a customer walking in the door, and no amount of regulation is ever going to be a substitute for that. You have to do hard yards.

I would never suggest that workplace relations laws are in any way the sole pillar upon which you build a strong economy. You build a strong economy because you make hard decisions. You introduce taxation reform and fiscal reform that get the budget into surplus. You introduce reforms that get rid of $96 billion of government debt and set up future funds to inoculate us against some of the vagaries of the marketplace over the next few years. You introduce education reforms. We have doubled our education commitment over the last 10 years. You introduce reforms that give women choice—and this is very important—such as family tax benefits, the baby bonus, the tax deductibility of child care and the childcare benefit. All those initiatives help to give women choice so that they can re-enter the workplace, especially after they have enjoyed a higher education. You introduce reforms in workplace relations that get rid of the state systems, such as awards in New South Wales that refuse to allow school-based apprentices. You intro-
duce a flexible system; you give workers choice. The greatest moment of choice for workers is when you have an unemployment rate of 4.5 per cent, higher levels of participation and real wages increasing. That is the very best environment you can have in order to create jobs. Business have the courage to create jobs because they know they are not going to be held to ransom by the Labor Party’s unfair dismissal laws and because they can see in the distance that the economy can remain strong, that the interest rate environment is manageable and that inflation is manageable.

It is not Joe Hockey saying it; it is the Reserve Bank, the OECD and the International Monetary Fund. Even the editorial in the Australian a few days ago said—

Ms Gillard interjecting—

Mr HOCKEY—She laughs. She cites a quack of a professor from Griffith University as the absolute authority on these sorts of things. It comes back to this: there is no simple solution in the creation of jobs. If you want to talk about work and family, you need to have one thing—you need to have a job. The government helps to put in place infrastructure that creates jobs.

A lot of the reforms the government have put in place have helped to create jobs, and we recognise that the workplace is changing. Jobs that exist today were in many cases never thought of 10 years ago. The award system, even the collective agreement system that Labor had, was so inflexible that it did not recognise the changing workplace. I heard with interest the Deputy Leader of the Opposition say on Sunday, ‘We believe in having non-union collective agreements.’ Between 1993 and 1996, non-union collective agreements needed the approval of the unions. That is their law; that is what they want to reintroduce. They want the trade union movement front and centre of every piece of the industrial relations laws under the Rudd-Gillard-Combet combo. That is what it is: a combo; a hand-in-glove partnership. We are committed to jobs. We are committed to choice. We are committed to well-paying jobs. We are committed to helping people develop careers. Notwithstanding the changes in the workplace brought about by changing trading environments or anything else, we believe in creating a flexible environment. (Time expired)

Mr BRENDAN O’CONNOR (Gorton) (4.35 pm)—Intentionally or otherwise, the Minister for Employment and Workplace Relations came clean today and it is no longer the case that the government can take credit for any causal link between Work Choices legislation and jobs growth. In answer to a question during question time today, the minister said:

I say this to the Deputy Leader of the Opposition: governments do not create jobs; business creates jobs.

After that answer, the member for Blair asked this Dorothy dixer of the minister:

Would the minister inform the House how a flexible workplace relations system contributes to jobs growth and economic prosperity?

The minister had already answered that question in his answer to the earlier question by saying:

... governments do not create jobs; business creates jobs.

Let us not hear any longer from the government or from the minister that there is some causal link between Work Choices legislation and jobs growth. As we know, we are in a mining boom and as a result there is jobs growth—and Labor are happy about that. Labor are happy to see jobs, but we are not happy to see workers treated unfairly. We think workers deserve to be treated fairly in their workplaces. There is an epic battle going on about what sort of country Australia
will be in the future—whether Australia will be economically strong, socially cohesive and nationally secure, and whether we will continue to embrace the ‘fair go’ ethos; or whether, on the other hand, because of the deeds and the words of this Prime Minister and his government, we will sacrifice our long-held virtues of fairness and decency.

During the last election campaign, the Prime Minister announced, on 28 September, his industrial relations policies. In doing so, there were no references by him to the abolition of the role of the independent umpire, the abolition of the no disadvantage test and the abolition of employment protection for four million employees. But after the election the Prime Minister embarked upon his unannounced agenda to introduce an extreme and unfair set of laws regulating employment conditions for the Australian workforce. In doing so, the Prime Minister showed what little regard he had for the electorate. It was the action of an arrogant government. It was the action of a government out of touch and out of puff. It was a lazy and ultimately wrongheaded approach to improving Australia’s productivity and to enhancing Australia’s quality of life.

Labor has always stood for economic growth, national security and investing in our future. Labor also considers fairness, including fairness at work, to be a cornerstone of our society. But through the enactment of Work Choices, the Howard government has shown signs of arrogance and a cold-hearted willingness to throw fairness out the back door. The Prime Minister may have changed ministers in this area, the area of industrial relations, but the policy is unaltered. In other words, Hockey might be the jockey but it is still the same old horse.

Let us look at the horse’s track record. The first signs of the erosion of wages and conditions of employment came in the form of statistics provided at estimates. In May 2006 Labor uncovered information in Senate estimates that, amongst other damning news, revealed that 100 per cent of AWAs removed at least one award condition and 16 per cent removed all award conditions. What an indictment of these extreme and unfair laws! Of course the government did not want the facts disclosed, so they effectively removed the information. We are no longer being provided with the information that we need to openly debate this particular matter. As the Deputy Leader of the Opposition indicated, there was a time when the government provided this information, which we then elicited through Senate estimates. But the government has closed down this transparent opening by which we were able to look at the way in which the new industrial instruments were being formed and by which we would have been able to make proper comparisons since the enactment of Work Choices.

Labor’s IR task force travelled to 20 electorates last year and found similar results. Moreover, Labor found disquiet amongst small businesses over the complexity and prescription of Work Choices. When we met in Rockhampton, Darwin, Townsville, Gladstone, Tweed Heads, Launceston and other places, we found businesses concerned about the level of red tape. Yesterday Professor Peetz, who has been much maligned today, reaffirmed the findings of the Senate estimates of last year in terms of the way in which workers—in particular, women and the low paid—are hit by this legislation.

The key conclusions drawn by that research include that women’s pay has dropped dramatically under the new laws, with women’s real average earnings in the private sector falling by two per cent, and that approximately 20,000 workers are losing award coverage each month and are being placed under AWAs or other industrial instruments stripping overtime, penalty rates and rest
breaks. The research showed that the rate at which overtime is being removed by AWAs has doubled since Work Choices was enacted, with 82 per cent of Australian workplace agreements either reducing or abolishing overtime pay, 63 per cent of AWAs abolishing or reducing penalty rates, 64 per cent axing annual leave loadings, 69 per cent abolishing or removing rest breaks, 73 per cent reducing or abolishing public holiday payments and more than half abolishing shiftwork loadings. The research also put paid to the lie that there are one million workers on AWAs. That is not true. There have been one million AWAs implemented over the period since 1996; however, 400,000 people, or less than four per cent of the Australian workforce, are currently on Australian workplace agreements.

As has already been said, the government only intervenes in matters which are in the public eye or are unhelpful to supporting the falsely asserted proposition that Work Choices helps ordinary working families. We saw this during the Cowra meatworks dispute when the company chose to sack their workers. The government intervened but it did not fix the problem. It tried to get enough publicity to suggest that somehow the system in place was going to mitigate or indeed rectify the problems that Labor uncovered in that particular matter. We saw the government move into damage control when a Spotlight store cut the ordinary wages of its staff—again no solution to that problem but only a flurry by the government to attempt to show concern to the electorate.

Now we have the new minister—the new jockey, if you like—creating the appearance of concern over the continued maltreatment of low-paid workers by Tristar. Tristar, for its part, puts up the facade of pretending that there is productive work available. How very shameful for a company to treat their workers the way in which Tristar has chosen to treat its workers. Then there is the fact that the government, wanting to exhibit some level of concern, brings in the workforce and brings in the company and then the minister makes sure he is on television big-noting himself. He gets out there, being seen to be intervening in a particular matter where workers are actually vulnerable and suffering. But what has happened at Tristar since that intervention? Nothing—nothing for those workers. So what sorts of laws do we have in this place? Indeed, what sort of government do we have when a minister can publicly intervene in a particular matter and resolve nothing? That is the case with Tristar.

We on this side of the House always concern ourselves with both employers’ and workers’ interests. Labor believes that we are better off by working together as a nation or, for that matter, in the workplace. Labor wants to work cooperatively to produce successful outcomes. We do not support throwing fairness out the back door. That is why Labor will restore the balance if the electorate places its trust in us. Labor will repeal the Work Choices legislation. Labor will ensure that an independent umpire in the workplace matters. Labor will abolish AWAs. Individual contracts that fall below accepted standards will be unfair. The ‘take it or leave it’ offers of substantially inferior agreements compared to those enjoyed by existing employees at a workplace are unconscionable and will not be tolerated. Labor, if elected, will reintroduce a no disadvantage test. Industrial relations, or workplace relations—call it what you will—is exactly that: it is about how to regulate relations between employers and employees and between employees and between employers. Labor looks to unite the nation and encourage workplace cooperation, whereas this government seeks to pit worker against worker. Through Work Choices it encourages bad employers to behave badly and it forces good employers to look to do
the same. Enough of division and conflict, enough of the callous disregard for hard-working Australians; it is time to restore some balance in our country’s workplaces, and it is time for a Rudd Labor government.

Mr BARRESI (Deakin) (4.45 pm)—Whilst some faces are new, some faces remain the same. I am pleased that I am following my colleague the member for Gorton in this debate once again. It has taken six days of the new parliament for the Deputy Leader of the Opposition, the newly appointed shadow minister for employment and workplace relations, to ask her question and to make a move. One has to ask: why has this taken place today, and in what context? It comes within 24 hours of a report made available yesterday in the press by Professor David Peetz. I will come back to that report very soon. The member for Lalor stated in her debate that no-one is going to be distracted by the window-dressing and that we have the same old salesman. She is right in one regard. We may have different spokespeople on the other side, but their message has not changed. We still have the same old scare campaign taking place that was so evident throughout the debate last year.

We have seen the outgoing shadow minister, the member for Perth, moved to the side. He had a record of bringing into this place examples and cases which ended up being discredited. We saw that shadow minister removed for not making a hit and for bringing in discredited cases, but what has the new shadow minister, the member for Lalor, done on her very first day in this debate in the House? She has maintained the ALP record of bringing in discredited information and flawed research and only telling half of the story that should be told about what has taken place in employment growth throughout the term of this government and, in particular, since March last year. She mentioned that working families are struggling to keep their heads above water. She says that, as she goes around Australia, that is what they say to her. There is one thing that is certain: during the time that Labor was in power, working families were not just struggling to keep their heads above water; a lot of them were sinking. A lot of them lost their jobs, their investments, their family homes and their businesses. That is the reality of what took place under Labor, and what they said would take place under our Work Choices legislation has not come to pass.

The member for Lalor went on to recite employment figures from 1994 versus some from 2006. What she failed to mention was that in 1994 we had 7,800,000 people employed. What do we have today? We have over 10 million people in the workforce. The workforce has increased by around 2.9 million people during this time. Why do we have more people in work? Because businesses are growing, the economy is strong and the policies that this government has introduced over 10 years have encouraged businesses not only to keep their doors open but also to grow their businesses and have further employment take place. Certainly she can come in here and state some figures, but she should make sure to tell the full story.

There was a bit of employment growth in 1994, but we have to look at the context in which that was taking place. We had a recession. It was the ‘recession we had to have’. There were a lot of people out on the scrap heap. People who had not had an income to bring to the family table found jobs as we were moving out of the recession. Yet today we have jobs growth continuing in a period when there are high levels of employment and low levels of unemployment. From the 10.9 per cent or so unemployment that existed under Labor, we now have an unemployment rate of somewhere around 4½ per cent.
Let us put these arguments into context and make sure that we are comparing like with like rather than just looking at the simple statistics—coming out of the ‘recession we had to have’ versus the strong economic growth that we have today. Against that backdrop, this time last year—and even in the six months prior to this time last year—those on the other side were saying, ‘As soon as Work Choices comes in, there will be mass sackings.’ In fact, I think the former Leader of the Opposition, the member for Brand, was even saying that the divorce rate was going to go up at some stage because of what these laws were going to do to the country.

Work Choices has had a beneficial effect on the Australian economy. It has not been the doom and gloom that the members on the other side have maintained it would be. This government has been a good friend to Australian families, not simply through creating jobs and making sure people have a wage to take home to pay for their kids’ education and clothing and to put food on the table but also through other means to ensure that wages growth continues at high levels, that we have a friendly tax system—there have been tax reductions in the last seven or eight years that this government has been in power and there have been changes to the assistance provided to families to balance their work and family responsibilities. Contrast this to Labor’s 13 years in power, when families struggled and real wages decreased by 1.7 per cent. They decreased, I say to the member for Lalor and the member for Gorton. They did not increase; they decreased by 1.7 per cent. After 10 years of the Howard government, we have seen real wages increasing by 17.9 per cent.

The context of the recent claims, made by the industrial relations academic David Peetz of Griffith University, that wages for full-time adult workers fell by 1.1 per cent in the six months to August 2006 must also be presented in this parliament. It is important to remember that Peetz has based his research on a number of selective and shifting assumptions. One cannot be terribly surprised by this. If those on the other side present only half the information then obviously their ‘academic of choice’ is doing the same thing. Although currently there are 700,000 AWAs in operation, Peetz has based his research on a selection of 250 agreements. The selection he has used represents less than 0.05 per cent of agreements currently in operation.

It is interesting to note that as Peetz released his research a survey by the National Australia Bank was also released. What did their survey say compared to Peetz’s research? It paints quite a different picture. It shows that wages are certainly not dropping; rather, it highlights that wages are increasing at a rate of 5¼ per cent—a 5¼ per cent increase versus a decrease according to Labor’s academic of choice. The wage increase of 5¼ per cent is the highest growth rate since 1998. Added to that, the statement on monetary policy released today by the Reserve Bank of Australia outlined that the underlying annual rate of wage inflation remained at around four per cent.

These results are a stark contrast to Peetz’s assertion. I would certainly take the word of these respected authorities over that of someone who has made a name for himself producing half-baked information and suspect research paradigms. I have debated Peetz in public forums and, frankly, I do not know how a person who claims to be an academic can get away with that kind of research. Not only is he bringing his research into disrepute but also he is bringing the institution he represents into disrepute. The question must be asked: if this is the sort of research that is going to be allowed by the university and by the Labor Party then why
should we believe anything that Peetz is going to come up with in the future?

The member for Lalor is trying to present herself as the new face of Labor’s industrial relations—that she will be kinder and friendlier than Work Choices. Using her words, the salesman has changed, but the message has not changed. We still have a scare campaign and we still have a labour movement, led by Greg Combet and others, which has basically said that it wants these laws to be ripped up. The Labor Party’s response is, of course, to say that they are going to throw all the good things that the coalition has done out the window. No matter how they couch those words and no matter how user-friendly and ‘walk both sides of the street’ they may be, the result will be that the economic growth we have seen will be jeopardised by those on the other side. (Time expired)

Ms KATE ELLIS (Adelaide) (4.55 pm)—I am pleased to speak on this matter of extreme public importance today. The crux of this debate is the fundamental question of whether efforts to facilitate maximum productivity and competitiveness in Australian business are best served by throwing the notion of a ‘fair go’ out the back door. On this side of the House we believe that a fair go, as an enduring principle of the Australian Labor Party, is fundamental to being Australian and, similarly, that it is fundamental to a productive and competitive economy. Sadly, in my electorate of Adelaide I have witnessed first-hand how the Howard government’s extreme laws have tipped the balance and gone too far. This can be seen on at least two levels affecting Australians: firstly, on a micro level, by disintegrating the potential to maintain a realistic balance between work and family; and, secondly, at a macro level, by adding burdensome requirements to businesses which can affect productivity and increase inefficient regulatory restrictions.

Let me first look at the impact on Australian families. The result of the government’s deregulation of working hours has resulted in it becoming even more difficult for families to find an adequate balance between their work and family life. According to Professor Barbara Pocock, Director of the Centre for Work and Life at the University of South Australia, the capacity in AWAs to cast aside family-friendly work conditions has been widely utilised to date. Research has shown that those on AWAs are significantly less likely to have family-friendly provisions in their work conditions than those covered by awards or collective agreements. She has said:

Individual agreements, if we look at the data on them, are incontrovertibly less family friendly in terms of their annual leave, long service leave and sick leave—the fundamentals for working carers … A very small proportion (of AWAs) in 2002-03 had family or carers leave—way less than in collective agreements. Only eight per cent had paid maternity leave and five per cent had paid paternal leave. All of that data suggests that AWAs are family unfriendly.

These findings are alarming and illustrate just how, on this barbecue stopper issue, the ability to juggle family and work commitments is being steadily disintegrated by this government’s extreme industrial relations laws.

This says nothing of the young Australians who are now being exploited in workplaces across this country and their very worried parents. I have previously raised in this House the example of young Billy Schultze, whose case was investigated by the Office of Workplace Services, after I raised it with the Prime Minister in question time last year, and is now being pursued in the Federal Magistrates Court. The question is: how many young workers out there are being exploited and do not have the opportunity to have their cases raised in the federal parlia-
ment? The clear anguish this situation has caused Billy’s father has shown me yet again the disturbing repercussions of these workplace laws.

I would also like to talk about the impact these laws are having on business. The Labor parliamentary task force on industrial relations, of which I was a member, heard first-hand criticism from businesses about the complexity and prescriptive nature of the IR legislation. In my electorate of Adelaide, with some 20,000 small businesses, I am always interested in the realities of how these workplace laws are impacting upon them. Professor Andrew Stewart, Dean of Law at Flinders University in Adelaide, told the task force that the story for most employers is one of:

… a hopelessly confused, inept set of laws being made more inept with every bit of fiddling the Government does and that’s causing business massive problems.

The task force also heard from a small business owner in Gladstone, Queensland. He stated:

I don’t really understand the legislation ... Small business like mine are the backbone of ... this economy and clearly we can’t spend that time to understand all this legislation so who is it helping? Who’s gaining out of this? I have no idea ... Every day there’s more and more of it and this WorkChoices is just another example.

This is the reality of how these laws are impacting on small business. Similarly, in my electorate of Adelaide the feedback from business has been that Work Choices is a step too far, and that what was sold to them as legislation for greater choice in the workplace has in reality resulted in greater complexity, confusion and a more immense burden. As this matter of public importance today points out, these laws are unfair, complex, flawed and they are a burden for business. (Time expired)

Mr CAUSLEY (Page) (5.00 pm)—I have listened with interest to the speakers on the opposite side and their contributions to this debate and I have to come to the conclusion they do not live in the real world. I dare say that everyone knows that my seat of Page is on the North Coast of New South Wales. It is bounded by Richmond in the north and Cowper in the south. The area has always had an unemployment rate that is well above the national average. I think everyone also knows that I have been around for more than 50 years, so I have seen a fair bit of this on the North Coast of New South Wales.

The recent unemployment figures, announced only a week or so ago, showed that in the seat of Page the unemployment rate has come down from 16 per cent when I took over seat, which was the rate of Paul Keating and the Labor government, to 5.2 per cent at the present time. Yes, there are a number of things responsible for that, but one of the things I will claim very clearly is changes to unfair dismissal legislation. When I went around doorknocking to seek the seat of Page in the federal parliament, small business made it very clear to me that one of the huge inhibiting factors that they had for employment was unfair dismissal. They were terrified of unfair dismissal, because some of their colleagues had been caught out on it. We all know that employers and employees do not always get on together. That can be either’s fault. It might be the employer’s fault or it could be the employees fault, but there is one thing for sure: they should not be held together just because of unfair dismissal legislation. There was even the outrageous case that went to court where an employee had been stealing from the till and the court said, ‘You should have told them not to.’ That was the outrageous situation.

I have no doubt in my mind that in an area like the North Coast it is the small business community that is employing those people
who were on the unemployment queues. I think the headline the other day in the *Northern Star*, the paper that comes out of Lismore, said: ‘No longer the dole bludgers’ capital of Australia’. We no longer have the highest unemployment rate in Australia. We are down to ninth or something like that. It is undoubtedly the small business sector that is driving a lot of that employment.

If you look closely at these laws you will find it is the flexibility that they allow. When I was in the New South Wales parliament we never had late-night or weekend shopping. We now have all that practically right across Australia. How does the Labor Party think that is organised? Of course there is an agreement between the employee and the employer that they will work a Sunday, or half a Sunday, or Saturday, or at night and they will get time off in lieu. I know a number of people on the North Coast who find that very convenient. They go fishing or surfing for two days through the week when the crowds are not around. Of course, if you want flexibility in the workforce it is often the female partner who would like to do some work at night. Flexibility in the call centres allows people to do that. It provides the flexibility which they need, especially with a young family.

The member for Lalor made a lot of the mining industry. Yes, the mining industry in Australia is undoubtedly booming at the present time. But that is the exact reason why we need some flexibility. I have young people on the North Coast of New South Wales—mostly male, farm boys, relatively unskilled, but they are trained on the job—travelling to Central Queensland to work. They go to Brisbane, they are flown onto the job, they do three weeks on, I think it is, and one week off and they are on $100,000 a year. That is very good money for young fellows who are relatively unskilled and are trained on the job. If you had an award system, how would you get that flexibility between the employer and the employee? That is the type of flexibility you need. Without it, if you wanted to increase the wages so that miners could get employees, you would have to lift all the other awards across Australia, and what would that do to the economy?

The DEPUTY SPEAKER (Mr Jenkins)—Order! The time allotted for the discussion has now expired.

COMMITTEES

Membership

The DEPUTY SPEAKER (Mr Jenkins)—Order! The Speaker has received advice from the Government Whip nominating members to be members of certain committees.

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (5.05 pm)—by leave—I move:

That:

(1) Mr Lindsay be discharged from the Standing Committee on Agriculture, Fisheries and Forestry and that, in his place, Mrs Mirabella be appointed a member of the committee;

(2) Mr Lindsay be discharged from the Joint Committee on the Broadcasting of Parliamentary Proceedings and that, in his place, Mr Hardgrave be appointed a member of the committee;

(3) Mr Lindsay be discharged from the Joint Standing Committee on Electoral Matters and that, in his place, Mr Forrest be appointed a member of the committee, and

(4) Mrs Mirabella be discharged from the Joint Standing Committee on Treaties and that, in her place, Mr Laming be appointed a member of the committee.

Question agreed to.
I have a close association with many of the aged-care providers in my electorate. In fact, I visit many of the facilities on a regular basis so I can meet and chat with the patients. These visits enable me to ascertain for myself whether those older Australians are happy and receiving the care they need. It is amazing what these very special constituents will share with you over a cup of tea. Some do raise issues of concern but these issues are often very simple to rectify. With the close working relationship I have with my providers I have no problem in raising any issues that residents have and I have always found staff and the providers more than happy to accommodate residents’ concerns wherever possible.

In McPherson I have 17 aged-care facilities offering different levels of care: dementia-specific care, high and low care, special and independent care and respite for families. Some of the facilities are run by well-respected church organisations—by Blue Care and Lutheran Aged Care—and others by private providers such as the McKenzie family, who recently opened Sandbrook, and Don Brearly, who owns and operates Villa Serena at Robina.

Many of the newer facilities have been opened only in the last couple of years. The Hon. Tony Abbott officially opened Hill View at Merrimac last year. The team at Hill View do a wonderful job caring for older Australians in this beautiful facility, and they have forged a very strong relationship with their neighbour Merrimac State School. The partnership between the home and the local school has brought together younger members of the community with older Australians. I understand the partnership continues to grow stronger and stronger.

The RSL aged-care facility at Currumbin is a wonderful example of caring for many of our returned service men and women. A spe-
cial Anzac Day ceremony is held at the facility which is well attended by the local community. Each of the facilities has special attributes and I know that the majority of aged-care providers give excellent care. In fact, many of the workers I speak to regard their duty of care to our vulnerable, frail and older Australians as paramount. Strong bonds of friendship are forged, and I know many staff who have grieved like a family member when one of their patients has passed away.

Although we have excellent facilities delivering optimum care, it is our responsibility as a government to continue to strengthen the legislation, particularly in light of a number of unfortunate incidents, including alleged sexual and physical abuse, which came to light last year. These types of incidents should not and will not be tolerated by this government. The community expects a high standard of care for our older Australians and, through the bill before the House today, that high standard of care will continue. The system will be improved and made more effective by the measures before the House to ensure that physical and sexual abuse is reported through a compulsory reporting scheme which will protect the people who make the disclosures about abuse.

The bill establishes a requirement for approved providers to report allegations or suspicions of unlawful sexual contact or unreasonable use of force on a resident in a residential aged-care service. The report must be made to both the police and to the Department of Health and Ageing. It must also be made as soon as possible and not later than 24 hours after the allegation or suspicion comes to the attention of the approved provider.

Under the changes approved, providers will also be required to ensure that there are internal processes in place for the reporting, by staff, of all incidents involving alleged sexual or serious physical assault. Staff members will be able to report to the approved provider or the approved provider’s key personnel or other authorised people. The bill also enables staff members to report directly to the police or the department. This may occur where, for example, a staff member does not feel comfortable reporting alleged incidents to the home. Failure to have the necessary systems and protocols in place, and failure to report incidents, will indicate regulatory noncompliance, leading to the possible imposition of sanctions.

The bill underpins these new compulsory reporting arrangements with protection for people who report the abuse. It has been recognised that staff are more likely to report incidents of assault where they do not fear reprisal from their employer or indeed other staff members. The legislation ensures that staff members who make disclosures about assaults have their identity protected and ensures they are not victimised in the workplace. The legislation also protects disclosers from civil and criminal liability in relation to the disclosure. A court also has the authority to order that an employee be reinstated or paid compensation if their employment is terminated because of the fact that they made a protected disclosure. These aspects of the bill are important because they protect staff from disclosure. More importantly, they mean that staff can feel comfortable about reporting—that there are protective measures in place which will encourage them not to fear reprisal when reporting incidents.

A further measure in the bill is the establishment of a new and independent Aged Care Commissioner replacing the existing Commissioner for Complaints. The previous Commissioner for Complaints was limited within the scope of the previous legislation to undertake investigations and to take action. This bill enhances the role of the commissioner and also enhances the manner in
which complaints are handled. A new Office of Aged Care Quality and Compliance has been established within the Department of Health and Ageing and it is responsible for investigating any information about possible noncompliance by approved providers. The office will have the power to investigate all complaints and information. It will have the power to determine whether a breach of the approved provider’s responsibilities has occurred. When a breach is identified the office will have the power to require the approved provider to take appropriate action to remedy the breach. More importantly, the office will have the capacity to issue notices of required action to providers who have breached their responsibilities and take compliance action where the provider fails to remedy the issue. The new Aged Care Commissioner will provide an independent mechanism to hear complaints about action taken by the new Office of Aged Care Quality and Compliance in the investigation of complaints and also about the conduct of the Aged Care Standards and Accreditation Agency and its assessors.

The Aged Care Commissioner will also have the capacity to undertake ‘own motion’ reviews. It is proposed that the new arrangements will take effect from 1 April 2007. Prior to that time line, the department will be issuing approved providers with information and guidelines on the new requirements. It is important that the government continues to work with all stakeholders to ensure the best possible measures are put in place to protect the most vulnerable in our communities. The measures introduced in the legislation are in response to concerns and issues raised directly with the minister, and the government has responded—and responded, I believe, in a positive way that will ensure families, residents, nurses, care workers and providers all have a very clear understanding that abuse of the elderly will not be tolerated. It is unacceptable that any form of sexual or serious physical abuse is perpetrated on the elderly. There is protection for the elderly and, because of the new compulsory reporting arrangements, there is protection for the staff. I commend the legislation to the House.

Mr HATTON (Blaxland) (5.17 pm)—The Aged Care Amendment (Security and Protection) Bill 2007 is a sad bill to come before the House because it deals with very difficult areas. Questions of sexual or physical assault in aged-care premises send a shudder throughout the community because people in those areas of residential care are by their very nature relatively more vulnerable than people outside them. The reason for that, of course, is that 96 per cent of the Australian population still maintain themselves outside this kind of residential care. That figure has probably gone down in the last few years, since 1995 or so, but we are still looking at that order of magnitude. Most people can maintain themselves at home. Most people still have a close family relationship. They live either with a sibling at home or with their spouse until the spouse dies, or they have other connected family close to them. They have what we would see as a normal environment in which to operate and one in which the same occasions for the commission of sins are not there. It is not the same cloistered environment that you would find in this kind of residential place or in any of those other places where these kinds of things have been a problem over time—the boarding school environment and other closed environments, whether in the armed forces or closed academies, where you get congregations of people outside the normal family environment.

We know that physical and sexual assault can happen within the family context in the family home, but the measures here in this bill deal with a particular and different con-
We have a different structure now to the one we had in the seventies, eighties or nineties and since the member for Mackellar was the minister. The structure then has been described as ‘ageing in place’ and it was based on the model where you would have one place that a person went into—they might go into a self-care unit. We now have a series of places where there are self-care units and, by and large, people just live the way they did in their original homes. It is a smaller area to take care of and there is a commonality in terms of dealing with all of the needs of the people. The common grounds are looked after, there is an on-site medical service and a nursing service if people get into trouble and there is also a range of other services available.

That facility is often combined with a hostel so that if people get to the point where they are no longer capable of looking after themselves in their own self-care places they can move into a hostel. It is a much smaller room—usually just one room with en suite—and there are common meal facilities. It is a much closer arrangement where more of the difficulties outlined in this bill in terms of sexual and physical assault can occur and, indeed, have occurred.

Where such assaults are less likely—but there is still the potential for them to occur—is at the very end of the process when people have been put into full nursing home care. Prior to the changes we made when we were last in government it used to be that people were inappropriately placed in full nursing home care when their condition was such that they should have been in a hostel or in their own self-care unit. So it is a question of time and place and of being put into an environment that people are not used to and one with the potential for sexual or physical assault to happen and for those assaults to be relatively concealed.

There are particular notations in the bill with regard to people who have dementia because there need to be exceptions to the reporting requirements where they are concerned. There has been a debate about whether there should be compulsory or mandatory reporting. This bill says that there should be compulsory rather than mandatory reporting. One of the reasons for it not being mandatory is people suffering from dementia. We know that those who do suffer from dementia can have a string of different responses over time and, in some people, there is a progression where they become very physically aggressive as they lose their sense of themselves and their normal control mechanisms in interactions with their family. They can become extremely aggressive and, although they are affected mentally, they do not have a loss of physical power.

I know from people in Bankstown who are in those circumstances, who have relatives who need that kind of care, just how difficult it is when a person develops that kind of response. A person who was a normal, loving husband throughout his life who develops into something else can be extremely confronting. That can happen in situ, at home. I am aware of cases where that has happened and where there has been relatively no protection for the spouse from the husband affected by dementia who becomes physically aggressive—except for taking out an AVO or taking other measures to address it. It also happens in residential care situations, but there it should be dealt with more easily and in a more orderly way because they have specific dementia care units. But people are so physically strong in these circumstances, the adrenalin runs so high, that it can be very difficult to deal with them.

I have considerable concern about the manner in which this bill has come before us, with very little time for us—certainly for me—and particularly the shadow minister to
consider these matters. The government can say: ‘Well, we’ve made a quick response. We’ve come through with a bill that is substantial, small and narrow in focus, but that substantially meets the complaints that have been made. We’re putting this into place and we’re going to get it through the parliament as quickly as possible.’ What is the driver behind this? Media reports of physical and sexual abuse. Those media reports have been recent. The action taken here has already been underlined in arguments on the other side as a speedy reaction. The government have come forward; they have reacted.

Normally, the proper thing to do here would be, first, to have had full consultation with the industry to see how widespread and deep these problems are, and then to take speedy action—action that is based on extensive consultation, to ensure that what you are putting into place will really work and work effectively. Second, you would expect that the opposition in this place and in the other place would deal with this in an appropriate manner—well, for that to happen, it is often good to give people a brief on the legislation and allow them to look at it! But here we have a situation where the bill was referred for inquiry by the government on Wednesday, 7 February, and tabled in the House on Thursday, 8 February, and we are debating it today, Wednesday, 14 February. The Senate inquiry is not due to report for a full month, not until 14 March, and then the expectation is that the measures will be implemented on 1 April of this year.

What that means, as the shadow minister has argued, is that, firstly, the bill has been rushed in. The shadow minister was not able to see the bill before the government recommended it to the Senate legislation inquiry. Secondly, the principles that support the bill are still in draft form and have not yet been sighted. Thirdly, the bill only came after media reports of sexual abuse in residential aged-care facilities. This last point is telling, given the alacrity with which the government has put the bill forward, because what has happened is exactly the opposite. The provisions of this bill are being implemented two years after the Senate committee inquiry into aged care, with its report entitled *Quality and equity in aged care*, found deficiencies in the operation of the current complaints resolution scheme and made recommendations to improve the system that go to these very matters. The impetus behind this bill was getting the media coverage: if the coverage is embarrassing enough then the government will move—without adequate consultation.

The aged-care providers who are tagged in this bill with requirements for compulsory reporting of suspected physical or sexual assault, by and large, as far as we understand, are willing to take part in the Senate inquiry and are willing to take the measures in the bill forward and put them into place, but they think that they really do need to be part of this process. And a whole series of technical amendments may arise that we will have to look at later, after this has been through the Senate process.

Fundamental parts of this bill deal with the new compulsory reporting arrangements, which require aged-care providers to report suspected or alleged sexual abuse and serious physical assault of residents, and, further, require them to have internal processes within the organisation for staff to report all incidents of suspected or alleged sexual abuse or serious physical assault. The identity of staff who report incidents will be protected; there is protected disclosure. There are a number of measures in the bill that go to this situation.

As I said at the outset, this is a difficult area. It is difficult sometimes to know, unless it is blatantly in front of you, whether an assault is a direct assault on a person, particu-
larly when it is of a sexual nature. It is particularly difficult when people who have dementia or who suffer from a range of other problems are the ones doing the assaulting. These assaults do not always occur in the way that people think and they need to be looked at closely.

There is a sensible proposal in this bill to appoint an Aged Care Commissioner to look at complaints and deal with them. This means not only that there is a greater capacity to investigate the complaints but also that the investigation will be done by someone outside the process.

We know that all of the aged-care facilities in my electorate have improved over time, but a number of them which were mentioned in dispatches some years ago have had to significantly improve the way in which they do things. This relates to what they are tasked with, the normal tasks that they have. The majority of those providers which are part of the network have always carried out those tasks. The Uniting Church has provided a significant number of places in Blaxland. Also our Bankstown aged-care organisation provided four basic hostels and now has a magnificent complex up at Georges Hall.

People know how difficult it is to adequately provide for not only people's needs but also the particular areas addressed in this legislation. This is very much the case in the dementia care units. In these units you are looking at potential physical and sexual assaults almost from unguided missiles—from people who have lost the restraints and constraints that they used to have prior to being affected by dementia. So it is important that these measures are put into place. The dementia aspect is extremely significant.

I want to make the debate a little broader. There are significant language problems that demand a great deal not only of service providers but also of the staff in nursing homes in an electorate like Blaxland. This is the case in not only the existing electorate but also the new, redistributed Blaxland. Those language problems are significant and deep. This concerns all of those people who came here postwar. A lot of people who came from Europe who were from peasant backgrounds left school at primary school age, like most Aussies did before World War II. They were adequate in their own local dialect but they had difficulty with the broader language, be it Italian or Greek—the demotic language of the country. To come here at the age they did meant it was difficult to then go and learn English.

As those groups have aged, one of the fundamental problems they have had to deal with is the fact that they cease to have the capacity that they had when they were in the workforce—as good, bad or medium as it was—to deal with other people more readily. They retreat to their original language. If you do not have adequate services to help them then they can be imprisoned in that original language and go back to their original mode of going about things. It is only the family that can help to sort it out, as the young kids used to do when they were at school. The schoolkids used to sort out the problems their parents had.

There are specific cases just outside my electorate. St Basil’s Nursing Home is a wonderful facility run by the Greek community. It was set up specifically to address the problems in the Greek community. It is open to the rest of the community but is able to address that particularly significant problem of language. It is not just about food or cultural requirements; it is about the problem of people not being able to communicate their needs. In this area they also need to communicate problems of physical or sexual assault on them.
How do you deal with this? More than one person in five in my redistributed electorate of Blaxland is Vietnamese. Among that vast community of people who are Vietnamese are those who went through a brutal civil war that the communists finally won. There are people who ended up in camps or in prison and who were part of the refugee efflux in the seventies and eighties. They have been here for more than 30 years and have carried enough crosses in their lives. They have established themselves, worked hard and built strong communities based on their fundamental family and community values. They are the backbone, with their children and grandchildren, of our professional class—the doctors, dentists and lawyers—because they work so hard. There is not a single nursing home in my electorate with a dedicated language facility for people of Vietnamese background.

I went just a week or so ago, in the break, to a Vietnamese and Indochinese elderly group to speak to them and see what their concerns were. I had heard before what they were, but this is the first time that this area has come into my electorate since I have been the member. In 1984 we had part of it. It includes Cabramatta, Canley Vale, Lansvale and Lansdowne. In that area there is a very high concentration of Vietnamese. There are 1,000 people within this aged-care group. Most of them live in their own homes and come to this group for support once a week. There is a part-time employee five days a week, for four hours a day, doing excellent work, together with four volunteers who roll in every day in order to help the people who have problems, to refer them to federal or state members or to council to sort out their problems with departments.

Those kinds of facilities are available to people, but they do not have a dedicated aged-care facility where they can seek to help those people who are language dependent. The group have just initiated a process to look at setting up a hostel and to work within the community to get the money together to do that. I have committed myself in the next term to doing everything I can to support them in setting up a hostel program or an aged-care facility with federal, state and community support, not only from the Vietnamese community but from the community generally.

These are the particular results of living in a society based on migration. We did not do enough previously, and there were a series of decades in which not enough was done to help people settle. This is still part of the settlement process, 30 and 40 years on. It is inevitable that when people go into residential care there is a shutdown in their capacity to deal with people who are not from the same linguistic background. To assist them with all of their needs, but in particular the ones that are dealt with in this legislation, we need trained staff who are capable of translating the problems that these people come up with, translating the allegations. So the reporting mechanisms need to take that into account.

In so many of our facilities, not only in the dementia units but in hostel care and other areas, we have people from a whole variety of language backgrounds. You have the same problem but it is multiplied because there are multiple language problems. That is something else that is not looked at here but that I think needs to be looked at very closely in the Senate inquiry. The providers and the staff, along with the government, need to take account of this and put more resources where they are needed not only for the one in five people in my new electorate who are Vietnamese, where there is nothing at all that is specific—it is very difficult for them to get access—but for the plurality of people. (Time expired)
Mr HARDGRAVE (Moreton) (5.37 pm)—The member for Blaxland is pretty close to the mark, but there is one variation I will make on his contribution to the Aged Care Amendment (Security and Protection) Bill 2007. It has nothing to do with the extension of the settlement process, when we start to talk about the need for linguistic skills in aged-care services. For heaven’s sake, surely 30, 40 or 50 years after people have arrived in Australia, we should let them know they have settled.

I see the new Minister for Immigration and Citizenship here in the chamber. I was the first ever minister for citizenship at the Commonwealth level and one of the things I learned was that there are too many government agencies—federal, state and local—who have a belief that if the Australian government’s Department of Immigration and Multicultural Affairs imported people to this country then forever they must be their problem. We really have to understand that our cultural diversity, our linguistic diversity and our religious diversity are very much at the heart of what makes Australia what it is today. Departments like the Department of Health and Ageing have got to have programs that give assistance to providers to offer linguistic skills, cultural skills, religious skills—even food skills. Perhaps providers can be given an opportunity to set up wings in their facilities that can be dedicated to particular groups within the community.

There are some great private providers in my electorate. Over time they may be able to provide 20 beds out of 100 for aged people from the Dutch, Greek or Italian communities and, over time, perhaps those from the Vietnamese community, the next group in the community to see its population in Australia age. The member for Blaxland and I will both have to deal with people from the Sudanese, Somali, Ethiopian and Eritrean communities. He has a 100 per cent right to say that this is something in public policy that has to have a sensible aspect to it. So I will join with about 90 per cent of what he has said. But I ring the bells: this will not ruin his re-election in Blaxland—he has got the numbers locked up. Here you have the Liberal member for Moreton—the most culturally diverse seat in Queensland—agreeing with the Labor member for Blaxland on the point that we have to look at the whole of our society when we make our plans about this. I think he is also right in the point he makes about the bill before us on the establishment of the aged-care commissioner, who will be a point of reckoning, a responsibility mechanism, who will report to the minister about the sorts of violations that have occurred, about the attacks on elderly people, on vulnerable people—whether they are sufferers of dementia or whether they are simply physically infirm. From time to time there may be exploitation of older people. Any time it happens is too much. I think I heard the Minister for Ageing, Senator Santoro, say that a few months ago in responding to some horrific reports.

We have to be very clear that aged-care sector professionals today are offering day-to-day assistance to those who helped to build this country, the nation builders, particularly the post World War II generation who are now starting to age. Aged-care workers are champions. They do things that I personally would find very difficult, almost impossible, to do—certainly outside of my immediate family. They offer care and they put in extra effort in so many different ways, working unpaid overtime. I have met too many aged-care workers in that circumstance. They offer care and they put in extra effort in so many different ways, working unpaid overtime. I have met too many aged-care workers in that circumstance. I do not know whether many owners of aged-care facilities understand exactly what it is that the workers in those places do and the difference that they make through their very personal care and attention for the patients in their care. I am talking about not
only those in institutions but also those who are ageing in place, ageing at home. Over the last 10 or 11 years, this government has embarked on making available to people more packages so they can age in place. That makes a difference. Perhaps, to reflect further on the contribution of the member for Blaxland, it also creates another set of problems because of their isolation. Those suffering from dementia who are ageing at home may revert to the language of their childhood. We find people who are perhaps even further socially isolated and trapped by those who have the linguistic skills to care for them, who become gatekeepers and controllers of their everyday lives. In fact we hope that their inheritance and dignity are in the control of good people. That is what the aged-care commissioner will of course deal with.

I think back to when we first came to office in 1996. In Queensland there was an absolutely chronic shortage of aged-care beds. There was a huge problem in Queensland. From memory, Victoria was way oversubscribed. I know the Minister for Immigration and Citizenship, Mr Andrews, is from Victoria, and he was once the Minister for Ageing. At the end of it, Victoria’s entitlement was way oversubscribed from our point of view as Queenslanders. We fought hard to get further beds allocated to Queensland. There was an accelerated program for Queensland. The Prime Minister listened to us. We worked with him to make that difference in our own area. I have looked back—which I can afford to do in preparation for this discussion—and in my area of Moreton alone there has been a doubling of the number of places and a quadrupling off the base of the amount of money that is expended in aged care. So not only has the number of institutional places doubled but also we have added the community aged-care packages. There were zero in 1995-96 and 187 in 2005-06. That in itself explains that we not only put pressure on the Prime Minister and the Treasurer back in 1996-97 to get some way forward but also have actually been able to deliver on that.

I have new aged-care facilities in my area that are fantastic—for instance, the Regis home at Salisbury. The new facility at Eight Mile Plains which the Bethany Christian Care have in place is without doubt, like the Regis home, an exemplary example of aged-care practices, with 32 high-care beds and 64 low-care beds. This is a facility that will continue to grow. I know that Minister Santoro actually opened that facility in Underwood Road last year, and I was very pleased to be there with him. On raw statistics alone, the electorate of Moreton now has 408 high-care beds and 550 low-care beds. I have figures from the Department of Health and Ageing that back up that claim, but I very much want to place on the record my enormous sense of gratitude to those aged-care workers who work in so many different places to make a difference for people who deserve to have a difference made for them.

I know that there are a number of aged-care facilities on the south side of Brisbane that have had a history of long service. Because of this government’s reaction to the understandable public pressure being applied to update and upgrade facilities, they may face some changes to their circumstances as new facilities may have to replace the old. That seems to be a concern in the sector now, and of course government support to assist with a lot of the practical infrastructure is there—but not in a complete sense, I know. Nevertheless, we have partnerships with private providers like Churches of Christ, TriCare, the Uniting Church, organisations to do with the Catholic Church and others, and the Russian Benevolent Association. The way in which Serge Voloschenko and his team have made a difference at Pine Lodge for 30 or 40
years, offering Russian-speaking assistance to people, is now being met by the enthusiasm of others in the community who want to do more for their particular parts of my enormously culturally diverse local area, and of course I speak of the work being done by the Jeta Gardens corporation.

Jeta Gardens have established themselves at Bethania, in the member for Forde’s electorate, 20 minutes by rail from Sunnybank in my electorate. Choe Lam Tan and his consortium members have set out to establish a marvellous aged-care facility which will have a Buddhist feel about it. I do not know about you, Mr Deputy Speaker, but I may want to age as a Buddhist at a later point in time. It might be a very nice and peaceful way to go out. I am not sure what my parish priest will make of it, but it might be a very pleasant way to go out. Jeta Gardens are not saying it is only for Chinese and it is only for Buddhists; it is certainly for anybody who wants to be a part of that particular style of aged-care service, and they are opening their doors to a broad range of people.

Of course they are following on from the work that has been done by the 310-year-old Catholic order of the Sisters of St Paul de Chartres, marvellous people who, at Boronia Heights in the member for Rankin’s electorate, provide beds for all sorts of people from all sorts of backgrounds. This is a Chinese order that has been providing this service for decades, but the order itself is some 310 years old. I remember speaking in this place on the occasion of their 300th anniversary. The sisters there have provided support for all sorts of people. My own grandmother spent some days in respite there about 18 years ago.

I make the point about this diversity because I think the member for Blaxland put me on that particular tangent. But at the end of it there is an opportunity for groups in our communities to participate in the dignity-giving which aged-care services should and are providing in this country, and what a difference a decade has made as far as aged-care services are concerned in this nation. Of course with this bill we have an ambition to do more. I thank Minister Santoro for the very deft way in which he has responded to not only the demands that have come out of the media inquiry but, of course, a lot of other interaction about the needs for compulsory reporting, not to put unnecessary pressure on aged-care professionals but to back the good ones by helping to expose if there are any bad ones in their midst, thus giving a structure and some certainty to people who are in the broader community that there can be a great deal of public confidence about the way the aged-care sector actually operates.

The safety of the residents is of paramount importance to us as a government, as it is to aged-care sector workers, those people who make a difference. Increasing the quality of care is something that we must do, because as this government has continued to invest its money in packages so that people can stay at home—and these staying-at-home packages have been enormously popular—it tends to be that those who actually arrive at the doorstep of an aged-care facility may well be those who need a higher level of care than may have been the case a decade or more ago. Increasing the quality of care and maintaining a decrease in the risk factors associated with the delivery of that care to residents are, I believe, absolutely vital.

The local RSL has undertaken a project. I have raised it in this place before, but I raise it again because it is relevant to part of the way forward. As we start to demand a higher level of care, increase the quality of care and back the professional providers at the coalface—and I am not so much talking about those who have the nice big cars and the...
wood-panelled offices; I am talking about the nurses and those working at the aged-care bed level—it is important that we in fact encourage another stream of people into this sector, and what the RSL at Sunnybank has done is to engage a couple of local high schools in my electorate. It is a fantastic project. Runcorn High School students and St Thomas More College students have been given a chance to work at the two RSL homes in my electorate. I know, Mr Deputy Speaker Scott, when you had the role of Minister for Veterans’ Affairs you came along to Cazna Gardens at Sunnybank Hills—‘Cazna’ being ‘Anzac’ backwards in case no-one can read that properly. Cazna Gardens and the Carrington home at Parkinson have been places where these students have gone on a weekly basis as part of their school work to actually interface with older Australians in these aged-care facilities.

From the residents’ point of view it is an opportunity for them to talk with and engage with a new generation. There are all of the fun things like learning about the internet and computers and so forth. But, for the young people, they have a chance to actually engage on the dignity, and the importance of dignity, associated with ageing. When you actually go along and talk with these kids, you see the fact that they have coped with even the worst set of circumstances. One 16-year-old girl had one of her charges die during her time at one of the homes. The way in which she learned to cope with that and the way in which she was supported by the teachers of her school and the RSL in general I think does set a very good pattern of conduct. From my point of view, I want to see those kids’ efforts actually rewarded with some kind of certified outcome from that training. It is the elementary stage of aged-care professional training and it should be recognised as such.

I think it is very important that we encourage people from all sorts of backgrounds and all sorts of language backgrounds to be involved in this process, particularly in an area like mine. I know that the Charlton Brown College in Brisbane has in fact been dealing with those who have come in through the migration program. They have come to Australia perhaps as refugees. They have come with skills which have not been recognised in Australia because of the cumbersome way in which our occupation group recognition occurs and sometimes because of the professional capstones applied by organisations such as unions and state governments. I know of one chap who came from Eritrea who was a trained registered nurse in Eritrea. That would not be recognised here because of what I have just said and because of the conditions I have just outlined. This chap in fact has undergone further training through Charlton Brown College and he is now out there working in the aged-care facilities. What is really great about it is that, no matter what the complexion or the shape of face of the person offering the care, these people are involved with other people who might be of completely different ethnic or linguistic backgrounds. They are part of the changing face of aged care in Australia and, indeed, so it should be.

When this government came to office there was an aged-care expenditure of $3.1 billion. Annual government outlays now have increased to $9.9 billion by 2010-11. That is a threefold increase. When we came to government there were issues left undone by the previous administration in my own local area alone which saw people facing the hostile prospect of having to pay more for aged care because of the failure to invest in aged care by that previous government. They were too busy clocking up enormous amounts of government debt and too busy dedicating too much government expenditure...
to the repaying of that debt, with a $10½ billion interest rate bill in 1996-97. They were too busy putting Australia into debt to actually concentrate on investing in Australia’s long-term future.

When you think about the numbers, you realise that this country is ageing quickly. Within 50 years the number of people aged 65 will almost triple, from 2½ million today to around 7.1 million by the year 2051—that is when I will turn 91, so I will be stuck in that particular category—and it will go from about one in eight in the population to about one in four. You then realise that we have to gear this sector up for the long term. We have to make families understand that it is not a matter where, when someone reaches a certain age, they are flicked off to aged care. Families have to take primary responsibility, as they should, for the older members of their family. They should indeed be the first port of call. We have helped to resource that with increases in respite for carers, increased carers allowance and increased investment through community aged-care packages. But, when the day does come that someone loses the physical or mental capacity to look after themselves, and when a doctor decides that they actually now need the professional caregivers, we have to make sure that those professional caregivers are well trained and well resourced.

To me it is always a no-brainer. There is a no-brainer in this allocation of government resources question. The first place that the resources should go is always to the patient-caregiver equation. It should not be filtered through massive bureaucracies, choked off and used for paying off a whole pile of people in the process before that care is given, like that fabled episode of Yes, Minister in which the most efficient hospital was the one with no patients. We do not want a system that operates like that. We want something that recognises and resources first and foremost that professional caregiver equation with their patient.

That is why this legislation is in fact so important. While those opposite have been promising an aged-care policy for over two years, but have failed to produce it, this government has recognised it cannot just rest on the great achievements to date and be satisfied that the last 10 or 11 years is good progress; it also has to make sure that the progress to come will set Australia up for the long term. That is what this government is about—responsible economic management delivering the dividends to everyday Australians where and when they need them. Therefore, I absolutely recommend this legislation to the House.

Ms ANNETTE ELLIS (Canberra) (5.57 pm)—I welcome the opportunity to speak on the Aged Care Amendment (Security and Protection) Bill 2007. In doing so I feel compelled to digress for a moment, if I may, in following the member for Moreton. There is absolutely no doubt that we have in the aged-care sector some of the most dedicating, hardworking and committed people at that coalface he talked about, giving wonderful service to our aged members of the community who need to be in aged-care facilities for one reason or another. The little caveat I would put over that when he talks about the extracurricular activity that they undertake—the overtime without pay and the extra things they do—is that, whilst not wishing to rain on his parade too much, one of the biggest questions in aged care now and for some years has been how we actually attract those people into the sector, how we maintain them in the sector and how we actually pay them appropriately within the sector. Maintaining and paying are two of the big questions. I am virtually agreeing with the member for Moreton but putting a bit of a warning around his words. Whilst some of those hardworking staff do in fact go that extra
mile, they really should not be required to. There should be sufficient numbers of them in there and they should be getting paid sufficiently so that, when they get in there, we actually hang onto them. That is a very big thing that government, no matter what their colour, needs to attend to.

Another thing that both the member for Moreton and the member for Blaxland mentioned—again a bit of a digression—was the comment about elderly people who, in their later years and with a little bit of dementia, can sometimes resort to a native language other than English. I want to mention briefly a program that I came across in my electorate late last year. Communities@Work, a community service organisation in the southern end of my electorate, decided to try a program giving access and guidance on computer skills to some of those very people. They got a number of laptops and they went along and engaged with some elderly folk, some of whom had a little bit of dementia, in aged services. Not only did those people graduate—I had the pleasure of presenting graduation certificates to these folk—but those who had retained or regained their mother language suddenly had access, through the internet, to the newspapers of their country of origin. Many had not seen newspapers from their home country in their local language for 30, 40 or 50 years. A side benefit that the people who were running the program were delighted to see was that all of a sudden this dear elderly soul with dementia or with a bit of nostalgia suddenly found that he or she could read, via the internet, the newspapers in their mother tongue from their home country. They were delighted. It was a very good program and I hope we will see more of those programs. But, as I said, I digress.

The Aged Care Amendment (Security and Protection) Bill 2007 will introduce new compulsory reporting arrangements, with requirements for aged-care providers to report suspected or alleged sexual abuse and serious physical assaults of residents. It will also require providers to ensure there are internal processes in place for the reporting by staff of all incidents of suspected or alleged sexual or serious physical assault and that the identity of staff who make those reports is protected and that staff who report are not unfairly treated as a result of making a report.

The bill also gives the Department of Health and Ageing greater capacity to investigate complaints and to require aged-care providers to correct failures to meet their responsibilities. A new Office of Aged Care Quality and Compliance within the department will be responsible for this. The bill replaces the current Commissioner for Complaints with a new Aged Care Commissioner to provide an independent mechanism to hear complaints about how the department has responded to complaints and about the conduct of the Aged Care Standards and Accreditation Agency and its assessors. The Aged Care Commissioner will also have the capacity to initiate their own reviews.

This bill provides solutions for the protection of residents in aged-care facilities from sexual and physical abuse. It is a sad reality that this legislation is needed. It is a fact that abuse has occurred. I must at this point recognise the absolute courage displayed by family members of victims of abuse in these sorts of circumstances. I clearly recall the ABC *Lateline* program of 20 February 2006. The story revealed by the family—from memory, I think it was the granddaughters—of an aged-care resident, talking about the abuse suffered by their grandmother in an aged-care facility, was both extremely confronting and most disturbing. I understand, from my knowledge of my community, that in the past incidents of abuse have occurred within my community of Canberra—few and
far between but they have occurred. There have also been allegations of less serious, but nonetheless equally disturbing, abuse and behaviour affecting some residents in aged care. This legislation is part of the government’s response to these types of events.

In my experience, the majority of aged-care providers give care and security to their residents in a highly professional and highly competent manner. I recognise this and I commend them for the contribution they make to our society and to the lives of those in their care. I understand the aged-care sector has been involved in consultation processes leading to this legislation and is reasonably comfortable with the bill’s intent. The sector, however, is also supportive of a detailed inquiry, which may result in some technical amendment.

As I said earlier, the major elements of the bill are the requirement for compulsory reporting, the protection of those who report, the establishment of ‘investigative principles’ by regulation and significant changes to the aged-care complaints process. I welcome the elements of protection of those who report. The legislation requires that staff members who make disclosures must have their identities protected and must not be criticised. It further protects disclosers from civil and criminal liability. I also note the inclusion of investigation principles. The bill proposes changes to the departmental section of aged care quality and compliance which will be established as the Office of Aged Care Quality and Compliance.

The Office of Aged Care Quality and Compliance will have the power to investigate all complaints. In the case of a breach, the office will have the power to require the approved provider to remedy the situation and apply sanctions if necessary. I note the significance of the change to the way complaints about aged care generally will be dealt with under these new provisions. I am very aware of the frustration of people who make complaints under the current system, which has called merely for mediated resolution. This has plainly not worked, and I am only sorry to see how long it has taken to come up with an alternative approach.

A further change is the insertion of a new part into the act to establish the Aged Care Commissioner. The Aged Care Commissioner will replace the existing Commissioner for Complaints. They will have the powers to investigate complaints arising from action taken by the new Office of Aged Care Quality and Compliance with regard to investigations and conduct of that office. I understand the commission will also be able to examine certain decisions and complaints that may be made by the office, and make recommendations accordingly. Further provisions in the bill on the role of the commissioner include the commissioner having the capacity to undertake ‘own motion’ reviews. The commissioner will advise the minister, at the minister’s request, about any matters that may arise from examinations undertaken.

In general terms, I welcome the provisions of the bill. I must point out, however, that the process has been far from satisfactory. The bill has come into the parliament without the shadow minister being able to see it before the government recommended that it proceed to a Senate legislation committee inquiry. The investigation principles that support this bill are still in draft form and have not been sighted. They are being implemented two years after the Senate inquiry report Quality and equity in aged care found deficiencies in the operation of the current complaints resolution scheme and made recommendations to improve the system, including a recommendation for whistleblower protection. I understand the bill is now with a Senate legislation committee inquiry, through which we will be
able to examine the workability of the proposals. It is quite possible that amendments may be required after that inquiry.

The calls for reformed legislation in this area are nothing new. I believe it is fair to say that the horrific stories that appeared early last year, in particular, prompted the government to finally act. But why has it taken so long to hear, believe and understand the calls for action over a much longer period of time? I am sure I am not the only member in this place who has talked about these issues in debates in this House in the past.

The minister announced that the government would introduce this legislation in July last year, with a start-up date of 1 April 2007. I think it is pretty poor to see the government then rush a bill of this kind into the parliament while virtually admitting amendments will be needed by sending it straight off to a Senate committee. I understand that the committee must report by 1 March. That is a very tight timetable indeed.

Yes, these changes are needed and, yes, they have been slow in coming. Our older citizens and their families should feel secure in the accommodation choices they face and make. However, we must note that most abuse of older people actually occurs in the community. Elder abuse is a topic we should all be pursuing and paying greater attention to. Some of our states are conducting programs to support older people and provide community education about combating elder abuse. I believe this government could learn from those projects. This bill does nothing to address the sad reality of elder abuse broadly within our community.

I will conclude by again saying that, yes, we need these changes. I am really sorry it has taken a while for them to come. The deplorable situations that became headlines just on a year ago, I believe, were the catalyst for action suddenly occurring. I applaud the fact that action has been forthcoming, and it should not have taken those shocking abuse cases hitting the headlines. They should not have happened but they did. The community deserves to have seen this sort of action long before these cases occurred. I know from my involvement in the aged-care community over a large number of years that there has been discussion about ways to change the complaints mechanisms and the reporting mechanisms, and about ways to handle any situations that occur within facilities. What we have not talked about here, and maybe we should, is what sorts of mechanisms need to be in place to ensure that elderly people within their own homes are equally safely protected. With the greatest of good intent by all the wonderful people out there giving services, if we believe this sort of behaviour and action is required within facilities I would ask whether we need to look carefully at what we are doing outside facilities, where there has been a growth in the uptake of people choosing to receive aged-care services within their homes.

On that note, I would like to add that I also strongly support the option for the provision of aged-care services in people’s own homes, but only in cases where it suits them, where they need it and where the support structure around them can encourage and endorse it. Families are not to be made to feel bad about the fact that facility care is occasionally needed, and when it is needed we should equally support those people as well. I have been happy to speak to this bill, and I look forward to seeing the outcome of the Senate inquiry.

Mrs HULL (Riverina) (6.12 pm)—It is a great pleasure to rise to talk on the Aged Care Amendment (Security and Protection) Bill 2007 and to finally see addressed a very vexed and difficult issue that we have been looking at for some time in order to see the
very best way that we can put in place productive and protective measures that give security for residents, security for families and security for aged-care workers and professionals.

I was interested to hear the previous speaker, the member for Canberra, talk about how the federal government should have addressed in this bill elder abuse and the abuse of older people living within the community. It is quite vexing because I cannot understand how the she would suggest that the federal government can do this. It is a law and order issue for the police. How can the government know about the types of abuse that the member was alluding to if it is happening in the home, where there are absolutely no controls by the federal government? These are primarily law and order issues for the policing of communities under the state governments. Perhaps the member was only considering possible or potential abuse by home and community care package service deliverers. I could not quite get the relativity of the criticism that she was making of this bill.

This bill will provide greater confidence to the people of Australia about the already high-quality aged care provided in our nursing homes today and every day of the year. It is true that most older Australians would want to remain as long as possible within their homes, close to family and friends and the shops, clubs, churches and community activities that they are familiar with. It can be a difficult time for people to have to relocate to an aged-care facility.

This is often the case in my electorate of Riverina. Many older rural people have to not only enter into aged care but travel to another town and community to find suitable residential aged-care beds, thus leaving their family and friends behind. In many cases, because of that tyranny of distance, they will very rarely have contact with those people in the future. For this reason, many of the people I represent in the Riverina choose not to enter a residential facility until they require very intensive support services. That, I guess, is the key statement: they do not enter until they require very intensive support services. These people need support and they become extremely vulnerable. This amendment bill will give new protection and added protection to aged-care residents. The protection will include compulsory reporting of abuse, protections for those who report those abuses and improved arrangements for investigating the complaints.

I cannot imagine how distressing it would be to experience any sort of abuse or unsatisfactory care in an aged-care facility. My strong support is behind this bill. One could use the analogy of a baby who has been put in a childcare centre and who is being abused, who has no voice, who is vulnerable but who has to rely on the carer who is giving them the support. They need to rely on that person in order to have their day-to-day needs fulfilled. A baby has to have nappies changed and meals provided. A baby has to be fed and needs general nurturing, hugging and comfort when they are hurt or sad. Those are exactly the same types of requirements that you have as an aged person. An aged person becomes vulnerable and frail and in desperation sometimes has to rely on the support of the very person who may abuse them. What a sad situation to be in.

In some conversations I have had about needs in aged-care facilities it has been raised with me that if you are simply a frail and aged person, you are able to illustrate or voice your concerns or speak about the inappropriate behaviour that might be happening to you. That would be just fine if that were the real case. But frail and aged people are people needing supportive care seven days a week, 24 hours a day, 12 months of the year.
and they have to rely on their carers. So they are sometimes afraid to speak out about different abuses that they may encounter simply because they are so reliant on the abuser. It leaves me cold with despair and anguish to think that you may be in a situation such that by needing the services of somebody, because your immediate family is not near or you do not have immediate family, you would have to accept physical, emotional or verbal abuse. This is extremely distressing for all of us to think about but some people are in this position.

That is why I genuinely welcome the amendments that we have before us in the House that begin the process of addressing, treating and overcoming any of the things that may be happening. Offering protection for those people who complain enhances the workplace of the aged-care worker and professional. It provides them with protection, and the will and the desire to continue working in this very worthwhile industry. It is a very low-paid industry. I think every worker in the aged-care industry deserves a much higher level of remuneration than they currently receive. But it is a lifestyle choice; it is a choice of career. It is a choice of how you want to spend your working life because you are absolutely committed to the care and wellbeing of our older Australians who, for the majority, have committed to and done so much for this nation and for its people. When you talk to those in the aged-care sector, it is staggering how absolutely committed to and involved they are with their charges in those facilities.

There were reported cases in April and July 2006 of physical or sexual abuse within aged-care facilities. This package of measures addresses those very real concerns and allegations of last year. In his consultation about and determination of what should be in this bill and how it should be delivered, the Minister for Ageing has met with as many people involved in the aged-care sector as possible. He has met with nurses in and managers of aged-care facilities, caseworkers and care workers. He has met with the residents and the very important family members as well. Most importantly, this minister has heard firsthand from those people who have been victims of abuse. That is the key area, having it hit fair between the eyes. This cannot be acceptable; under no circumstances can it ever be acceptable that anybody is in this position. So the minister will implement these conditions and guidelines in order to offer protection to our aged-care residents. The minister has also received and responded to emails from the public and has continued, as I said, to hold face-to-face meetings with a wide range of people.

I really do support the continuing and ongoing requirement for police background checks for aged-care workers and certain volunteers in the Australian government subsidised aged-care services. There have to be sensible and reasonable views on these police background checks in order that somebody who is absolutely committed to their work and who would never inflict abuse is not inappropriately dealt with. Those requirements came into effect on 21 December 2006 and will be implemented progressively from 1 March 2007. We have to have this important inclusion because it will continue to build on the already high level of care we see in and around our electorates—certainly in my electorate of Riverina.

I am very, very blessed—I know that I have raised this before and that I continually comment on this in the House—to visit my aged-care facilities on very frequent occasions. In doing so, I have become very familiar with staff and the absolute commitment that they have. Even the accreditation process that was implemented by this government has been an absolutely awesome experience. Yes, it is hard on the staff, but it is
security for the residents and their families. I have listened to some discouraging remarks and discussion from the opposite side of the House during this debate, but there was no protection for aged-care residents prior to this government coming in in 1996.

There was no accreditation required to ensure the quality and standard of service provided to residents. There were no provisions for fire safety and a whole host of other areas. There was no reason to fill in paperwork and forms because they simply were not in existence until such time as this government put in those very strong accreditation schemes, and made them quite rigorous and transparent. It has been a learning process for the facilities, but I can guarantee you that, whilst it is an arduous task, each and every facility absolutely supports it. They absolutely recognise that this has to happen. They have grown and learnt enormous about themselves—about their delivery of service, about the care, comfort and quality they offer the residents and about the very requirements and needs of an elderly person that may have previously been taken for granted and not overly considered in the delivery of these services. So I am very happy to see those frequent, unannounced inspections of aged-care homes by the Aged Care Standards and Accreditation Agency to ensure that everyone is complying with care and safety standards for residents. I welcome the increase in spot checks; that simply has to happen. That will ensure a resident’s wellbeing, day-to-day care and hygiene are looked after. Unless you are doing this you are at risk of being caught out by these spot checks.

We have a more robust aged-care complaints-handling process, with investigative powers, and the establishment, thankfully, of a new Aged Care Commissioner. I congratulate the minister on this. The Aged Care Commissioner will provide an independent mechanism for the examination of decisions made by the Department of Health and Ageing in relation to complaints investigations.

I will use my last few minutes to sum up on the compulsory reporting of incidents of sexual and certain physical assaults in residential aged care. I reiterate my support of the protection for those who report. Without that protection—without the ability to speak freely without fearing recrimination and reprisal, of being treated in that whistleblower way—we will not be able to overcome many of the issues that confront our frail and elderly people. The bill establishes the requirement for approved providers to report to the police and to the Secretary of the Department of Health and Ageing incidents involving alleged or suspected reportable assaults. I am very supportive of this. In addition, the approved providers of residential aged-care homes must also take reasonable measures to ensure that staff members report any suspicion or allegation of reportable assaults to the approved provider and to protect the identity of any person who makes a report of a reportable assault within 24 hours of the event. Failure to have the necessary systems and protocols in place and failure to report such incidents will indicate regulatory non-compliance, leading to the possible imposition of quite severe sanctions.

I believe that the vast majority of aged-care providers, as most of the speakers in this House have indicated, give excellent care. I believe that the vast majority of aged-care workers regard their duties of care to vulnerable, frail and older Australians as absolutely sacrosanct. But when something does happen that has compromised the health and safety of one of our beloved elderly then we need to have the provisions to ensure that that situation can never happen again, and that it is remedied immediately.

I imagine that many families and aged people in aged-care homes who may have
been listening to this debate or reading the newspapers to get information on the impending legislation, guidelines and rules will at last feel that aged people will truly and genuinely be protected if they are in the position of being abused. The majority of Australian people would be absolutely filled with repulsion to even contemplate that somebody could molest or abuse any older person. That kind of person and that kind of activity fill us with abhorrence. I say to anybody who may be a perpetrator of this type of behaviour in an aged-care facility or in the community: we are out to get you. You will no longer be able to inflict your insecurities or your viciousness on another person. In the long run, we are going to find those people and they are going to be dealt with. They should never stop recognising that they are under the watch of many Australian people and that their actions will not be tolerated now or in the future. If we can strengthen these bills in the future then we should. I commend the bill and I congratulate the minister.

Mrs ELLIOT (Richmond) (6.31 pm)—I rise to speak on the Aged Care Amendment (Security and Protection) Bill 2007. Let me say from the outset that Labor supports this bill. However, there are very real concerns, particularly with the timing of this bill. Indeed, these measures are very long overdue and, I believe, should have been actuated upon after the Senate report two years ago. One could be sceptical about the motivation behind introducing this bill at this late stage. It does seem to coincide with recent media coverage and it certainly does seem typical of this government’s often knee-jerk reactions to any major situations in the community—as opposed to the long-term planning, assessing of situations, making decisions and putting forth legislation that needs to occur. There often seems to be a knee-jerk reaction to media reports in relation to incidents. For the issues that this bill deals with, which are so very important, we should have seen the government acting earlier than this and not just as a knee-jerk reaction to the media.

Whilst this bill is supported by Labor in principle, this government could be doing a lot more to address so many of the underlying issues within aged care. There are a whole variety of aged-care issues that need to be addressed. I have raised a lot of issues in the House on many occasions and I will discuss those in further detail later on.

This bill introduces new compulsory reporting provisions with requirements for aged-care providers to report suspected and alleged sexual abuse and serious physical assault of residents. This is supported by Labor as it is a very necessary step towards protecting our seniors. Our seniors built this nation and I believe wholeheartedly that it is absolutely right that they be treated with dignity and respect. It is certainly important that these provisions are in place. Unfortunately, as many speakers have commented in relation to this bill, elder abuse does exist within our community. So I am pleased that, after years of lobbying by various groups, these protections are finally being codified. The people they refer to are often the most vulnerable in our community and they are often in the most vulnerable of situations. They certainly deserve and need to have these protections in place.

This bill also contains important whistleblower protections so that the identity of staff who make reports is protected and to ensure that staff are not unfairly treated as a result of making such reports. Labor supports the whistleblowing provisions of this bill and I understand that they have also been supported by the union. Provisions such as these protect our valued aged-care workers when they seek to protect their clients. The union has called for provisions such as these for over two years. Whistleblower protection is
vitally important in many instances, but cer-
tainly in cases such as these it is vitally im-
portant that adequate protections are in place
so that people are able to come forward with
the issues, action can be taken and they can
be protected.

I am also pleased that the bill includes the
establishment of the Office of Aged Care
Quality and Compliance. This will give the
Department of Health and Ageing greater
capacity and scope to investigate complaints.
It is important that complaints are fully in-
vestigated and that the processes are in place
for that to be able to occur. The appointment
of a new Aged Care Commissioner should
provide an independent voice in hearing
complaints and also assess the department’s
responses to these complaints. The estab-
lishment of the Office of Aged Care Quality
and Compliance and the appointment of an
Aged Care Commissioner are certainly wel-
come.

As I mentioned earlier, the timing of this
bill is somewhat suspect. If one were cynical
one might suggest that this bill was rushed
through by the minister on the tail of many
media reports of abuse in residential aged
care. This might explain why the bill was
sent to a Senate inquiry even before the
shadow minister was provided with a copy of
it. I agree that this bill deals with some very
urgent issues. However, it simply does not
wash that this problem was only recently
discovered. Indeed, two years have passed
since the Senate report Quality and equity in
aged care, which outlined the deficiencies in
the current complaints resolution process,
was handed down, so one could certainly ask
how many of our seniors have had to endure
under a system the government was told
needed to be fixed and action taken.

The Senate report also looked directly at
the issue of protection of whistleblowers
within the industry. In fact, recommendation
17 of the Senate report was:

That the Commonwealth examine the feasibil-
ity of introducing whistleblower legislation to
provide protection for people, especially staff of
aged care facilities, disclosing allegations of in-
adequate standards of care or other deficiencies in
aged care facilities.

That Senate inquiry was some years ago, but
nonetheless these changes are welcome, as is
any progress on aged care no matter how
large or small, no matter how overdue and no
matter what the motivations are. As I have
said, Labor does support this bill in principle,
and I understand that the aged-care sector is
also in broad agreement with the principles
of the bill and the outcomes that it will at-
tempt to achieve. Any attention the govern-
ment pays the aged-care industry is wel-
come, however belated it may be. So, whilst
we may criticise the government for coming
so late to the party, I guess we can console
ourselves with the fact that they even showed
up at all, especially on an important issue
such as this.

The contribution of aged-care workers to
our communities is unparalleled. In my elec-
torate of Richmond 20 per cent of residents
are aged over 65, so we have many aged-care
workers and we certainly know the value of
aged-care workers in our community. I have
had the pleasure of attending many aged-care
facilities in my electorate, because there are
many in Richmond due to the many elderly
people who move or retire there. I have been
very fortunate to meet with many aged-care
providers and workers. I have seen firsthand
their dedication and devotion and the often
difficult circumstances under which many of
them work. But what I find really astounding
about aged-care workers is that, no matter
how many facilities I visit to speak with
workers, I usually find that they are people
who have been working in the industry for
10 or 20 years or even longer. These people
are truly committed to the job that they are doing and it is very common for them to have been there for many years. It really shows the level of dedication that these people have. I will certainly always take time to commend them because they do a very difficult job at times but do it with such compassion and professionalism.

This is certainly an industry which has been underfunded, underappreciated and, I believe, a low priority of this government for the past 11 years. And, of course, we need more aged-care workers in Richmond—indeed, throughout the country—and we need more adequate training and resources for them in what is obviously a growing industry.

Unfortunately, this is not the only area of aged care where the government has fallen behind. Across the board the government has been cutting services for older Australians, from those needing access to specialist health services, to those who are literally begging for home care provisions, to those older Australians needing full-time care in nursing homes. All have suffered under this government. The first sign of contempt the government showed for older Australians was the slashing of the Commonwealth Dental Scheme in 1996. In its haste to foist this responsibility onto state governments, the federal government conveniently forgot the tens of thousands of elderly Australians who relied on the Commonwealth Dental Scheme and now have to do without, often waiting years for treatment. I have said before in this House—and I will continue to raise this point—that it is in fact a constitutional responsibility that the federal government fund dental health, but it often seems that those on the other side of the House forget this. Perhaps they need to brush up on section 51 of our Constitution, which affirms the federal government’s responsibility when it comes to dental health, which is a major issue within my electorate and indeed throughout Australia.

My electorate of Richmond is particularly affected by this government’s failings in aged care. As I mentioned, 20 per cent of Richmond’s population is aged over 65, which I believe makes it one of the oldest electorates in the country. Richmond now stands as a model for the future demographics of this country because it is predicted that, in 40 years time, 20 per cent of this country will be over 65. Richmond really is a snapshot of what our nation will look like in 40 years, so it represents an opportunity to get aged care on the ground right.

We recently had an announcement from the government of $1.5 billion in funding for aged care over five years. Whilst this is very welcome, the community have had to wait since 1997 and until the sector was facing an absolute crisis for the government to act. In his Review of pricing arrangements in residential aged care, Professor Hogan said three years ago that funding increases had to happen, and yet it has taken the Howard government till 2007 to make a decision and take some action in relation to that.

In the past 11 years the Howard government has presided over a decline in the numbers of aged-care beds available. When Labor left government in 1996 there were 92 beds for every 1,000 people aged 70 years and over, compared with only 85.6 now. In 1996 there was a surplus of 800 beds compared with a shortage of nearly 5,000 now. Whilst we see in these measures provisions for community aged-care packages or home care packages—which are very welcome because it is a major issue and of course most people want to be able to stay in their homes for as long as they can; we all understand that—the people of my electorate are specifically interested in how many CAC and EACH packages we are going to see in
Richmond. We need to know specifically how the measures are going to translate into the actual CAC package that will be available to people.

With the aged-care needs in Richmond, firstly we do not have enough beds in nursing homes. When it comes to home care services, on some occasions there can be a six- or seven-month wait—and that is once people have been assessed. Being assessed is the first stage, and in some cases it can take up to 12 weeks just to get the assessment, and then there is the wait for the provision of those home care services.

Again, the people who work in that industry are true community champions. Their dedication and compassion are absolutely fantastic. Yet they have been severely under-funded by the federal government. I want to see a lot more CACPs and EACH packages and a lot more funding for the ACATs so that they can adequately make provisions for home care.

I regularly hear from local families desperate to find residential aged care, home care or simply health services for their loved ones. It is not good enough; these Australians deserve our respect, not the contempt that they have had to endure under this government. As I said, our seniors built this nation, worked hard, paid their taxes, contributed to the community and raised their families, and here they are desperately needing some assistance and often being turned away by this government.

Looking after our seniors should be one of our first priorities; it is where our attentions should lie. That is where our focus and the funding from this government should lie. We have the opportunity to put in place sufficient resources for aged care, but we must act now, particularly with the ageing of the population. We need to see a lot more action being taken by the government now. In last year’s budget the Treasurer failed to address the ever-increasing demand for aged-care services across Australia, particularly in electorates like Richmond. I urge the Treasurer not to be complacent again this year and instead to focus on the needs of elderly Australians and provide funding for the whole variety of services that they need. As the population ages, the need is obviously going to increase dramatically, so we need to have something in place because we truly are at crisis point.

As I have said, the problems facing seniors in Richmond are a sneak peek into the future. It is not good. If the government continue with their lack of commitment to aged-care services then we are going to see the same situation of desperate need for greater funding right across the country. It is in the best economic interests of the country to deal with the problems in aged-care services and funding now. They need to be addressed now. The lack of healthcare services, aged-care beds and suitable home care arrangements for our seniors create problems in the wider community.

I hear about many cases in my electorate. Many locals tell me about elderly people being forced to stay in hospital because there are no aged-care beds available, and some are going into the emergency ward because they cannot afford to see their GPs. This places greater strain upon our hospitals and is obviously very distressing for the people involved. They often have to wait, particularly in hospitals, for long periods of time before they find a bed in a nursing home. Often those hospital beds and services could be used for others who require more urgent attention.

The everyday healthcare needs of our seniors should not be dealt with in emergency rooms. That is not the role of emergency rooms. It places a strain on our wider health
community. It causes such unnecessary distress for both the patients and their families. I have spoken with many locals who are very depressed because they want to assist their parents or grandparents—their relatives—at this time, and they can see that they are distressed in those situations. It affects whole families and whole communities and has to be addressed urgently.

Aged care is one of those areas in which we see the government playing the blame game, as we often see them do. It is issues like these where we need to see national leadership and would like to see the federal government working with the states to improve all areas when it comes to the provisions of aged care particularly, but health care and education as well. Yet it often seems very convenient for the government to play the blame game yet again, rather than saying: ‘We’ll take responsibility for this. We’ll fix it up. That’s what we’re here to do.’ It is easier for them to say, ‘It’s somebody else’s fault and we won’t worry about it.’ It is actually their responsibility and they need to take a lot more action.

As I have said, Labor supports this bill. It is welcome, as any improvement in aged care, large or small, is welcome. As a nation we need to prioritise aged care and put in place resources and funding to ensure that there is appropriate aged care in the future, and we need to have the foundations of that now for our ageing population. As I said, the predictions are that in 2040 we will have 20 per cent of the population aged over 65. When we look across the country, the needs of nursing homes and home care packages will be very extreme.

I support the protections that this bill will afford those within nursing homes. It is vitally important that that is in place, along with the whistleblower provisions. It is very important that those staff are protected. Ultimately those provisions are to protect residents of nursing homes, who are often the most vulnerable within our community and need to be protected because of the situations that they are in.

There are many issues in relation to aged care that I have raised previously and will continue to raise, and I call upon the government to invest more funding in these vital areas. Whilst this bill is very welcome for the protections that it provides, there is still much more that has to be done right across the board. It is a very complex issue and has to be tackled and dealt with effectively. We need to see national leadership on this issue and see the government working with the states, with the community and with the providers to make sure that as a whole we are providing a great degree of support for all of those who require this assistance in their later years. We have many nursing homes within Richmond and I will continue to fight for these issues on behalf of the constituents of Richmond. (Time expired)

Mr GEORGANAS (Hindmarsh) (6.51 pm)—I am very glad to be in this place giving support for the greater protection of some of our community’s most vulnerable members in the form of the Aged Care Amendment (Security and Protection) Bill 2007. I am happy to give in-principle support at this time. Last week the Selection of Bills Committee referred this bill to the Senate Standing Committee on Community Affairs for inquiry. I look forward to reading the thoughts of people in the community on the detail of this bill and to perhaps making further comment after the report is made available in approximately one month’s time.

I am aware that allegations have been made by members of the community in the past of mistreatment of our elderly citizens within nursing homes. That prospect disgusts me, as it would all members of this House.
The notion that adult people can stoop so low as to physically and/or sexually abuse these people is abhorrent. It is absolutely beyond belief that this can happen to the very people who have nurtured this generation and raised probably most of us here, the very people who have served this nation so substantially and selflessly in times of war and crisis and through depressions, paid their taxes and worked all their lives, the very people who have turned this country into the modern, democratic success that we all have the benefit of. The least that we can do for these people is to allow them to live in dignity in their twilight years.

So I totally support the full authority of the Commonwealth of Australia being harnessed and directed to protect those Australians who are residents of aged-care facilities and to investigate alleged instances of abuse. It is not just physical and/or sexual abuse involved. There are lots of other forms of abuse, such as financial abuse. Financial abuse of the elderly—that is, taking advantage of the elderly or, for that matter, others in the community—has only been drawn to the public’s attention for a relatively short time. With more people saving greater amounts for their retirement, the bigger bank balances simply make them bigger targets for the grubbier thieves and snake-oil merchants that, regrettably, are amongst us.

Interest in the physical and/or sexual abuse of elderly Australians has rarely received attention in the past, other than through the very occasional home invasion that we hear about on the nightly news where, against someone of senior years, the most pathetic of all cowards throws away his soul, beating and raping his helpless victim. It is very difficult to even approximate the incidence of abuse within aged-care facilities around the country. It has been suggested that, after applying the ratios from the United States—where mandatory reporting is necessary in law—to the Australian context, there could be as many as 80,000 instances of elder abuse occurring throughout Australia each year.

Any incidence of elder abuse is abhorrent, as I said earlier, to all of us in this House, to the majority of Australians and to Australian society. The current federal government did note allegations of rape within Victorian nursing homes in 2005, and I expect they noted similar ones in Queensland sometime later. In the Victorian case, charges of four rapes and two indecent assaults were laid against a former personal care attendant. According to reports, one alleged survivor’s grand-daughter described the situation as ‘distressing and horribly sad’—as it would be. The Prime Minister himself reportedly expressed ‘horror, disgust and almost disbelief’ at the allegations. This was only six or so months after the damming Senate report of June 2005 identified the limitations of and discouragement within the complaints resolution scheme.

So we have a Senate report drawing attention to the unsatisfactory nature of the complaints resolution scheme, six months later the Prime Minister expressing his deepest and most sincere regret that such depravity occurs, the media being fed the line—this is in February last year, mind you; almost a year ago—that ‘new laws loom on nursing home rape’, and the minister pledging to stamp out elder abuse in such homes on 13 March last year. Now, in February 2007, some 12 months after the PM expressed his disgust and the honourable senator pledged to stamp out abuse, the government sees fit to throw up this bill, referring it straight off to a Senate inquiry which is only going to report on 14 March, and then the government is expecting the bill to be implemented as early as 1 April 2007.
I have never heard of or seen such a serious issue receiving no apparent attention for so long and then, within the space of seven weeks, we hear of a bill racing its way through the system to become law before we know it. My question to the Prime Minister and to the minister responsible is: why for heaven’s sake have you taken a whole year to progress notionally satisfactory arrangements, when it only looks like taking you a couple of months to make the changes? Why has it taken a whole year to try to implement this? Why wait a year from the conviction demonstrated in the media before acting? Why wait almost two years from the Senate report’s identification of the need to act? I hope the minister has not simply cobbled this together as a part of his homework—as a part of his late-night, last-minute cram—before heading off to his electoral examination. He may have been aware of the problem since becoming minister and he may have been speaking with industry and consumer groups, but to drop a bill on the parliament, send it off to a committee and take it as read that it will be law within seven-odd weeks does diminish one’s confidence.

Whether or not this has gone to cabinet, I do not know. You cannot put much faith in anything coming from certain sectors of the current administration. They did not even seem to be aware of the fact that the Murray-Darling system is not, in fact, within Western Australia. The issue of aged-care abuse deserves serious consideration and sound legislative practice—I hope that is what we have evidence of here, despite the peculiar timetable that this government has selected—but it also deserves attention more urgent than the government has appeared to be prepared to give it.

The minister has had the unfortunate task of saving the government from itself on aged care. Only given some 12 months to resurrect the government’s pretence of caring about aged care, after 10 years of aged care sector neglect, reliance on phantasms and delivering little more than deep concern within the aged-care sector, the minister has just announced a sum of money to be delivered over five years—in an election year. That is most surprising. This, after allowing the aged-care sector to starve for funds to the point of dropping to its knees. The government created, through its own lack of interest in the sector and its obsession with playing to interest groups, a funding system that never worked. Remember the time of the kerosene baths?

Mr Murphy—That was a disgrace.

Mr GEORGANAS—we all remember that. That was some years ago now but, at that point in time, the government had the bold introduction of a bond for all aged-care residents. It was dropped at the first whiff of electoral backlash. We all recall that from back in 2001.

Professor Hogan’s review of pricing arrangements in residential aged care three years ago said that funding had to be increased. In a typical response, we have seen the bravado, bluff and bulldust we are so used to from this government. They have dropped the number of aged-care beds from the high-water mark of 92 beds per thousand people aged 70 years and over in 1996 to the current 85.6 beds. In 1996 there was a surplus of 800 beds in this nation. Today, the government is running a most serious and damming deficit of some 5,000 beds, if you use the government’s own formula and quota. That is quite a turnaround in the attention paid to, and care made available to, some of our most needy and dependent Australians. As I said earlier, these people have gone through world wars, they have worked all their lives and they have built the foundations of this nation. The least governments can do for them is to offer them some dignity.
in their twilight years by giving them the care that they require.

Within the electorate of Hindmarsh, which covers suburbs of Adelaide’s west and south, the deficit has been growing steadily. The last numbers to come out indicated a 10 per cent increase. It was a 10 per cent increase not in beds but in—wait for it—the shortfall of beds within aged-care facilities. And that was in a very short period of time. The government is running an aged-care deficit of just over 300 beds within my area, and that is according to the formula that the government uses to put out beds. Waiting lists are phenomenal. I do not know how many people contact my office wanting help to find a nursing home bed for their parent or elderly relative, but there are many on a constant basis. Most of them cannot find something within the immediate area, but they do find the odd bed. One elderly person was asked to go to Port Augusta, 300 kilometres north of Adelaide. How can you expect someone to move 300 kilometres away from their whole family structure and their whole community?

Mr Murphy—You can’t.

Mr GEORGANAS—I do not think that is good enough. According to the Productivity Commission report in 2005-06, over 28 per cent of people assessed as requiring a bed are forced to wait three months or more to actually receive a bed. As I said, it is even worse in my area. I had a case of an elderly woman who was a volunteer within the electorate of Hindmarsh. She was a very active person within the community all her life. When she needed a nursing home bed, one could not be found for her, so she spent three months in the Flinders Medical Centre, in a public bed in a public hospital, until a nursing home bed was found. There have been other cases. Recently, a gentleman was in the Royal Adelaide Hospital for nine weeks because a bed was not able to be found for him within the southern or western region.

This is a pretty phenomenal issue that is affecting a lot of people. People do not need that sort of hassle at that point in their lives. As I said earlier, they need to be treated with dignity and they need to be given the care that they require and not just be shoved off into a public hospital bed with a shrug of the shoulders while saying, ‘We can’t find anything for you.’ And if the department does find something it can be 300 kilometres away and they will tell my office, ‘We did find something for them.’ I do not think that is good enough. This shows the little interest in the plight of aged care within my electorate and around the country. It also demonstrates that the government is full of rhetoric but fails to deliver. I hope that the debate around the bill currently before us leads to a more successful and beneficial outcome for the people it is meant to serve, as they have served us for many years.

Mr MURPHY (Lowe) (7.05 pm)—I begin by congratulating my colleague and friend the member for Hindmarsh for his thoughtful and erudite contribution to the debate. The purpose of the Aged Care Amendment (Security and Protection) Bill 2007 is to introduce new compulsory reporting arrangements with requirements for aged-care providers to report suspected and alleged sexual abuse and serious physical assaults of residents. It also requires providers to ensure there are internal processes in place for the reporting by staff of all incidents of suspected or alleged sexual or serious physical assault, and that the identity of the staff member who reports them is protected and that they are not unfairly treated as a result of making a report.

The bill also gives the Department of Health and Ageing a greater capacity to investigate complaints and to require aged-care
providers to correct failures to meet their responsibilities. It also provides for the new Office of Aged Care Quality and Compliance within the department, which will be responsible for this. The other important element is that this bill will serve to replace the current Commissioner for Complaints with a new Aged Care Commissioner to provide an independent mechanism to hear complaints about how the department has responded to complaints and about the conduct of the Aged Care Standards and Accreditation Agency and its assessors. As we know, the Aged Care Commissioner will also have the capacity to initiate its own reviews.

The debate on this very important bill before the House tonight is timely indeed. Its passage through the parliament comes when we are hearing new horror stories about the abuse of patients in aged-care facilities across Australia. An article titled ‘Aged care abuse’, published in the Adelaide Advertiser on 7 February 2007 refers to new allegations of degrading treatment of aged residents. The article refers to shocking allegations of a patient sitting in a urine-soaked bed while eating her breakfast. In this day and age, that is a disgrace. It refers to an allegation that patients’ pressure sores were left open for more than an hour because of staff shortages. That is a disgrace too. It also refers to allegations of severe rashes developing on patients who are incontinent. That, too, is a disgrace.

Mr Brendan O’Connor—Indeed!

Mr MURPHY—The member for Gorton knows. These allegations are not without substance given the bona fides of the two Flinders University academics who made them. I am referring to Ms Anita De Bellis and Ms Maree Khoo. Should these serious allegations not prick the conscience of the Minister for Ageing, perhaps figures from the Aged Care Standards and Accreditation Agency will. It found that almost 550 aged-care residents were not fed properly and more than 1,000 were not given proper medication—again, a disgrace. It also found that 14 nursing homes fell down on clinical care, 17 on medication management and six on medication—again, a disgrace.

The minister would do well to take heed of the numerous other reports of substandard care being afforded to one of the most vulnerable groups in our community. We well remember, in the 39th parliament, a former coalition minister coming to this dispatch box in relation to that disgraceful episode referred to by the member for Hindmarsh, the infamous kerosene baths case. If memory serves me correctly, it occurred in the seat of the former member for Isaacs, the late Greg Wilton. He was one of the most prolific speakers and interjectors in this place, and I can remember him shouting out on many occasions, as the then Minister for Aged Care kept coming to the dispatch box, what a disgrace it was that patients had been bathed in kerosene.

This was only a matter of five or six years ago. That was a monumental disgrace and we had the unedifying experience of the then minister defending it. I remember the minister coming to the dispatch box, if memory serves me correctly, on three separate days and taking the total 10 questions from our side—so she would have had to answer 30 straight questions—and each time she came to the dispatch box she was more unconvincing than the last. She took absolutely no responsibility for that disgraceful experience. I felt we were witnessing someone who could have been labelled ‘the mistress of projection’, because everyone got blamed for that disgraceful episode—it was the accreditation agency or it was the public servants working in the department. The member for Macarthur, who is at the table, appreciates this. It was a monumental triumph for projection. The former minister blamed everyone else...
and took no responsibility. I thought, ‘I am witnessing the mistress of projection,’ because there was no accountability and no acceptance of what had happened in that nursing home. It was a very sad chapter in our history that people could be treated in such a manner.

Our frailest Australians deserve the high-quality care that they are demanding, yet, despite the Howard government sitting on record billion-dollar surpluses, many residents have suffered from its reckless and lackadaisical approach to many allegations of maltreatment. The Prime Minister has previously stated that he, like any other person, is distressed by individual stories of people not being treated well. The Prime Minister stated, on 30 March 2000:

I don’t believe for a moment, no matter what system you have, you wouldn’t occasionally have some abuses.

I do not doubt the Prime Minister’s sincerity when he made that statement. In fact, I am inclined to agree with him. However, the point should not be lost that the government at the very least needs to have these systems in place.

This point is most relevant to the bill before the House tonight. It should not take incidents like the disgraceful incident of kerosene baths being delivered to people in aged-care centres for the government to look at toughening the accreditation processes. Nor should it take horrible, disgusting reports of the abuse and assault of elderly people in nursing homes before a government will get around to doing the right thing, as the Howard government has tried to do with this bill.

We have a right to expect that our parents and grandparents, some of the most vulnerable members of the community, will be well cared for in nursing homes without the spectre of kerosene baths. We have a right to expect that our parents and grandparents can live in comfort and security within residential aged-care facilities without fear of attack or abuse. The majority of Australia’s aged-care facilities offer caring and compassionate service to the elderly. However, there is clearly a minority of aged-care facilities and the rare aged-care staff member that fail to meet minimum decent standards. Systems need to be put in place to protect our parents and grandparents from them, however rare they may be.

Members will recall the ABC Lateline program which aired on 20 February 2006. Many Australians were understandably repulsed by allegations of the sexual assault by a male staff member on a 98-year-old woman and three other dementia patients in a Victorian nursing home. How could such an assault take place? It is just unthinkable. Further allegations of less serious though equally unacceptable behaviour were aired that evening. They included the allegation that an elderly woman was squirted in the face with a water bottle apparently on three separate occasions.

It is a very sad indictment of the nature of human beings that some people will be abused simply because they can be. The assault by so-called aged-care providers on the aged or the frail is an assault on all of us. Unfortunately, evidence of the abuse of the elderly in aged care continues to mount. Questions to Senate estimates reveal that from July 2006 to November 2006 there have been 23 allegations of abuse in aged-care facilities. Four of these allegations have already resulted in charges being laid. Yet the government’s moves to tighten regulation of the industry have remained lethargic at best. A more proactive approach to aged care and the need to tighten the seriously inadequate levels of regulation is taking on even greater impetus. In the coming 20 to 30 years members of the baby boomer generation—that is...
Mr Byrne—I could say, ‘Speak for yourself,’ but I won’t.

Mr Murphy—I am speaking for you too, I think. We must have proper systems and proper standards and greater protections in place to make life a little easier for Australians entering their twilight years. I am sure that every member of this parliament and everyone who works in this place would be horrified if things did not improve. Fortunately, these instances are in the minority, but there should not be any instances. That is the truth of the matter. After years of hard work, the baby boomers will certainly deserve a comfortable retirement and accommodation in aged-care facilities provided by the government. This legislation is part of the government’s attempt to use the problems of the past, however belated this response may be, to protect residents in the future.

Many aspects of this bill are being implemented two years after the Senate inquiry and report titled Quality and equity in aged care. The inquiry found deficiencies with the operation of the current Aged Care Complaints Resolution Scheme and made recommendations to improve the system, yet here we are debating a bill two years later, and it is now being rammed through parliament without following proper processes. I ask again: why has it taken two years and media reports of sexual abuse in residential aged-care facilities to kick the government into gear? Why does it take the alleged rape of an elderly patient before the bill is presented to the parliament?

While Labor supports the bill, the process, as I have indicated, has been far from acceptable. It is completely unacceptable to feign concern that the important measures in this bill have a timely passage through parliament, when the government sat on some important recommendations for two years. I will say it again and again: that is a disgrace. The government has certainly not earned the right to be above scrutiny and accountability in this parliament.

I will preface my comments about specific aspects of this bill by saying that, while I am supportive of it, it is only part of a much greater package that is needed if we are to tackle seriously the abuse of older people in Australia. The truth is that most abuse of older people occurs in the community, and, perhaps unsurprisingly, this bill does nothing to address that reality.

Had the government pursued a proper timetable with this issue, we could have carefully considered some very important policy measures in much greater detail. We could have analysed other forms of abuse, including but not limited to psychological, financial and emotional abuse or neglect. We could have taken the opportunity to learn a lesson or two from some of our state governments. Rather than looking at a bill which is extremely limited in its scope, we could have looked at some very worthwhile initiatives that support the aged and provide community education about combating abuse.

Victoria’s swift action to raise community awareness of elder abuse—which I know the member for Gorton is well aware of—the implementation of a new legal and advocacy service for the elderly in community legal centres, and police checks for employees in Victoria’s aged-care sector are cases in point. I know that the member for Holt, who is sitting here listening to this debate, is also aware of that. Good on Victoria in relation to these matters. The government could have taken a leaf out of its book.

If the government had any further, serious reforms to safeguard older people it ought to have presented them to us today. It cannot
rely on the flippant statement in the explanatory memorandum, which states, inter alia:

... the new initiatives that are implemented through this bill are part of a $90.2 million (over four years) package of reforms aimed at further safeguarding older people in Australian Government-subsidised aged care from sexual and serious physical assault.

It is no surprise that details are sketchy. Do the details actually exist, despite years of inertia? If they do, the community is entitled to know how much is being expended and on what, as belated as the case may be.

The specific elements of the bill I have alluded to deal with: the requirement for compulsory reporting of suspected and alleged sexual abuse and serious physical assault of residents; the protection of those who make such reports; giving the Department of Health and Ageing greater capacity to investigate complaints; the creation of a new Office of Aged Care Quality and Compliance; and the creation of a new Aged Care Commissioner to provide an independent mechanism to hear complaints about how the department has responded to complaints.

While concurring with my colleagues on all aspects of this bill, I only make the following observation on the new protections afforded by the bill to those who report an assault. This is a most important protection, and one that will go some way to redressing the situation where witnesses to a vile rape or assault of an aged-care resident only come forward with some trepidation. It is worth noting that there has been at least one occasion where a staff member has failed to report an assault against a 95-year-old grandmother, despite witnessing it.

I again draw the attention of members to the Lateline program broadcast on 20 February 2006 in which an unnamed aged-care worker said:

You have no recourse to say anything, because if you do say anything, you are then bullied by management, from right up, the head office right the way down. You have no recourse. There is nowhere—you put in reports and say that this is happening. Nothing is ever done. It disappears never to be seen again.

That is a disgrace. This can never be allowed to happen again. Staff members, such as the one I have just quoted, should not have to be in the insidious position of knowing what is happening but feeling helpless at instigating change.

The legislation requires that staff members who make disclosures must have their identities protected and must not be criticised. Further, it protects disclosers from civil and criminal liability. Unions, knowing better than anyone else the helplessness felt by many of their members, have been calling for whistleblower protection for some time. I ask on their behalf tonight: why have their calls been ignored? Why have staff had to endure feelings which oscillate between trepidation and helplessness?

This has been most unfair to the aged-care residents who have suffered from maltreatment, and, to a lesser extent, the staff who have witnessed such maltreatment. I hope that staff will feel empowered by the provisions in this bill and never have to endure a sense of helplessness ever again. It is with this in mind that I will support this legislation, bearing in mind the need for far more comprehensive reforms in the future.

Mr Byrne (Holt) (7.24 pm)—I commend the member for Lowe for his very passionate and eloquent contribution on an issue that concerns many in my electorate, where I have a large and growing number of people who are 55, 65 and over. They are very concerned about their security and protection when they go into a nursing home. Labor supports the Aged Care Amendment (Security and Protection) Bill 2007 as a step in the
right direction. I would like to mention a particular case that someone contacted my office about to highlight the point that this is a step in the right direction but that more needs to be done.

I have contacted the gentleman concerned and he has allowed me to mention his name. His name is Alan Rogers and his mother lives in a nursing home. Alan is concerned because his mother is elderly and frail—just the sorts of preconditions that the member for Lowe was talking about. In his mother’s nursing home there are 30 elderly people in high care. I will not name this nursing home. They are looked after by two people during the evening—two people looking after 30 people with high-care needs. He was very concerned about this. For example, what would happen if one person was sick and there was only one person looking after those 30 people, including his mother? As I said, his mother has high-care needs.

He contacted a federal member of parliament to get the ratio of carers to people because, being a reasonable individual, he thought that the government would have established guidelines for looking after elderly people at night in a nursing home that would have said that there should be, for example, three nurse carers for 30 people, or four because of their high-care needs. What Alan found was that there were no guidelines. There is nothing in the regulations that effectively says that there has to be a set number of carers. There is no set ratio. He found that quite staggering. In fact, when he contacted my office I basically disbelieved him—I did not believe that there would not be a ratio. You would think that, in terms of the care of patients and some of the most vulnerable people in our community, there would be a stipulated standard—a minimum number of people—but there is not. To confirm that, we checked with the minister’s office and we were told that there is no stipulated ratio.

That does not provide a measure of comfort to people like Alan, and he has asked that I raise his concern in this place tonight. This government has not mandated a specific number of carers to look after elderly and frail people like his mother. And I support him in this because I do think he requires that information.

Vulnerable and elderly people feel disempowered, particularly with management of nursing homes. I say at the outset that most management and staff of nursing homes look after their charges with a great deal of care, concern and compassion. This is not an attack on the nursing home system per se. What we are trying to do is afford a very vulnerable group of people maximum protection. This could be your mother, your father, your sister or your brother. So it is very important, considering the contribution they have made to the community, that they are afforded maximum legislative protections to ensure that you can leave someone like Alan’s mother in a nursing home late at night knowing that she is going to receive the maximum standard of care available and all of the protections that she deserves.

My time is running short but there is another example of a nursing home in the Dandenong area where an elderly lady was becoming increasingly incapacitated. She could not speak English and required the help and care of two fantastic daughters to assist her throughout the day, particularly when she was being washed and showered. There was a change in the management of the nursing home and the management said that they could not be present during these times. This caused the over-80-year-old woman great distress and she was very distraught at her rights being taken away from her. It was only through a very long complaints process that this matter was resolved.
So, whilst this legislation moves in the right direction, I do not think it is the panacea that the minister’s second reading speech would have us believe. This legislation is a step. Elderly people do not deserve to continually be living in fear. Because we have more and more people, particularly in my electorate, shifting into nursing homes and aged-care facilities, it is the responsibility of the government and us, as legislators, to offer the maximum form of protection and to ensure the reporting of suspected and alleged sexual abuse and serious assault of residents. We also want to make sure that the staff feel protected and supported when coming forward with such allegations. This legislation takes that step forward and therefore we support it. I know we are moving to the adjournment very shortly so I will finish on that note.

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. IR Causley)—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

Ipswich Motorway

Mr RIPOLL (Oxley) (7.30 pm)—I am pleased to stand here today to speak about a milestone in the long-running saga which is the Ipswich Motorway in south-east Queensland, one of the biggest issues for that whole region in Australia’s fastest-growing state. Work has finally begun on the Ipswich Motorway upgrade after nine years of consistent and constant lobbying from me and the community. I have to say, it is much to the chagrin of the member for Blair who, for that whole period, has actually opposed it, but somehow now he manages to smile as the minister turns up in my electorate to launch the first phase of the Ipswich Motorway upgrade, an upgrade that I welcome wholeheartedly.

The upgrade of the Gailes-Logan interchange was urgently needed due to ongoing problems and it is arguably the most complex part of the Ipswich Motorway upgrade. This interchange, together with the Darra-Wacol upgrade of the Ipswich Motorway, means that the Oxley electorate now has 100 per cent funding commitment, and work has started on the Oxley section of the Ipswich Motorway. That is right—as an opposition Labor member of parliament, I have managed to secure full funding for the Ipswich Motorway in my electorate. But the member for Blair in his electorate has achieved a total net result after nearly nine years in parliament of zero dollars. Why? Because he opposes the upgrade of the Ipswich Motorway in his electorate. However, the job is not done and I will not be satisfied until we get 100 per cent of the whole motorway, not just in Oxley but in Blair as well, for all Queenslanders and everybody else who uses that road.

The government has capitulated on this issue. Imagine if we had started nine years ago. I see the member for Moreton, the brains trust of the Liberal Party, walking into this place—or should I say dragging his tail into this place. He is somebody else who has opposed the upgrade of the Ipswich Motorway. How does he justify now that his own government has actually paid for half of that upgrade?

Mr Hardgrave interjecting—

The DEPUTY SPEAKER—Order, the member for Moreton!

Mr RIPOLL—I stand here very proud today to say that I have achieved full funding for the Ipswich Motorway in the Oxley section. But the Liberal member for Blair has achieved zero dollars. The member for Blair has thrown up instead this half-brained impossible scheme that is the Goodna half-bypass loop, which, if built, would be eight
kilometres of wasted bitumen and part of a $2.6 billion white elephant road. It will do nothing to alleviate the current traffic problems and would be forever labelled the most expensive stretch of road in Australia.

But I am not too concerned about that, because I know that it is impossible. This government will not spend $2.6 billion—and that is just the first estimate. Wait until we get to the real estimates when they start doing more reports and waste more money on reports! We will see how we go with that in the future. If the member for Blair is keen to talk about bypasses as some alternative to the Ipswich Motorway, I am prepared to have the debate. In fact, since 2000 there has been a report on the table from the state government regarding the Ipswich Western Bypass, a much more sensible approach—a real bypass that would actually do something for the real traffic problems experienced in south-east Queensland—than some half-baked scheme, an eight-kilometre loop road between Dinmore and Gailes.

I can see government members are very anxious for me to finish, but I have got a little bit more time yet. I and the federal Labor Party remained 100 per cent committed to the full upgrade of the Ipswich Motorway and that priority will happen. It is south-east Queensland’s No. 1 priority. It will go ahead. Of course, half the job has been done because the government has finally capitulated—it had to be dragged kicking and screaming all the way to the funding table, but it has finally done it. This government should very seriously look at its funding responsibilities in terms of federal roads and look at real solutions, not half-brained schemes with eight kilometres of road worth $2.6 billion.

The Ipswich Motorway, as I have said, is currently half done and we need to get on with the job and fix the rest of it. This government ought to stop blaming everybody else and look at what its own real responsibilities are in terms of infrastructure in Australia, in Queensland, in particular in south-east Queensland. It should look at the people that it is actually hurting. It is certainly not about hurting the people of Oxley—I am sure that has crossed their minds. This is about everybody who uses that road. It is time they got on with the job of fixing all the roads that are their responsibility and it is time they got on with the job of fixing the Ipswich Motorway. It is time they stopped neglecting the people of Ipswich. The irony of Oxley getting 100 per cent of funding and Blair getting zero dollars, I think, is not going to be lost on the good constituents of Blair. My challenge is simple: get on with the job. Give us the rest of the money. If the member for Blair cannot get the dough, I will be working hard to make sure that they do get it. I will make sure that they get the money, just like I did for the Oxley section of the Ipswich Motorway, because the people of Ipswich deserve it. (Time expired)

Mrs McPherson: Green Corps Project

Mrs May (McPherson) (7.35 pm)—The Tugun Bypass is the more important road, Bernie! On 2 February 2007 I launched a Green Corps project at Merrimac and congratulated a team of 10 volunteers who are taking part in restoring and beautifying part of the Merrimac State School grounds. Alex, Cameron, Clayton, Gavin, Jayson, Jo, Jess, Johnson, Rick and Victoria are led by team leader Ed Groweg, who is passionate about youth development and the environment. Ed’s enthusiasm is rubbing off on the volunteers and he is excited to see them developing as a team.

The project is officially called the Riparian and Environmental Area Restoration, Merrimac Green Corps Project, and the volunteers are currently in week 14 of a six-
month project. To date they have cleared a significant area of weeds, mulched the area and planted approximately 3,000 native trees and shrubs. Repairs to the boardwalk are planned for the next stage.

At the launch two members of the Green Corps program, Victoria and Clayton, spoke about the program saying it was a ‘unique opportunity to make a difference to the environment, community, to themselves and to each other’. Teamwork is a strong factor in making this project successful; however, each individual’s strengths are encouraged and developed as they are discovered.

The enthusiasm of the team and their pride in their achievements to date were obvious at the launch, but what is quite unique about the project is that the team have joined forces to form a band playing the drums. One of their members, Victoria, an aspiring teacher, taught them the basics. They had only been practising together for two days and they put on a fantastic show. They have natural rhythm, and so impressed the young students watching the launch that the students requested the school principal to ask the band to play at one of the school assemblies. Their appreciation at being involved with such a great team was apparent when they presented chocolates to Ed’s wife, Di, who sewed the patches onto their uniforms.

Randall Pointing, the principal of Merrimac State School, is delighted with the results so far and very grateful for the funding of this project. Dr Pointing said the federal government helped out the school in 2000 when they were given a federation grant to do some basic work on clearing a small area and a track. Ian and Ross, the groundsmen, do a great job, but they have their hands full with work around school buildings. It was only in 1998-99 that the land was discovered to belong to Education Queensland—the school, too. It had been difficult to make proper use of the area before then.

Together with Gillian Ainscough, the project development officer from Job Futures, the school put in a submission to be part of a Green Corps project. Job Futures are doing a fantastic job with the ongoing coordination of the project, and Jaime Clark, coordinator of Green Corps at Job Futures, said they have had no trouble finding kids to take on positions in the team when changeovers have happened.

It is a shame that due to the classification of the Gold Coast as an urban area we are restricted to approximately six Green Corps projects each year. Halfway through the project, the benefits are clear. The kids from the school hardly recognised the area and were excited by the potential they saw for utilising the space. Ed and the Green Corps team have developed a resource and facility not only for the current students at Merrimac primary school but also for visitors, future schoolchildren and the school’s neighbours—users of the Lakelands golf course and the residents of Hill View House, who take daily walks through the area.

Hill View House is an aged-care home, and the project has provided a secure area for recreation for the dementia and aged-care patients, who can be escorted down to the peaceful clearing. The children of Merrimac primary school visit the residents of Hill View House on a daily basis and have their favourite ‘oldies’.

The project has the support of the local Indigenous people of the Gold Coast, and an Indigenous trail to celebrate Gin House Creek’s historical importance as a place for food-gathering will be built as part of the project.

I am amazed at the achievements so far and certain that many other local schools will want their own Green Corps team. Green
Corps is one of the most successful Commonwealth government programs ever, with more than 16,000 young Australians participating since 1997. It is great for building skills, confidence, self-esteem and pathways to future careers. For example, some of the Green Corps members are considering taking up landscaping training and others are off to university. In addition, participants receive an allowance of $283 per week—that goes down very well. It is great to hear of young people doing so well when usually we only hear about what young people are not doing. I commend all those involved in the project. I know that at the end of six months we are going to have something that will last forever.

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Mr McCLELLAND (Barton) (7.39 pm)—The approach of both the Prime Minister and Foreign Minister Downer in question time today was to warn against a 'precipitate withdrawal of troops from Iraq'. But no-one is recommending that. Even Senator Barack Obama, who was personally attacked by the Prime Minister over the weekend, did not. Senator Obama makes it clear that his proposed plan for a phased withdrawal of troops could be temporarily suspended if circumstances required. His plan also provides for a residual United States presence in Iraq to provide training and to pursue international terrorists.

The proposal for a phased withdrawal of American forces is entirely consistent with the Iraq Study Group recommendations. These were not referred to by either the Prime Minister or the foreign minister. The ISG report noted:

... an open-ended commitment of American forces would not provide the Iraqi government the incentive it needs to take the political actions that give Iraq the best chance of quelling sectarian violence.

The report therefore recommended, in recommendation 40:

The United States should not make an open-ended commitment to keep large numbers of American troops deployed in Iraq.

Again, in recommendation 41, the report said:

The United States must make it clear to the Iraqi government that the United States could carry out its plans, including planned redeployments, even if Iraq does not implement its planned changes. America’s other security needs and the future of our military cannot be made hostage to the actions or inactions of the Iraqi government.

In direct defiance of those recommendations, Mr Howard said 'it was unwise to be nominating benchmarks' in respect of ending the presence of allied troops in Iraq.

The bottom line is that the war in Iraq has made us less safe because it is actually attracting and motivating our terrorist enemies around the globe. As Lawrence Korb, who served as Assistant Secretary of Defense in the Reagan administration, has noted:

The extended US presence in Iraq has fostered new alliances between secular nationalists and Islamist extremists who are traditionally opposed to each other but who have found common cause in their opposition to the American occupation of a Muslim-majority country.

Published intelligence advice has confirmed that the presence of foreign troops in Iraq has served as a catalyst, a lightning rod, to the recruitment of extremists by fundamentalist Islamic organisations around the world.

As a result of being able to rely on the security blanket provided by allied troops, the al-Maliki administration in Iraq has tolerated if not actually sponsored some of the worst acts of sectarian violence that have occurred there. That was confirmed in a report of 8 November last year by White House National Security Adviser Stephen Hadley to which I referred in the House earlier in the week.
Clearly, as long as Iraqi leaders feel that foreign troops will remain in large numbers in Iraq, they will have no incentive to make the necessary compromises to resolve the underlying political, religious and sectarian tensions that are giving rise to the worst acts of violence that we see there. Clearly, the time has come to set a limit on our involvement in the war in Iraq in order to send an important message to the al-Maliki government: take charge or lose power.

Effectively, the strategy being adopted by the Howard government is to make the safety of the young Australian men and women of our troops serving in Iraq hostage to the action or inaction of the al-Maliki government in Iraq, a government which has been described as being at best inept, if not corrupt, with sections clearly implicated in intelligence reports as actually fomenting the violence in Iraq. It is quite immoral and, worse that that, irrational and completely contrary to our national interests to give an unconditional, open-ended commitment to such a regime.

Deakin Electorate: Australia Day Awards

Mr BARRESI (Deakin) (7.44 pm)—During the summer parliamentary recess many of us went back to our home states and took the time to reconnect with our family, friends and the electorates we serve. But while we were doing this, thousands of Australians were once again dropping all personal and work commitments to fight bushfires, save lives and deliver welfare support to the needy and disadvantaged in our community. Essentially, thousands of Australians were doing what they do best: volunteering their services for the benefit of their local community.

On January 25, the day prior to Australia Day, I got a chance to pay my respects to some of the hardest-working volunteers and community group leaders in my area and thank them for really making a difference to the lives of others. Since I started the Deakin Community Australia Day Awards back in 1997, I have sought to acknowledge the hardest-working volunteers and community leaders in my electorate through these awards. Whether it is through helping a local church or school or helping people from other nations make the transition to our way of life, these recipients each contribute to the building blocks of our community and as a result make the bonds that bind us together as a society stronger.

The Deakin Community Australia Day Awards are a way of publicly and respectfully recognising the great efforts of our unsung community heroes, which in turn may inspire other people to do more for their communities too. The people we honoured that day came from a diverse range of backgrounds and ages, yet they each shared the same values of compassion, hard work and a tireless attitude to community involvement.

These are people such as Sai Kit Chan, who arrived in Australia with few English language skills and went on to become a director of one of eastern Melbourne’s best multicultural learning centres and who now devotes much of his time tutoring and assisting new migrants to integrate into the Australian way of life. These are hardworking and inspiring youth leaders such as Faye Monkhouse, who, through 22 years of service to the Girl Guides movement, has taught young women valuable skills and positive reinforcement which will imbue them with confidence for many years to come.

My thoughts today are with the family of another recipient, Diego Novella. Diego, better known as Dick, who passed away last night after a long illness, founded, ran and spent countless hours organising events for the Maroondah Italian Senior Citizens Club so that many members of the local Italian

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community would not remain isolated and alone in their latter years. I am sure his memory will live on through the hard work and commitment he devoted to the people he served for over 20 years. My thoughts and prayers are with his family this evening.

Then there are those, such as Allen Maher, who overcome their own disabilities and challenges to help others. Allen, a long-time sufferer of MS, and his wife, Betty, have for the past six years acted as foster parents to eight children fleeing from abusive homes. He has also taught classes for the past 12 years on how to live with a disability, imparting valuable skills with great empathy and passion.

This is only a sample of the 37 recipients I was honoured to meet and acknowledge that day. These 37 local heroes—often you only have to look over your back fence to find a local hero rather than trying to seek that hero through the media—in the eastern suburbs of Melbourne who work or live either in the municipalities of Whitehorse and Maroondah were recognised for their great deeds.

The Deakin Community Australia Day Award winners know what strong communities mean and how to make them stronger. They are the backbone of the area, acting as a rock of support and often being the first to lend a helping hand to those in need. The awards are, as I say each year, not meant to be rewards for their work but simply an acknowledgement of their service and an opportunity for me, as their representative, to say thank you. In most cases, they are very reluctant recipients of the awards because, as they say, they do not do it for the reward; they do it for the love of it. I started these awards to bring attention to the often thankless tasks of these people. I know that through their efforts they inspire others. It was a great honour to meet these people and to give them their awards.

Mr Deputy Speaker, I seek leave to have incorporated in Hansard a table of the recipients and the deeds and activities for which they were rightly recognised.

Leave granted.

<table>
<thead>
<tr>
<th>Name</th>
<th>Suburb</th>
<th>Organisation</th>
<th>Reason for Award</th>
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<tbody>
<tr>
<td>Sylvia Abbott</td>
<td>Nunawading</td>
<td>Athletics Victoria</td>
<td>60 years involvement in athletics</td>
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<tr>
<td>Colin Browne</td>
<td>Mitcham</td>
<td>Whitehorse Arts Association</td>
<td>Services to teaching &amp; the arts</td>
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<td>Dorothy Browne</td>
<td>Mitcham</td>
<td>Whitehorse Arts Association</td>
<td>Services to education, athletics &amp; the arts</td>
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<tr>
<td>Andrew Brownlie</td>
<td>Ringwood East</td>
<td>Apex &amp; Rotary</td>
<td>Overseas aid programs for disease prevention</td>
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<tr>
<td>Pam Chambers</td>
<td>Nunawading</td>
<td>Red Cross</td>
<td>Fundraising, assisting elderly</td>
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<tr>
<td>Sai Kit Chan</td>
<td>Box Hill</td>
<td>Louise Multicultural Centre</td>
<td>Language Services, leadership role, assisting new migrants</td>
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<tr>
<td>Valerie Charnock</td>
<td>Blackburn South</td>
<td>Deakin Netball Association</td>
<td>Long time involvement in netball, and establishement of local clubs</td>
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<tr>
<td>John Coulson</td>
<td>Blackburn</td>
<td>Scouts</td>
<td>Long time commitment to Scouts</td>
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<td>Michael Dwyer</td>
<td>Blackburn</td>
<td>Blackburn Sporting Club</td>
<td>Commitment to local football and cricket clubs</td>
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<tr>
<td>Nola Fairbairn</td>
<td>Ringwood</td>
<td>Mitcham Football Club</td>
<td>Various roles, fundraising and assistance for elderly</td>
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<tr>
<td>Cecily Falkingham</td>
<td>Mitcham</td>
<td>Scouts &amp; Guides</td>
<td>Improving environmental awareness</td>
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<tr>
<td>Alec Fuller</td>
<td>Forest Hill</td>
<td>HIA</td>
<td>Services to apprentices and skills</td>
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<tr>
<td>Bill Green</td>
<td>Heathmont</td>
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<td>Services to charities &amp; the arts</td>
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<td>Name</td>
<td>Suburb</td>
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<td>Peter Hair</td>
<td>Mitcham</td>
<td>HCAG Inc</td>
<td>Local support and advocacy</td>
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<tr>
<td>Barry Horn</td>
<td>Blackburn South</td>
<td>Apex</td>
<td>Assisting with community healthcare</td>
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<tr>
<td>David Ikin</td>
<td>Blackburn</td>
<td>Lions Club</td>
<td>Environmental advocacy &amp; protection</td>
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<tr>
<td>Dulcie Kimpton</td>
<td>Mitcham</td>
<td>Ringwood Community Centre</td>
<td>Services to local community</td>
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<tr>
<td>Marie Lawley</td>
<td>Heathmont</td>
<td>ROK</td>
<td>Assisting youth and community</td>
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<td>Peter Le Get</td>
<td>Heathmont</td>
<td>Anglican Church</td>
<td>Supporting church activities and providing assistance to the needy</td>
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<tr>
<td>Tony Mafrici</td>
<td>Ringwood North</td>
<td>Maroondah Italian Senior Citz Club</td>
<td>Providing a cohesive and culturally sensitive outlet for elderly</td>
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<tr>
<td>Allen Maher</td>
<td>Vermont South</td>
<td>MS Australia</td>
<td>Assisting others to live with a disability</td>
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<tr>
<td>Judy Milton</td>
<td>Mitcham</td>
<td>St Vincent De Paul</td>
<td>Support services for disadvantaged</td>
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<tr>
<td>Faye Monkhouse</td>
<td>Burwood East</td>
<td>Girl Guides</td>
<td>Providing leadership to young people</td>
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<tr>
<td>Reg Morkham</td>
<td>Warrandyte</td>
<td>Rotary</td>
<td>Fundraising and charity work</td>
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<tr>
<td>John Munro</td>
<td>Heathmont</td>
<td>Rotary</td>
<td>Leadership and services to youth</td>
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<tr>
<td>Nina Niccolletti</td>
<td>Templestowe</td>
<td>Whitehorse Italian Seniors Club</td>
<td>Services to elderly/aged</td>
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<tr>
<td>Diego Novella</td>
<td>Ringwood North</td>
<td>Maroondah Italian Senior Citz Club</td>
<td>Social activities for elderly and aged with cultural connections</td>
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<tr>
<td>Annette O’Sullivan</td>
<td>Heathmont</td>
<td>CRISP Nursery</td>
<td>Environmental protection</td>
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<tr>
<td>Mark Paterson</td>
<td>Nunawading</td>
<td>Blackburn Sporting Club</td>
<td>Services to establishing football and cricket locally</td>
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<tr>
<td>Jim Risstrom</td>
<td>Blackburn</td>
<td>Blackburn North Bowls Club</td>
<td>Maintenance of facilities and voluntary work for commonwealth games</td>
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<tr>
<td>Robyn Rowe</td>
<td>Heathmont</td>
<td>Scouts</td>
<td>Support and advice to Veterans</td>
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<tr>
<td>Wesley Runting</td>
<td>Croydon</td>
<td>RSL</td>
<td>Youth Leadership</td>
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<tr>
<td>Margaret Sawyer</td>
<td>Mitcham</td>
<td>Girl Guides</td>
<td>Youth Leadership</td>
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<tr>
<td>Paul Sierakowski</td>
<td>Blackburn</td>
<td>Scouts</td>
<td>Youth Leadership</td>
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<tr>
<td>Geoffrey Spruzen</td>
<td>Mitcham</td>
<td>St Marks Community Centre</td>
<td>Services to disadvantaged and local sports groups</td>
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<tr>
<td>Ang Tay</td>
<td>Mitcham</td>
<td>Cambodian Community Welfare Centre</td>
<td>Care and compassion for Cambodian community and counselling services</td>
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<tr>
<td>Therese Woodyard</td>
<td>Knoxfield</td>
<td>War Widows Services</td>
<td>Services to returned servicemen and widows</td>
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Water

Mr WINDSOR (New England) (7.49 pm)—In question time today the Prime Minister answered a question in relation to payment of compensation to groundwater users in six valleys across New South Wales. I think we saw a quite blatant admission today—it is quite disturbing actually, given that the Prime Minister is trying to engage the trust of water entitlement holders and irrigators et cetera across the nation in terms of the 10-point plan that he is attempting to put in place—of a breach of trust with groundwater users within the six valleys that I have referred to in New South Wales.

The Prime Minister confirmed today in question time that the intergovernmental agreement signed by the Commonwealth and the New South Wales government under the hand of the Australian Government Solicitor: ... had been structured and made in an environment where they were not intended to provide compensation for any perceived loss to farmers. In those circumstances they fell to be taxed as income.

This admission today verifies the various statements that I have been making for quite
some time. The signatory to this intergov-ernmental agreement—which took place back in 2005 under the hand of the Australian Government Solicitor—the Prime Min-
er, knew that the irrigators concerned would be taxed when that document was put in place.

To see that sort of behaviour openly ad-
mitted to by the Prime Minister when he is trying to establish trust with other irrigators across the nation, I think is quite disgraceful. I alleged today that the Prime Minister had misrepresented himself and actually misled the parliament in question time. He danced around that particular issue but he also demon-
strated that he misled the parliament again today.

In fact, there are five instances in terms of confirmation of the determination of the compensation payments. There are three let-
ers from the Prime Minister, two to me and one to the Narrabri council. The minister for revenue at the time, Mal Brough, the current Minister for Revenue and Assistant Treas-
urer, Peter Dutton, and Helen Georgopoulos, a senior adviser in the Prime Minister’s own office, have all made statements over a pe-
riod of time—19 December 2005, 8 June 2006, and through that period—that they believed that the adjustment assistant pay-
ment payments are a ‘matter for determination by the Australian tax office, consistent with existing law’. In a letter to me the Prime Minister said:

All grants under the Water Smart Australia pro-
gramme are treated in a manner that is consistent with tax law. I am advised that assistance payments are generally assessable income for taxation purposes, subject to the provisions of the Income Tax Assessment Act (1997). For the sake of equity and consistency the government will not alter these arrangements.

The government has gone into a deal with the New South Wales government knowing full well, but not informing the water enti-
tlement holders through the tax office, that they could be taxed 47 per cent on the compen-
sation payable for giving up their legal entitlements for the greater good of the community and for the sustainability of the resource. I think it was a clear admission by the Prime Minister today that he has breached faith with those six valley ground-
water users and that there is a need now for a tax ruling. If we are to get serious about ad-
dressing the natural resource issues in this country, there has to be compensation. The Prime Minister actually says in the docu-
ment:

... if we are ever going to settle this water thing, we will have to take back entitlements and people will be entitled to some compensation.

The other issue that has come out of question time today is that the Prime Minister is actu-
ally flagging compulsory acquisition of enti-
tlements and not voluntary relinquishment, as has been discussed by Malcolm Turnbull and others. ‘We will have to take back enti-
tlements,’ the Prime Minister said in question time today. I say to the Prime Minister: if past legislation demands that any future compensation arrangements be treated in terms of the capital gains provisions, and not under the Income Tax Act, as is the current case—(Time expired)

Western Australian State Government

Mr HENRY (Hasluck) (7.54 pm)—In the suburb of Hazelmere, in my electorate of Hasluck, we have a local business that has been operating for some 50 years. It is Tal-
Ioman’s, WA’s largest service rendering plant. Beef, sheep, pig and poultry producers are dependent on this facility, as are numer-
ous abattoirs that deliver by-products from the slaughter of animals for human consump-
tion. In addition, Talloman’s employ some 50 local people dependent on this business for their livelihood. These by-products include offal, fat, bone, feather and other materials.
Talloman’s process these waste products, turning them into tallow, meat and bonemeal, feather meal, blood and bone et cetera, which in turn support the aquaculture, farming, nursery, horticultural and other industries, with around 50 per cent of these products being sold on the export market.

Like many former rural areas surrounding Perth, Hazelmere has succumbed to the pressure of a growing population, with much of the area now zoned industrial or urban to accommodate many new homes, thus putting significant pressure on businesses such as Talloman’s to modify their operations or consider their location. Talloman’s have done both. Almost three years ago the company held talks with state government representatives to seek alternative sites. Two years ago, in consultation with the Department of Environment and Conservation, Talloman’s invested $8 million upgrading the facility and to reduce odours.

Early in the new year their wastewater treatment plant failed. The site was closed for some weeks whilst repairs were carried out at a cost of half a million dollars to the company. The cost to the surrounding community was significantly increased too in rancid odours over this period. This is another wasted opportunity by the state Labor government to take a positive leadership role ensuring: a positive future for this business and its employees; a positive future for a number of abattoirs already under duress and adversely affected by the current disruption to Talloman’s operations; a positive future for beef, poultry, sheep and pig producers supplying these abattoirs; and a positive future for the many thousands of homeowners adversely affected by these odours.

There are positive solutions. The state government could allow Talloman’s to access the sewer connection without the proposed $1.5 million demanded for headworks or, alternatively, provide a viable site with the necessary services and assistance to Talloman’s to meet the cost of relocation. Offal going to landfill is not the answer as this has serious implications for local groundwater, residents and the environment, as demonstrated when over 2,000 tonnes of this waste was dumped each week, at the Inkpen Road tip in Wundowie. It took only three weeks before the complaints from local residents about the odour stopped this process.

Rather than solutions, what we see is the Labor Minister for Planning and Infrastructure sitting on her hands doing absolutely nothing about ensuring adequate and appropriately zoned land is available for such industries. She is well supported in this handsitting exercise by her colleagues the member for Midland and the member for Belmont, both senior ministers in the Labor government, both yet again demonstrating their disdain for their constituents, doing absolutely nothing about the concerns or needs of residents, employees of Talloman’s or, indeed, the needs of Talloman’s.

Who pays for this in the end? Let me tell you. Not the Labor government, as they are busy making money from stamp duty and other charges on new housing and urban development, employing even more public servants—around 18,000—but no policemen, no teachers and no nurses who can provide services for the community. I can tell you it will be the WA community who will suffer as a result of increasing meat prices because of the extra costs associated with dumping this waste material rather than seeing it processed and, in turn, creating local employment and opportunity.

This is just another example that demonstrates the total lack of vision of the state Labor government for the future of industry in Western Australia, the future of employment and employees in Western Australia,
the future of new homeowners in Western Australia and their needs, and the concerns of residents in Hazelmere, Guilford and surrounding suburbs. This is a very serious concern and the state government needs to grab this issue by the horns. The people in Hazelmere and surrounding suburbs should no longer have to pay the price for the state government’s lack of action, lack of vision and their apathy.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! It being 8 pm, the debate is interrupted.

House adjourned at 8.00 pm

NOTICES

The following notices were given:

Mr Ruddock to present a bill for an act to amend the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, and for other purposes. (Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007)

Mr Ruddock to present a bill for an act to amend the Bankruptcy Act 1966, and for other purposes. (Bankruptcy Legislation Amendment (Debt Agreements) Bill 2007)

Mr Andrews to present a bill for an act to amend the Migration Act 1958, and for related purposes. (Migration Amendment (Maritime Crew) Bill 2007)

Mr McGauran to present a bill for an act to amend the Broadcasting Services Act 1992, and for related purposes. (Broadcasting Legislation Amendment Bill 2007)

Mr Rudd to move:

That the House:

(1) notes the Prime Minister’s false basis for Australia’s decision to go to war in Iraq;

(2) notes the Prime Minister’s failure to articulate a clear-cut mission statement for Australia’s continued participation in the Iraq war;

(3) notes the Prime Minister’s failure to develop a clear-cut exit strategy from the war based on that mission statement;

(4) notes the Prime Minister’s refusal to explain to the Parliament and the people of Australia his strategy for winning the war in Iraq;

(5) notes the Prime Minister’s attack on the alternate administration of the United States of America and majority party in the United States Congress as Al Qaeda’s party of choice; and

(6) calls on the Prime Minister to accept the Leader of the Opposition’s challenge to a nationally televised debate on Labor’s plan to bring our troops home and the Prime Minister’s plan to leave our troops in Iraq indefinitely.
The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Younger People in Nursing Homes

Mrs IRWIN (Fowler) (9.30 am)—One year ago the member for Melbourne moved a private members’ motion that called on the government to use the Council of Australian Governments process to deal with the serious problem faced by the thousands of young Australians living in nursing homes, which cater mainly to the needs of aged persons. The motion was strongly supported by members on both sides of the House, including the members for Shortland, Canning, McPherson, Gorton and Riverina. That motion was timely because, in that same week a year ago, the Council of Australian Governments agreed on a proposal to fund and develop a $244 million program to address the issue of young people in nursing homes.

I note that in that debate the member for Shortland spoke of a report that was leaked before the meeting which commented that expectations should not be raised, because only one in every six young persons in a nursing home would benefit from the program. It is a year later, and only a few of those young people can see any light at the end of the tunnel. For the great majority of the more than 1,000 people under the age of 50 who live in nursing homes, or are under the care of parents, it is a long and cruel wait.

I was reminded of this in the past week when I was contacted by Mrs Marilyn Darling. She and her husband Ashley have provided care for their son Wesley since removing him from a nursing home where the lack of care almost cost Wesley his life. Last year Wesley was able to gain access to two weeks of respite care at a fantastic place: the Dorothy Sales Cottages, in the ACT. This facility is dedicated to the care of young people with acquired brain injury. Wesley’s parents are hoping he can have another two weeks of respite care at Dorothy Sales in March this year. Wesley enjoyed his stay there because he was treated so well, but his parents are concerned that, as residents of New South Wales, they may have to meet the full cost of Wesley’s care from their own pocket. So here we are, a year down the track, and we still have problems with the provision of essential services across state borders. We still have an appalling lack of specialised care for young people who live in nursing homes or who are cared for by dedicated parents.

As part of the young people in nursing homes delegation, Marilyn Darling helped to bring this issue to the attention of parliament a year ago. That is more than enough time to stop the blame shifting between various levels of government and to properly fund programs for the care of these young people. We need to see real progress in order to give hope to young people in need of care. We need that assistance, and they need it now.

Hilde Hines

Mr PYNE (Sturt—Assistant Minister for Health and Ageing) (9.33 am)—This morning I would like to briefly acknowledge the role and lifetime of a wonderful woman called Hilde Hines, who would be well known to the member for Melbourne Ports. She passed away not last week but the week before and was buried last Sunday. She was born in Nuremberg on 14 September 1917, and she left Germany in the late thirties. She lived near a beer hall, where
she had occasion to overhear some of Adolf Hitler’s early speeches. Recognising the coming tide she and her husband, Gus, left Germany and eventually ended up in Australia. Hilde and her husband were the backbone of the Jewish community in Adelaide. In fact, the hall at the synagogue of the Adelaide Hebrew congregation is called Hines Hall, at Massada College, in memory of Hilde and Gus Hines. Hilde had an incredible role in Adelaide, promoting especially the role of survivors of the holocaust and attending schools. Right up until about a month before her death she was still attending schools and telling them about the holocaust and the survival of those Jews who fled Europe and who have gone on to make fantastic lives for themselves in other parts of the world.

She always said that her great victory over Adolf Hitler was her family, her children and grandchildren, her nephews and nieces, and her great nephews and nieces—it proved that the Jews had not been defeated by one of the world’s most evil people in history. She was patron and a former President of the Australian Council of Christians and Jews. She was former president of the United Israel Appeal. She was a life member of WIZO, the Women’s International Zionist Organisation, and she held offices in that organisation at the federal, international and state levels.

Mr Danby—You have spoken to them a few times.

Mr PYNE—Yes, I have spoken to them on a regular basis. She was also a regular visitor to Israel. Her contribution to the Jewish community in Adelaide will be sorely missed. While she was a great friend and supporter of mine, she maintained a bipartisan role in politics in South Australia, always promoting unity, reconciliation and moderation and, in recent years, working very hard to bring the Muslim community, the Jewish community and the Christian community together in a way that was positive for Adelaide and for the nation. I will miss her very much personally. I know that I speak for many people in Adelaide when I say that Hilde Hines will leave a large hole in our community, both Jewish and non-Jewish.

Student Unionism

Ms BURKE (Chisholm) (9.36 am)—Voluntary student unionism has started to bite at Monash University’s Clayton campus, the largest university campus in Australia. The university has notified students that in the blue parking zone—which is the outer zone; it is quite a walk from the blue parking zone to the university—the cost of parking permits will increase by up to 50 per cent. The lower parking permit, which used to be $83 and so was affordable to many students, now costs a whopping $280. The university gathered student union fees last year of $13.5 million. They are now trying to make up that shortfall of $13.5 million. On estimates of parking permit sales last year, this fee increase will net them $2 million.

Whilst the student association appreciates that the university has to find ways to offset revenue lost, it should not come at the expense of students. Monash University at Clayton is not well served by public transport. Having been a student there some years ago—as were many others in this place; you could probably speak to the Treasurer about his experience of getting out there—I know that it is not well serviced by transport. Many people drive there. In this day and age, when students rely heavily on part-time work, they often need their cars for transport between university and their work. This is a massive impost.

The only free parking off campus will now be designated a blue zone. So students who took the option to park a way over at the Synchrotron on Blackburn Road and who could do
so for free now no longer have that option. This is not just hurting the students alone; it is also impacting greatly upon the staff. Many staff also drive to the campus. They have been notified that the options they have will increase by 235 per cent or by 39 per cent. The already severely high fee of $340 to park at the campus is now $480 for staff. I am not sure many of us would appreciate having to pay $480 to park to go to work. I appreciate that some people in the inner city who are silly enough to drive and park do incur those fees. But the NTEU put out a petition on campus and in excess of 2,000 staff signed it, saying that this is ridiculous. Yet again we will see university staff refusing to work for universities. This impost is another knife in the university sector.

Monash University is not well serviced by public transport. Even those people who want to use it find it very difficult. The campus is only serviced by buses. The train does not connect in any way shape, size or form to the campus. It is also within the zone 2 or 3 for some students, so transport costs are fairly high already. Something needs to be done to reverse this ridiculous trend where the university is taking money from its hard-earning students and staff to recoup the voluntary student levy, which had provided vital services on that campus. These students do not have the options that Brendan Nelson said they have. Monash University is not in the middle of town. (Time expired)

Organ Donation Awareness Week

Mrs May (McPherson) (9.39 am)—Australian Organ Donation Awareness Week starts next Sunday, 18 February and continues to Saturday, 24 February. I have often spoken in this place about the need for Australians to register for organ donation. I think it is important to highlight organ donation, because hundreds of Australians suffer and die needlessly each year due to a shortage of organ and tissue donors.

To sign on for organ donation I think is one of the greatest gifts a person can give. However, I cannot stress strongly enough that, if you register, it is a subject you must talk over with your loved ones. Families are placed in a situation where they have to make a heart-wrenching decision when their loved one has just been pronounced dead. But if your family knows and understands your wishes, it will not be such a hard decision for a family to give their consent. Discussing it with your family beforehand takes away a lot of the pressure. It is my belief that if family members know and understand your wishes, they will follow through with your wishes when you do pass away.

When your loved one’s organs are donated in the midst of distress, dreadful shock and sadness, something positive and good happens. Your loved one’s corneas give sight to someone or your loved one’s kidneys can mean that someone can come off a dialysis machine. Organ donation makes a difference to everyday people’s lives. With organ donation people are given a second chance. It really is the gift of life, for without it people will die. But it is one form of generosity that cannot be spontaneous. Talk over your wishes with your loved ones, because if your family will not give its consent, organ donation will not go ahead, and it certainly will not continue to grow in this country.

There is another important point I want to raise about organ donation. Many people I speak to do not realise that marking your licence as an organ donor is no longer sufficient to carry out your wishes. The law changed over a year ago and people must now register with the Organ Donor Register. Registration forms are available from Medicare offices or by going to Medicare’s website. Organ donation is important and I very much hope people do not delay,
that they register as soon as possible and that they remember to discuss their wishes with their loved ones. I would urge all my colleagues in this House to do something about Organ Donation Awareness Week next week in their own electorates with their Medicare offices and to spread the word amongst our communities that people must register for organ donation.

**National Multicultural Festival Greek Glendi**

Ms ANNETTE ELLIS (Canberra) (9.42 am)—I want to talk today about the National Multicultural Festival that we are currently enjoying here in the ACT, a wonderful multicultural festival that occurs every year. In particular, I want to talk about an event that occurred on Sunday just past called the Greek Glendi. The Greek Glendi is a wonderful example of how our local multicultural community can get together and have a really good time. The Helenic Club Greek Glendi was held on Sunday. Its aims include to showcase the richness and diversity of Greek culture and, through its music, dances and thought, promote a sense of harmony that brings together all peoples, just as the ancient Greek Socrates asserted that he was a citizen of the world. It provides a platform to promote the artistic talent of local Greek Canberrans and friends of the Greeks in Canberra and it promotes the Greek associations in Canberra and the services that they provide.

The 2007 Greek Glendi was presented by the Greek orthodox community of Canberra. The program was just wonderful. This Glendi occupied all of Garema Place in the city, almost half of the Civic area. There were food stalls with Greek style food delights, information stalls, wonderful music and fantastic Greek dancing. There was even a Zorba ‘dance till you drop’ competition, which you will be pleased to know, Mr Deputy Speaker, I avoided—for fear of winning! The program had entertainment for all ages, including storytelling, mosaic paper tiling and all sorts of things for the children, music and dancing for the non-children—although I note that the kids dancing on stage were pretty spectacular, especially when the young boys of about seven, eight or nine came forward to display that high kick that is so famous in Greek dancing, to the delight of the crowd. Approximately 15,000 people—despite the wonderfully welcome rain—attended this fantastic function.

The profits from the Glendi are distributed between the Greek Australian bilingual preschool and day care centre, the Greek community afternoon Greek school and the St Nicholas Home for the Aged. I have to pay tribute to the Glendi Coordinating Committee, led by Melba Tsoulias along with Kerry Markoulli, Litsa Polygerinos, Kyriaki Mechanicos and Eleni Papaloukas. It was a wonderful example of how a community can get together and enjoy, at the highest level, multiculturalism at its best. We do it very well here in Canberra. I am very proud of our multicultural community and I am very proud of the fact that we hold this wonderful National Multicultural Festival each year. To the Greek community and everyone involved in it, I offer congratulations on yet another very successful part of our festival on Sunday.

**Queensland: Road Fatalities**

Mr JOHNSON (Ryan) (9.45 am)—In 2006 there were 336 road fatalities in Queensland. That corresponds to one person in Queensland being killed every 26 hours. This is a tragedy of immense proportions and, as a Queensland based federal member of this parliament, I want to say that it is really time for us to do all that we can, both at the local level and at the government level, to try and address this terrible tragedy that we are facing on our roads every day of the year.
A great number of the people killed are in the 17 to 39 age range. I want to enlighten the House on some specific figures because they are very instructive about the demographics of those killed. In Queensland, between the ages of 17 and 20, there were 42 fatalities. Between the ages of 21 and 24, there were 34 fatalities. Between the ages of 25 and 29, there were 29 fatalities. Between the ages of 30 and 39, there were 61 fatalities. Each one of these figures represents a loved one and a terrible tragedy. Unless you have experienced that sort of trauma, you can only imagine the terrible suffering that would occur within a family. It is time that all of us in positions of influence within our community do all that we can to try to redress this terrible issue.

Of course, there are many causes of accidents and fatalities, ranging from speed and fatigue to poor driving skills that embrace using a mobile phone while driving, trying to eat a hamburger while driving, trying to have a smoke while driving, and simple carelessness and recklessness. We will not discount mechanical failure, but significantly alcohol is an issue. Another issue is complacency and, when it comes to young drivers, inexperience. It really is time for all of us to say that enough is enough.

There are a range of solutions, and it is important to compliment and commend governments where they are trying to do something. I will say that the Queensland government is trying to do something but I do not think it is trying to do enough. I am delighted that here in the chamber on the government side I am surrounded by Queensland colleagues. I am very honoured by that because they are terrific Queensland representatives who I know share my passion for trying to tackle this terrible tragedy on Queensland roads. In December last year, I learnt the terrible news that constituents of mine, the East family, suffered the loss of two of their young sons out of a family of three. The death of Daniel and Toby East—two brothers who died when their car collided with a pole on Pinjarra Road in Pinjarra Hills—really struck at the heart of the Ryan electorate. (Time expired)

**Broadband**

Ms KATE ELLIS (Adelaide) (9.48 am)—I have spoken previously in this House about the need for greater government investment in broadband infrastructure in parts of metropolitan Adelaide. Over the past week, evidence has come to light of the federal government’s inaction on broadband which is significantly impacting upon businesses and residents in my community. Firstly, I remind the House that back in August last year the Minister for Communications, Information Technology and the Arts advised us that, ‘No-one is complaining about broadband speeds in metropolitan Australia,’ and that Adelaide residents ‘ought to be happy with broadband speeds as they are’.

I reported at the time the frustration and anger that this caused for businesses and residents who could not access broadband at all, let alone at the decent speeds that should be associated with a developed country. I would like to update the House by saying that this anger was compounded in November last year with the release of a local government association report which revealed that the inner metropolitan council of Prospect in my electorate has the slowest average broadband speeds in South Australia, at an average of just 56 kilobits per second.

Across the seat of Adelaide reports continue to arise of residents and businesspeople having difficulties in accessing internet content at reasonable speeds. In this context the revelation this week of the government’s lack of progress in its program to address broadband black spots in metropolitan Adelaide has particular significance for the people of Adelaide. The
The metropolitan Broadband Connect program was announced back in 2004 with an allocation of $50 million. In the absence of any significant nationwide investment plan by this government, the people of Adelaide have been relying on this program to address outstanding black spots. But at Senate estimates this week it emerged that, more than two years after the government’s announcement of the program, government bungling has resulted in $1.3 million being spent on administration costs and only $200,000 being spent on providing actual broadband services to metropolitan Australia. Unfortunately, we do not yet know in exactly which metropolitan areas this $200,000 has been spent. I await the response to these inquiries, which I understand the minister has taken on notice.

But, given the problems in my electorate, I am outraged that parts of metropolitan Adelaide continue to be disadvantaged as a result of the government’s failure to deliver on even a tiny percentage of its promised investment. I call on the government again today to follow Labor’s lead and invest in the critical infrastructure needed to advance Australia’s broadband capabilities. Labor’s policy of delivering a national fibre-to-the-node broadband network in partnership with the telecommunications sector would give Australian families and businesses the super fast internet that they need today. I call on the federal government to take the initiative today for the sake of metropolitan Adelaide and communities across Australia. (Time expired)

Australian Technical College North Brisbane

Ms GAMBARO (Petrie—Parliamentary Secretary to the Minister for Immigration and Citizenship) (9.51 am)—Today I would like to speak of the wonderful work the Howard government is doing to ensure that Australian businesses can find employees with the necessary skills to help them grow and prosper. One of the best examples of this commitment in my own electorate of Petrie is the Australian Technical College North Brisbane. I want to acknowledge in the House the Hon. Gary Hardgrave, the member for Moreton, who was the former Minister for Vocational and Technical Training, and the incredible work he did in this area in bringing this to fruition. I thank him for the great support that he has provided.

I recently had the great joy to attend the inaugural assembly and the room was abuzz with the first intake of students. They were happy and they were looking forward to their first days of study in the new $16.71 million facility. That happened on 29 January. Their parents were absolutely beaming as well. It was a terrific day. After all of the great work that has been done by the committee, the former minister and the current minister to date, I could not help but feel the great electricity that was there that day and you could see that excitement on the faces of the 150 young people who were about to begin their training. They all received their inaugural certificates commemorating that particular day. I know that many of them will have rewarding careers and great futures. They will make an incredibly valuable contribution to the Australian community and the economy.

As a child growing up, I always thought that everyone worked in a trade. My father was a builder and most of the people that I knew were tradespeople. So it was news to me when I found out we had a skills shortage. This area, particularly the building industry, was very well represented on the day and we have a number of students who are going to work in carpentry and in the building industry.

The number of students is expected to grow to 350 by 2009. They will undertake a certificate III level Australian school based apprenticeship in their chosen trade. The college will offer building, construction, metal, engineering, automotive, electrotechnology and cookery
classes. The employment of students in Australian based apprenticeship will be arranged through the college, through the industry linkages.

I would like to acknowledge the wonderful work of Mr Les Bradshaw and his committee of dedicated businesspeople and industry representatives. It is one of 25 colleges. An investment of $343 million has been made by the Australian government. The strong fiscal management of the Howard government has allowed the jobless rate to fall nationally to 4.5 and in my own state of Queensland to four per cent and this will be a welcome addition. *(Time expired)*

**Environment**

**Mr Murphy (Lowe) (9.55 am)—** I wish to comment on some of the concerns raised by the Minister for the Environment and Water Resources during his speech in the House last Wednesday. The minister introduced his speech by claiming that a proposal to cut emissions by 60 per cent by 2050 is some sort of Labor Party plot to create mass unemployment. He conveniently ignored the fact that his antecedent, Dr Kemp, the former member for Goldstein, had been pressuring the cabinet to adopt a 60 per cent reduction in greenhouse gas emissions. That was before he was evidently dropped from the cabinet by the Prime Minister and forced out of parliament for defying the government’s inflexible dogma on climate change. The minister claimed last week:

> The Howard government has recognised for more than a decade the consequences of climate change and the risk it poses to Australia.

If that is the case then how is it that, as recently as 2003, the government dismantled the Cooperative Research Centre for Renewable Energy and the ABC *Four Corners* program reported in February last year that three of the CSIRO’s top climate scientists had been repeatedly gagged from talking about cutting greenhouse gas emissions? The minister also said last week:

> I believe every single one of the reports—*with the exception of the fourth assessment report* ...

Does the minister actually mean that he understands the contents of the preceding three reports by the Intergovernmental Panel on Climate Change but finds that the content of the just-released fourth report, which contains significantly more rigorous evidence, is wrong? I invite the minister to come into this chamber and explain in detail his understanding of the science behind these reports. Let us see if the minister actually believes the arguments. If the minister rejects the findings of the fourth report, could he please explain just where the 600 scientists who wrote the summary of the fourth assessment report have gone wrong?

The minister has implied that people who oppose the government’s position on global warming are some kind of fundamentalist zealots unable to tolerate a difference of opinion. I suspect the minister is confusing someone who accepts a belief as a matter of faith with someone, like one of the IPCC scientists, who takes the trouble to understand the arguments and concludes on the balance of probabilities that the evidence is well supported. In the case of global warming induced by carbon dioxide emissions, the probability of human influence on these natural processes is generally agreed to be above 90 per cent.

**Queensland: Road Tolls**

**Mr Hardgrave (Moreton) (9.57 am)—** I wish to report to the House that some 221,000 heavy interstate vehicles which would have passed through the federal electorate of Moreton along the Brisbane urban corridor—Riawena Road and Kessels Road and on to Mount Gra-
vatt Capalaba Road through the electorate of Bonner—have over the last year or two actually travelled on the southern Brisbane bypass. The reason for that is simple: I talked to the Prime Minister a couple of years ago and urged the Commonwealth to fund a trial for paying the toll of these heavy interstate trucks at night. So far, some $1.73 million has been spent, paying money to the Queensland government’s coffers to offset the cost of the toll of $6 per truck that would have passed along this particular road corridor. So that is 221,000 fewer trucks on local roads, 221,000 more trucks using a purpose-built road which the Queensland government put a toll on.

If you want to talk about global warming the alternative would have been going up seven high hills and through 14 sets of traffic lights, stopping and starting and spewing out more diesel particulates over my local constituency. The urgency now is to make certain that what we now have as a way forward is a trial that is operating 24 hours a day. If it is just $1.73 million and it has put 221,000 trucks off the road since 2005, let us have a look at how much money is going to be involved in putting them off the road during the daylight hours as well, not just simply between 10 at night and five in the morning.

The only trouble is that every time we raise this matter with the Queensland government they want to extend the price. Some of the estimates in the early days of this discussion to buy out the toll for trucks and cars on that road—the southern Brisbane bypass—were about $10 million or $14 million. When the Queensland government heard we were interested, the price doubled. Now some of the estimates the Queensland authorities are putting to the Australian government authorities run into the hundreds of millions of dollars.

This is disgraceful price gouging by a Queensland government that have no plans for infrastructure and no intention of implementing any of those that they have tried to announce and reannounce. If they had progress on actually building projects as fast as the progress on issuing press releases, Queensland would not be having the problems it has. The entire south-east corner of Queensland now has, per capita, the most congested roads in Australia—and the congestion is growing. Sydney is bad but Brisbane is worse on a per capita basis. The bottom line is this: we as an Australian government are ready to work with the Queensland government if they will only get fair dinkum and give us an honest price assessment, instead of trying to rip us off by increasing prices and not building any of the infrastructure they have already received funds for. The trial at night has worked—$1.73 million, 221,000 trucks off the roads. Let us do more. (Time expired)

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

**APPROPRIATION BILL (No. 3) 2006-2007**

Cognate bill:

**APPROPRIATION BILL (No. 4) 2006-2007**

Second Reading

Debate resumed from 12 February, on motion by Mr Nairn:

That this bill be now read a second time.

upon which Mr Tanner moved by way of amendment:

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

(1) despite record high commodity prices the Government has failed to secure Australia’s long term economic fundamentals and that it should be condemned for its failure to:
(a) stem the widening current account deficit and trade deficit;
(b) reverse the reduction in education and training investment;
(c) acknowledge the connection between climate change and human activity and tackle the serious threat climate change poses to Australia’s long-term well-being;
(d) address critical structural weaknesses in health such as workforce shortages and rising costs;
(e) expand and encourage research and development to move Australian industry and exports up the value-chain; and
(f) address falling levels of workplace productivity; and

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

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

The DEPUTY SPEAKER (Hon. IR Causley)—Before the debate is resumed on Appropriation Bill (No. 3) 2006-2007, I advise the Main Committee that in the House it has been agreed that a general debate be allowed covering this bill and Appropriation Bill (No. 4) 2006-2007.

Mr BRENDAN O’CONNOR (Gorton) (10.01 am)—I am in continuation, having commenced this debate in the main chamber. I inform this House that there are a series of things I would like to refer to with respect to this particular matter. They all just happen to start with ‘i’. Firstly, I want to start with a local matter, and that is the intersections along the Calder Highway in the electorate of Gorton. There are three intersections requiring construction. I want to talk to the people of Australia via this House about that particular matter.

Secondly, I want to refer to interest rates—the fact that there have been a series of increases to interest rates since the Prime Minister’s commitment to maintain low interest rates and certainly since the election. I think that has a bearing upon not only the difficulty for average householders to maintain their quality of life but also the increasing difficulty for average families to purchase an average home.

Thirdly, I would like to refer to Iraq. I think there is no doubt that there is a growing consensus in the community that the situation in Iraq is a debacle. It has been badly handled from the beginning. It was strategically incorrect to send our troops to invade that country. It was not in any way strategic insofar as targeting terrorists, targeting those who murdered people in New York and in other places—indeed, in Bali and in Spain. It certainly has not assisted the war against terrorism, and I would like to refer to that particular matter.

Finally, I want to refer to industrial relations. I think it is fair to say that, since its election in 2004, the government has shown itself to be arrogant and out of touch with ordinary working families. The introduction of Work Choices legislation has done nothing other than strike fear into the hearts of workers, knowing now, as they do, that their security of employment is very much diminished in most circumstances. The capacity to lose their entitlements such as penalty rates and other conditions of employment is certainly more likely now than prior to the introduction of that legislation.
I will now return to the need for three intersections to be constructed along the Calder Highway in the electorate of Gorton. There is no doubt that there is a major safety issue associated with the failure of the federal government to contribute to moneys required to construct the Calder Park Drive intersection, the Kings Road intersection and the Sunshine Avenue intersection along the Calder Highway. Most people are aware locally, as indeed are those who work on roads, that this is a Melbourne growth corridor. It is one of the fastest growing regions of Australia. There has been a significant increase in the traffic along the Calder as a result of population growth, not only in the suburbs I represent but also in the outlying communities of Sunbury, Gisborne, New Gisborne, Macedon, Woodend and even further towards Bendigo. For people travelling from Melbourne to those suburbs and towns, the Calder in this area is increasingly dangerous, with three ground-level intersections onto a freeway. As a result of the failure of the government to construct interchanges, there have been fatalities and injuries and they continue to occur. It is about time the government commits itself to construction.

I have asked the state Labor government to do the same. While it is a federal road, I have been given an undertaking from the state government to provide half the amount required to construct three interchanges. As far as Kings Road is concerned, they also would be willing to ensure the completion of that road to connect with the Calder, which would be their undertaking. It is about time that matter was resolved. I have had public meetings on this matter and people have come out in droves to support the need for the construction of these interchanges. There is no doubt in my mind that, upon completion, not only will they ensure less congestion along what is a freeway, after all, but also they will diminish the likelihood of injury or fatality along the road, particularly at those intersections. I call upon the minister for roads to match the Bracks Labor government’s commitments to provide 50 per cent of construction costs in order for those roads to be complete as soon as practicable.

I turn to interest rates. As I said, there have been seven interest rates rises—four since the election. This is against the backdrop of the Prime Minister during the last election campaign in September 2004 promising that his government would maintain ‘record low interest rates’. As we have seen and as was the case with the GST being a ‘never, ever’ consideration, we now see, with the undertaking given by the Prime Minister on interest rates, that those commitments were false and empty. Many people across Australia, certainly in the electorate of Gorton, are suffering economically and socially as a result of the failure of the government to meet its commitment to that target. What has happened, as you well know, Mr Deputy Speaker, is that these incremental increases have led to an extra burden upon ordinary Australian families’ household budgets.

In my electorate in the areas of Caroline Springs, Cairnlea, Taylors Hill and Hillside, and in other growing communities, many highly-geared families have invested in their family’s future by purchasing a home, but now find themselves very close to forfeiting that family home because they cannot sustain the increase in interest rates resulting from the Prime Minister’s failure to fulfil his promise of September 2004.

There is also another associated problem, and that is the affordability—or the unaffordability—of purchasing a home. The Housing Industry Association and the Commonwealth Bank reported only this week that housing is now more unaffordable than at any other time in the 23 years that they have been measuring it. For the first time, the average Australian household...
can no longer afford to buy the average Australian home. In the December quarter, the cost of
the median first home was $376,000, which requires a gross household income of $93,000 to
cover the mortgage of $2,332 a month—roughly $28,000 a year. This is against the average
household income of $91,300.

The Reserve Bank’s three interest rate rises last year have increased debts, with an alarming
rise in mortgage default rates. The figures from the Supreme Court of Victoria show that
2,791 property repossession claims were lodged last year—most of them against private home
buyers—compared with 2,578 in 2005.

My electorate, as I indicated, has not been spared. One of the hot spots for extremely high
mortgage repossessions and mortgagee sales has been the expanding housing estate of Caro-
llyn Springs and Hillside. The Reserve Bank’s quarterly economic review says that the low
vacancy rate in rental property is directly related to the housing boom. Official figures re-
leased yesterday showed that, last year, there was a massive 6.9 per cent jump in rents in Syd-
ney. Rents rose at their fastest rate in 15 years last year and the Reserve Bank says that they
appear set to rise a lot more quickly in the year ahead. I think it is very important to note,
therefore, the government’s policy and how it has affected this particular concern in the rental
market.

No-one in this place would want to see no improvement in the superannuation area, but
there is no doubt that the immediate impact upon changing the superannuation laws has been
that investors have very rapidly taken their money from the housing market and put it into
superannuation. This, of course, has led to a reduction in investment in housing, which has in
turn led to a reduction in the construction of housing and, therefore, a lack of availability of
rental houses.

Rents are still low compared to the cost of buying a home. Unsurprisingly, there has been a
surge in the proportion of householders wanting to rent as rising prices become unaffordable.
Investors therefore are less keen to buy investment properties to rent out, particularly as there
now appear to be only limited opportunities for making a capital gain when a property is sold.
Across all Australian cities, vacancy rates have fallen to their lowest level in more than 20
years. The consequences are obvious: limited stocks in a time of rising demand push up rents,
which further increases the stress on those families least able to cope financially.

Deborah Pippen from the ACT Tenants Union said:
The Bank is talking as if housing rents are just another financial instrument. But people live in homes.
You are not looking at something that people can choose whether or not to purchase. If the Reserve
Bank won’t address housing affordability and why it matters as a social issue, other arms of government
will have to.

The chairman of the real estate company Raine and Horne, Max Raine, said that he be-
lieved that the worst was yet to come for rents. He said that, near the centre of Sydney, tenants
were facing rent hikes of up to $150 per week. Vacancy rates of 2.5 per cent traditionally indi-
cate full occupancy as there is always a degree of movement of tenants between properties.
But with the vacancy rates currently at 1.5 per cent there is clearly a pool of people who sim-
ply cannot get accommodation.

While the Treasurer welcomed the Reserve Bank’s prediction that Australia’s underlying
rate of inflation would fall, he was silent on the subject of rent rises. Governments of all
stripes must also imagine what it means to be a householder. While average incomes slip out
of sight of monthly housing loan repayments, governments will have to look beyond the traditional Australian prejudice that renting is just a brief pause on the path to homeownership.

For a generation of Australians, this pause is turning out to be a permanent settlement. Renters now comprise 28 per cent of all households, compared with 35 per cent who have mortgages. If we continue on this path of inaction, those figures will simply exchange places. The Western Australian government is showing the way, with a creative response to the tensions arising out of Western Australia’s own housing boom. Creative responses are needed if both federal and state governments are to offer younger and lower income Australians a way into the Australian dream of property ownership. Low or nonexistent wage growth in real terms and a booming housing market are a cruel combination. Prices rise, creating artificial wealth for those who have a stake in it, while wages fall or remain the same in real terms, cruelly opening the gap even further and preventing a generation of Australians from owning the kind of asset that might guarantee their financial future.

Now that this generation has the impact of Work Choices to contend with as well, things can only get worse. Not only are their wages static in real terms or falling, as proven this week by Professor Peets’ research, but also their jobs are insecure or becoming increasingly casualised, making it more difficult to plan any sort of long-term financial future. People come into my office and say how difficult it is to convince a bank to provide them with a loan as they cannot guarantee that their work is anything other than casual. This precarious form of employment is making it more difficult for people to plan for the future as they cannot secure commitments from lenders to purchase and pay off a house. A number of factors are making it increasingly difficult for people to purchase homes. It is about time the government sought to restore the balance in this area.

I refer to the Prime Minister’s intrusion, if you like, into the primaries in the United States. I think it was entirely unconscionable for the Prime Minister of this country to enter into the domestic politics of the largest Western nation, our biggest ally, by attacking one of the candidates in the Democrat primaries and the Democrats as a whole. As the Leader of the Opposition indicated, a political party that has had as its leaders Franklin Roosevelt, Harry Truman, Lyndon Johnson and John F Kennedy should never be assailed in that manner. The Prime Minister was reckless in his language in attacking the fortunes of the Democrats in the forthcoming US election, in late 2008. It could lead to adverse relations between the two countries.

As we have seen, not only have Democrats responded quickly and harshly to the comments made by the Prime Minister but so have Republicans. A Texan Republican senator has invited the Prime Minister to stay out of American domestic politics. This is a dangerous course the Prime Minister has chosen to take. It is an illustration of the pressure he is under as more and more Australians realise that the invasion of Iraq was wrong. It was strategically wrong. It was morally wrong. It did not in any way assist the war on terror. Labor indicated our opposition to that from the beginning. We now ask the Prime Minister to outline in detail his way of getting Australian troops out of Iraq. The only thing the Prime Minister will say on this matter is, ‘We won’t be out until the job is done,’ and he will not define the job. It is about time the Prime Minister fronted up to his responsibilities and gave the Australian people a clear indication as to when Australian troops will leave Iraq. It would also be helpful if the Prime Minister chose not to attack potential American presidents in his attempt to score points at home.

Mr Danby interjecting —
Mr BRENDAN O’CONNOR—Or indeed people who might be on a presidential ticket. There are a number of concerns that confront Australians. They come in the form of interest rates, they come in the form of Iraq and how that has been handled and they come in the form of industrial relations and the way in which the government has chosen to attack the most vulnerable in our society. I think those three examples illustrate why we need to have a change of government at the end of this year and I think that, increasingly, more people hold that view.

Mrs MAY (McPherson) (10.20 am)—The Australian economy has entered its 16th consecutive year of economic growth, and high levels of business investment and strong profitability are laying the foundations for ongoing prosperity.

A division having been called in the House of Representatives—

Sitting suspended from 10.21 am to 10.34 am

Mrs MAY—The Australian economy has entered its 16th consecutive year of economic growth. High levels of business profitability are laying the foundations for ongoing prosperity for this country well into the future. Our government is in extremely strong financial shape. We have eliminated net debt. But it was a very different story a decade ago—those days, which many of us will never forget, when the Australian people inherited over $96 billion worth of debt from the Labor government. With that debt came an interest bill of $8.5 billion a year—an inheritance we are pleased to see the back of. Along with eliminating debt we have begun making provision for liabilities that were never funded before. The Future Fund is one of the great achievements of the Howard government. For generations, Commonwealth government spent beyond their means, delivering benefits to the current generation and the debts to future generations—those too young to vote or not yet born. That was a policy of financial recklessness.

To arrive where we are now has taken considerable discipline, restraint and ability because by any measure paying off $96 billion worth of debt is no small matter. I know how hard it is to pay off an outstanding balance on a credit card, and I think most Australians do. It requires discipline and restraint, and there is a feeling of being back in control when credit card debt is eliminated.

Because of our discipline, the government is in control and can spend on things of importance, such as the recently announced $10 billion to secure Australia’s water system. On the Gold Coast the drought has meant level 4 restrictions, under which gardens are watered with buckets. Residents are fitting tap fixtures that reduce water pressure and a must-have item is a water tank for the backyard. Finally, this week, the rain came and I can report to the House that my own water tanks are full.

The Prime Minister travelled to the Gold Coast to announce federal government funding for Gold Coast Water of $3.15 million for the pressure and leakage management initiative. This initiative is estimated to generate water savings of between seven and 10 gigalitres per annum and approximately 20 million litres per day for the Gold Coast—massive savings by any measure.

Gold Coast Water has a number of water management projects on the go and has federal government and overseas recognition as leading the way in this area. Gold Coast Water is in the process of building a desalination plant at Tugun. This project will have no reliance on
the weather, and I am reassured by council that they have a portfolio of water strategies and
that they have not put all their eggs into one basket.

Climate change is something we are hearing a lot about. The Australian government has
joined forces with the Queensland government, the Gold Coast City Council and Griffith
University, who together are investing more than $350,000 to research the effects of climate
change on human health. The Australian government has contributed $55,000 to this study.
The study will look at climate change scenarios and their implications for particular popula-
tion groups. For example, heat-related disorders are going to increase as temperatures con-
tinue to rise. We need to know how this will affect older Australians and the very young, and
what we can do to assist people with this. There is so much information out there about cli-
mate change that I have become a member of the government environment and heritage
committee to help me understand the complexities of the issue.

Demographic change is bearing down on us. The Australian government’s continued strong
commitment to fair and affordable access to high-quality aged care is demonstrated by the
announcement of an additional $1.5 billion in funding for aged-care services over the next
five years. Our ageing population has always been a priority of the Howard government and,
to help meet the challenges that our ageing population poses, the Australian government last
year allocated $4.5 million for the Bond University health sciences and medicine building—
welcome funding indeed.

The ageing of our population is going to have a huge impact on all of us, and Queensland
will feel its impact the most. Queensland has a projected increase in population from 3.6 mil-
lion in 2001 to 6.4 million in 2051. Nearly half of this projected increase will be persons aged
65 and over. In 1971, in Queensland, for every 100 persons of working age, there were ap-
proximately 17 persons aged 65-plus. By 2051, for every 100 people of working age, there
will be approximately 52 persons aged 65-plus. That is a huge increase and the pressure on
our health budget will be extreme. Add to the mix Australia’s potential shortfall of 195,000
workers in five years time as a result of population ageing and the mushrooming economies
of India and China, and it can be seen that we really do have our work cut out for us.

The ageing of our population means that we have to be far more flexible and innovative in
the workplace to attract a wider range of participants, including people with disabilities, and
to encourage older Australians to remain in the workforce longer. Work Choices provides us
with that flexibility, as employers and employees are best able to negotiate a deal that suits
their particular needs and not some one-size-fits-all outdated concept that the union move-
ment supports.

The tactics of the union movement are a disgrace. They are waging a campaign that is mis-
leading and in many cases a pack of lies against Work Choices. The unions and the Labor
Party disagree with the industrial relations system. I would not expect anything less from
them. But to spend megabucks misleading the Australian public is another story. They are
offering no alternative solutions and want Australians to go back to the days of union power,
the days of outrageous claims and strikes costing millions upon millions of dollars to this
country.

I just want to say to the union movement and the Labor Party that without good people a
business is worthless. People are a business’s strength and its most important asset. Do they
really think a business owner who is shouldering risk and working hard to make a success of

MAIN COMMITTEE
the business is going to jeopardise a business by not looking after his or her most important asset, the workers?

With the projected shortfall in workers and our ageing population, workers are going to be more valuable than ever and employers must be flexible and innovative in attracting and retaining staff. If the unions and the Labor Party think for a minute that the Australian government has introduced a far-reaching and major reform that is not in the best interests of the Australian people, they should think again. The Australian government makes policy decisions with the best interests of all Australians in mind. It is that simple. The industrial relations reforms have been introduced for one reason and one reason only—to reflect the reality of the marketplace and to secure our future.

Other funding that has been allocated to McPherson in the last 12 months includes funding for the Tugun Bypass—that 6.7 kilometres of road which has been such an important issue for Gold Coast residents. It is steaming ahead and the latest report is that it will be built well ahead of schedule. They run a very tight ship on the construction site at Tugun. When I toured the site late last year with the Minister for Local Government, Territories and Roads, Jim Lloyd, I was struck by the professionalism of the management team and how well organised the construction of the road was. There was a very real sense of pride and ownership amongst all those working. It is important that we see this piece of infrastructure built on time—and we hear that it will be on time, that it will be before time—for the residents of the southern Gold Coast and also for those of northern New South Wales. It is an important piece of infrastructure that we have waited a long time for.

The history of the road goes back a long way. One of the reasons it has been such a long time coming is that we had to deal with a federal government, two state governments—Queensland and New South Wales—and also local government jurisdictions. But we have come a long way and it is being built. The bypass includes a tunnel that runs under the runway at the Gold Coast Airport. It is no small engineering feat and environmentally the bypass has thrown up its challenges, with the federal government designating it a controlled action. A great deal of planning has gone into programs to protect the wildlife and flora on the route. All in all it is a major road which has involved major planning and costs, to which the federal government has contributed $120 million.

Laurie Lawrence’s Kids Alive—Do the Five program has been reallocated funding of $330,000. Under the program, which has gone national, the number of drownings fell from 40 to 28 in 2004-05. The program, which has a target of zero drownings, has played a big part in saving countless toddlers’ lives in Australia. I have a very close working relationship with Laurie and I can say to the House today that his commitment and enthusiasm for the program is one of the reasons I am sure it has been such an outstanding success. I noticed again on national television this week that the program was featured, with Laurie teaching our young Australians how to swim and how to become accustomed to water.

Families are high on the Howard government’s agenda, and residents of McPherson will benefit from two major recent initiatives aimed at building stronger families. Centacare at Clear Island Waters has received $1.425 million from the federal government to establish a new early intervention service to assist families living on the Gold Coast. The service will assist family members at various stages of their relationships: prior to and during relationship formation, during relationships, through separation and divorce and during parenting, grand-
parenting and retirement. The range of early intervention services includes family relationships counselling, men and family relationships counselling, relationship education and skills training, parenting skills and specialised services for those who suffer family violence.

Centacare has also been named as the preferred provider to establish a family relationship centre on the Gold Coast. The new centre will provide the community with a central point for information about strengthening family relationships and dealing with relationship difficulties. The new service is part of the Australian government’s wide-ranging reforms to the family law system, which aim to shift the culture of separation from an adversarial process to one in which the interests of children come first.

Finally, I want to say that Australia is a small country by population, with less than a third of one per cent of the global population, yet we are the 16th largest economy in the world. The coalition government has much to be proud of. That is not to say that we do not face challenges in the future with our ageing population, but I think the strength of our government has been our economic management. Our strong economy means jobs for everyone in Australia, low unemployment figures that we continue to enjoy, low interest rates and continued economic growth for the future. I commend the appropriation bills to the House.

Mr MARTIN FERGUSON (Batman) (10.46 am)—I rise this morning to speak on the 2006-07 budget appropriation bills. In doing so, I note that Australia is lucky to be riding a wave of the longest run of global growth, in excess of four per cent per annum, for 40 years. I also note, however, that Australia’s own growth, at below three per cent for six of the eight quarters to the end of September last year, is relatively modest and that we cannot afford to take our eye off the ball, which is the challenge to the government with the forthcoming budget.

This growth has been driven by developing countries, which have contributed more than 60 per cent of global growth over the last five years. China has been front and centre of that growth; it alone accounts for more than a quarter of the global growth in that period—a contribution far in excess of its 15 per cent share of world GDP. Australia has benefited in two ways: the disinflationary effect of imports that has come from the growth in China’s exports, and the high commodity prices and strong demand that has come from China’s insatiable appetite for our resources. Resources are in demand in many other markets as well, especially in the growing Indian market.

The value of Australia’s minerals and energy exports is forecast to be around $110.7 billion in 2006-07. The value of energy exports is up by five per cent and minerals are up by an enormous 31 per cent. As was the case last year, Australia remains relatively reliant on the resources sector and on very many service industries that support it, such as engineering, tourism—which employs over half a million people—construction, transport, power, banking and finance, and information technology, to name a few.

The sector I am now responsible for as shadow minister includes tourism and transport. It is a key part of the resources export supply chain and is growing in importance. Export infrastructure is a major challenge facing Australia’s resource sector. It is a responsibility both of the state and territory governments and of the Commonwealth. This has been a controversial issue over the last two years, and the Hunter Valley coal chain, the Dalrymple Bay coal terminal and the Pilbara iron ore chain are all cases in point.

MAIN COMMITTEE
I note that the ABS, in its commodities report in June last year, said:

Much of the port, rail and related infrastructure supporting Australia’s exports has elements of natural monopoly.

In many cases it is impractical, or makes no economic sense, to have multiple systems.

In cases where there are strong elements of natural monopoly, infrastructure owners could provide too little capacity and too low a quality of service in the process of extracting monopoly rents if left unregulated.

The challenge for Australia, however, is to get the balance right between managing issues surrounding extraction of monopoly rent by infrastructure owners and maintaining the incentive for investment in infrastructure, particularly to prevent underinvestment. As I have said on many occasions, if Australia cannot keep up with the investment required to support the important expansion of our export industries, investors will flood elsewhere because there are plenty of opportunities in other parts of the world to meet the growing international demand and Australia will be left behind.

I raise these issues today because, unfortunately, this is yet another issue where the government is bereft of leadership, out of touch with industry and squandering Australia’s future. There is no better example than the Treasurer’s non-decision of 22 May last when at midnight the National Competition Council’s recommendation to declare BHP Billiton’s Newman railway under the Trade Practices Act was deemed rejected. This was the right outcome, but it came about only because Peter Costello was too irresponsible to make a decision as Treasurer and now, after appeal, it is set to be overturned by the Australian Competition Tribunal’s adherence to doctrinaire competition policy.

In December the Australian Energy Regulator decided to cap investment in Queensland’s transmission grid by Powerlink at an average of about $406 million a year for the next five years. This was despite advice that it is totally inadequate to provide the power for the billions of dollars of mine, rail and port expansion now underway and required for the future of Australia based on the resources opportunities out of Queensland. I say that because coal is our biggest export from Australia—more than $24 billion a year. But the competition purists, with the Treasurer in full complicity, would rather set hypothetical limits on export infrastructure investments in natural monopoly markets than properly secure the future of our major export industries.

These are just two examples of competition policy gone mad, which is threatening the expansion of Australia’s export industries and creating disincentives for investment. No-one would argue against an effective and efficient access regime for rail haulage for all Pilbara iron ore producers. But, in effect, competition rules favour access seekers over the operations of existing owners, who have borne the huge risk of investment, who maintain the infrastructure and who operate a sophisticated logistics chain to supply their export markets to the benefit of Australia, and especially of Western Australia.

I therefore suggest to the House this morning that it is time for the Prime Minister and the Treasurer to implement the recommendations of their own Export Infrastructure Task Force, established by and reported on in this parliament. According to the task force—and I agree with it—the answer to the problem is to introduce an ‘efficiency override’ for applications for the declaration of export related facilities under part IIIA or its associated regimes. The task force goes on to say—and this is important—that the purpose of such a mechanism would be
‘to minimise the risk that access regimes would disrupt the very areas of the economy that have performed best in the management of export related infrastructure’. I could not agree more.

I would like to know whether the Treasurer agrees and when he is going to do something about this important challenge. Infrastructure investment in electricity, water and our export supply chains is far from the only threat to the future of our key resource industries and the jobs of tens of thousands of Australians, especially in our regional communities. Let me turn to the climate change debate and the proposition recently put forward by the Greens and their fellow travellers that we should close down the Australian coal industry within the next three years. What a disgrace! Destroying the livelihoods of Australian forest workers and timber communities is not enough any longer for the Green movement. Now it wants to destroy the lives of 30,000 coalminers in coal communities from Mackay to Moe, from the Bowen Basin to the Hunter and Latrobe Valleys, all areas historically well represented by the trade union movement and the Labor Party.

Climate change fever has captured the world, and the Green warriors believe they are now on the cusp of bringing down capitalism. Victory, so far as they are concerned, is just 30,000 jobs away in Australia. Let me, therefore, remind the House that the coal industry brings to this country more than $2 billion every month and that it directly employs about 30,000 people, not to mention the huge impact it has on indirect and associated employment. Coal also supplies 85 per cent of Australia’s electricity—safely, reliably and cheaply to our nation’s benefit. I simply remind the Greens and their fellow travellers that, without coal, Australia would be a Third World economy.

Coal underpins the current boom and is the key to its continuance. It is about time its beneficiaries stood up and were counted with respect to the need to defend this important industry. ABARE predicts that energy demand will grow by 70 per cent in Australia by 2030. A lot of that investment will include gas and renewables, and so it should. It is not about one form of energy to the detriment of others. The key to low-cost emissions abatement is an energy mix that includes the widest possible range of technologies deployed in places and for uses for which they are best suited and where they are most cost-effective.

However, in 2030, almost 70 per cent of Australia’s energy will still come from burning coal. Last year, the International Energy Agency forecast that total world coal demand will grow by almost 60 per cent by 2030. It is therefore worth remembering that, while Australia is the world’s biggest exporter of coal, it supplies just six per cent of the world’s total coal consumption. The Greens would have us close down the Australian coal industry—a responsible producer of coal to the benefit of Australia and the international community. Australian coal is regarded internationally as some of the cleanest coal in the world.

So I say to the House today that shutting down the Australian coal industry would do virtually nothing to curtail coal use or reduce emissions globally. There are ample other suppliers that do not have the same record as Australia does on a variety of fronts. I also say that emissions trading will work best if we have international technology cooperation, with everyone in the cart. Part of our responsibility is to make AP6 work. This is the lesson of the Tobin tax—some people have short memories—and we must pursue this same principle in developing an international emissions trading system. I say that because, even if the big emitter countries...
were in, it would take only half a dozen of them to refuse and then the whole system would be brought down.

Our responsibility is to work to ensure that we take everyone with us in solving this international problem whilst also acting locally, pulling our weight back home, on our emissions. Unless we pursue this aggressively, energy intensive industries will flock to those countries that choose to ignore such a development. We want to take them with us rather than have them stand outside the circle. Accordingly, the truth is that those who oppose the opening of new coalmines and mineral processing plants in Australia should be doing the exact opposite and insisting that this is done in Australia to the highest environmental standards, with the best available technology and in the safest possible way.

The coal industry—and I should also stress this—has never had a free run in Australia. The truth is that the coal industry, like every other mineral industry in Australia, has to comply with stringent environmental requirements, Indigenous consultation and planning approval processes at a local, state and federal level that are amongst the best and most rigorous in the world. Australian miners are at the leading edge of mining technology and the environmental technologies that go hand in glove with it. By and large, the coal industry is an accepted and welcome part of the Australian community in which it operates—and so it should be. It is important to the national economy, exceptionally important to some states and territories and exceptionally important to regional economies.

What Australians must do is take our industry expertise out into the world. That is the best thing that we can do as a nation in the global warming challenge that confronts us all. We must not only sell our coal to China; we must engage with China on cleaning up the technology it uses to generate electricity and on improving the safety and environmental management of its coalmines. Thousands of workers die in Chinese coalmines each year. In this country we consider it a tragedy—and rightly so—if just one life is lost in the industry in a year. Poor water management in Chinese coalmines pollutes local rivers and streams of vital importance to village communities. These are real issues that must not be forgotten in the clamour to address climate change. That is where Australia’s efforts must go when it comes to seriously dealing with global climate change policy and that is where we as a nation can make a real difference through strong national and international leadership.

We must be very careful not to mislead middle Australia about the real economic and lifestyle ramifications of a feel-good response to climate change. ABARE says cutting emissions by 50 per cent will double the price of petrol and push up electricity and gas prices by 600 per cent. That would be a disaster. But there are alternative opportunities to cushion such an impact, which I want on the table today.

Yes, we must set targets and act now on a no-regrets basis to reduce our energy use and lower our greenhouse emissions. But when it comes to emissions trading, let us crawl before we walk and put in place a national emissions trading system first. That would be a huge step forward for energy market reform and for climate change. It would be about what is possible at a given time. It would be a key instrument in developing a proper, practical and pragmatic climate change policy. National emissions trading is also what the electricity industry is crying out for today. I remind the House it is what the Prime Minister’s own energy market review, the Parer review, called for five years ago. Why hasn’t the Howard government acted on
that simple recommendation in what was a well-prepared, well-researched and well-received report?

I also remind the House that, according to Parer, if we were to remove the distortions of the myriad of state and federal based systems in existence today and replace them with a national emissions trading scheme, electricity prices would actually be lower in the national market. Why aren’t we doing that simple reform, part of microeconomic reform in Australia, which would be to the benefit of industry and ordinary consumers?

Of course the price of carbon will increase electricity prices in the long term, but that reform today would be a productivity gain and help lower prices as part of that process. We might also then get private sector generation and transmission investment when and where it is needed and get rid of midsummer brownouts. That would be a giant leap forward for a truly national electricity and gas market.

There is also a link between climate change and energy security policies and there are major no-regrets steps forward that we can take in this area as well. The only two energy security issues Australia has are underinvestment in electricity generation and over-reliance on foreign oil.

If the Prime Minister is really serious about climate change and energy security, there are four things that should be taken on board immediately. Firstly, ratify Kyoto. It would cost Australia nothing and restore its standing in the global community as a leader on environmental policy. Secondly, focus on a national emissions trading system, not just an international scheme. We can actually do both—pull our own weight domestically and work to take the world with us internationally. Thirdly, focus on the conversion of our vast gas and coal reserves into clean diesel for the nation and reduce our reliance on foreign oil. Fourthly, focus on a domestic gas policy, not just LNG, to solve energy security problems of other countries such as China and India.

Never has a federal government had it so good in terms of the resources available to build a foundation for Australia’s future in the 21st century, but it actually comes back to political will and leadership. Never has a federal government had a better opportunity to invest in these issues and to lay down a foundation for the future. There are issues like intergenerational equity, the struggle of today’s old-age pensioners who did not grow up with the same superannuation opportunities that we enjoy, and the forgotten people, black and white, barely surviving on welfare in dysfunctional communities, sometimes unfortunately for second and third generations. There are issues like the decline in our skills base and the need to pave the way for the next generation of innovation and productivity improvements and for our economic security.

In conclusion, there are many challenges in the lead-up to the next election: issues like our reliance on the resources sector and the implications of that for manufacturing and other sectors; and the danger of creating a two-tiered economy, with the resource-rich regions and states versus the rest—workers in resources on boom-time salaries and bonuses versus teachers, nurses, police officers, firefighters and childcare workers, to name a few. All of those, like other hardworking Australians, are being left behind on fixed incomes. There is so much potential for reform, yet the Treasurer’s last budget was a wasted opportunity. In the lead-up to the May budget there are some key decisions to be made, but I have also laid out today the importance of the resource sector. Those who condemn the coal industry ought to start front-
ing up to the fact that they are the beneficiaries of the export opportunities that the coal industry gives to Australia. We are all living off the back of the resources sector today, just as in the past we lived off the back of wheat and sheep. I commend the issues I have raised in this House today for consideration. *(Time expired)*

**Mr Lindsay** (Herbert—Parliamentary Secretary to the Minister for Defence) *(11.07 am)—Mr Deputy Speaker Secker, I add my congratulations to you on assuming your current role.

Today I want to give a report to the parliament on the state of the electorate of Herbert, the state of the north, and I bring to the parliament some very encouraging and exciting news. Last week I was able to attend the opening of the Australian Technical College North Queensland. There have been a few knockers around the place about Australian technical colleges. They ought to come to Townsville and see the success of what we have built on a greenfield site in a period of 12 months, and they should see the opportunities that have been created for the young people who are attending the college.

The college was contracted to deliver 100 training positions. Being North Queensland, of course, we delivered 151 on opening day. One hundred and fifty-one young men and women will have the opportunity to get a year 12 qualification but also to learn a trade and ultimately gain an apprenticeship. But as I told them at the opening, they should aspire to more than that—they can be the foreman on the job site, they can be the supervisor, they can be the manager, and ultimately they can own their own operation. I think that is an exciting future for those young men and women who will be trained through that Australian Technical College. The college is state-of-the-art—built for the tropics but built with the latest training equipment. Indeed industry, who are a partner in setting up the Australian Technical College, marvel at the equipment that is there. They say that they could not find anything better for their own commercial businesses to do their own work. What a far cry that is from some of the equipment that exists in the old TAFE system that is 30 years out of date.

There are no books in the classrooms. They have MP3s, they have memory sticks and they work electronically. Classrooms are such that if you want to drive a car into the mechanical automotive classroom, you can. It has been absolutely set up according to all of the modern trends and according to how you best train a young student. I reckon it is the best ATC in Australia. I congratulate John Bearne and his team and Bob Knight, who is the college principal, on what they have been able to do in setting up a wonderful new skills resource for North Queensland.

I also advise the parliament that this particular college is not going to be working under the old system. It is not going to have a six-week holiday over Christmas and several lots of two-week holidays during the year. It is going to be open for 50 weeks a year. That is a great outcome. It is also going to have a mid-year intake. So in July we will take in another 50 students, and we will build the numbers to 200. We are already looking further into the future. We want to acquire an additional hectare of land next to the site so that in years ahead the college can further expand, because of the demand from industry to make sure we have well-trained young men and women. So not only have we delivered; we are looking to the future. We have a model that the rest of Australia would be mighty proud to adopt.

I will now report to the parliament on Palm Island—the place described by the *Guinness Book of Records* as ‘the most dangerous place on earth’. It is an Indigenous community where
50 tribes have been thrown together—a part of history that is a horrible, dysfunctional place. I have been going there for 10 years. I have compared it to other Indigenous communities that are model Indigenous communities. It is a chalk-and-cheese situation. I was at Warburton in Western Australia relatively recently. It is a great community, run by an Aboriginal council. There is a white mayor. Nobody sees colour of skin; they all work together. But the council banned alcohol so the rate of domestic violence is minimal, the health problems are certainly reduced, they run their own sewerage system, water supply, local store, airline and so on—all at a profit. The town is tidy, the houses do not have holes in the walls and kids go to school. It is a wonderful outcome, and they are basically in the middle of the desert. Indigenous communities can do it. Palm Island is the reverse.

Having said that, after going there for 10 years, I was there relatively recently—just before Christmas—and I detected a change on Palm Island. I detected a change among the leadership that they understand that they can do better, that they have to do better, that the people of Palm Island cannot go on living the way they are living. It is not acceptable. The solution is in the hands of the leadership of Palm Island. It is not in my hands, it is not in the government’s hands—it is in the hands of the leadership of Palm Island. Of course, there has to be the will in the community to follow that leadership.

There are a couple of key things that I have talked to the council about. Those key things are, firstly, the absolute necessity to address law and order and governance issues and make sure that that operates properly; and, secondly, land ownership. Certainly, Mal Brough, the Minister for Families, Community Services and Indigenous Affairs, understands that and has been very proactive in relation to that issue. At the moment Palm Island is a Soviet-style collective: nobody owns anything. The central group has control. Nobody can own their own little piece of land; they cannot own their own little house. If you said to somebody in Brisbane, Perth or the Coonawarra, ‘You can’t own your own piece of land and your own house,’ they would be outraged. That is what it is like on Palm Island. We have to address the land ownership issues, and I think it is going to happen. For the first time in 10 years, I have some confidence that the island is heading in the right direction. I will give them every support that I can.

We have had a bit of rain recently in North Queensland. Two weeks ago in my backyard, two feet—600 millimetres—of rain fell. I wish a bit of it would fall down here and, of course, in the south-east part of the state. But it does rain in North Queensland. We have had some cuts in our Bruce Highway. The media have driven a campaign about the cuts in the highway. We see that every year when it rains. I understand that. As a government we have got to do everything that we can to minimise those road closures during the wet season. But I know that today the state Minister for Transport and Main Roads, Paul Lucas, has told it like it is and said, ‘You can’t flood-proof the highway.’ It would be extraordinarily expensive. In fact, you would have to build a bridge from Townsville to Cairns to flood-proof the highway. He has accepted the reality that there will be closures, but it is his goal to minimise the closure times. If you have to wait three or four hours for the flooding to go down then you have to wait three or four hours. That is his view. That lines up with the federal minister’s view. To completely flood-proof the highway would be financially impossible. The taxpayers would not accept that burden for the benefit that it would deliver.
In relation to other roads, I have certainly taken on a major program to build new roads in the electorate of Herbert in North Queensland. The largest ever road funding package is being spent on the Bruce Highway between Townsville and Cairns, but there is more to be done. I have committed to the community that I will find $40 million to build four lanes from Woodlands Road to Veales Road on the Bruce Highway. That is something that people along the Bushland Beach, Mt Low Parkway and Deeragun desperately want to see. I am going to deliver that and I am hopeful that in the not-too-distant future—certainly by the end of March—I will be able to announce that I have secured the $40 million and that the project will get the green light, and we will proceed to have that road done. We cannot not do it because too many people are being killed on that section of the road. If it comes to motorists having to wait a couple of hours for the floods to go down or stopping the deaths that are occurring on the highway, I will stop the deaths on the highway first and I will have the backing of the people of North Queensland in doing that.

Road construction on the Townsville ring road is about to commence within the next two weeks. That is a $119 million road—a high-speed motorway linking the Bruce Highway to the Douglas arterial road. That also is a flood mitigation project. It will avoid the flooding that happens on the Bohle River and it will connect the Northern Beaches and the northern Bruce Highway to Lavarack Barracks, the university and the hospital via a 100-kilometre an hour high-speed motorway. That is a great outcome and I am looking forward to that construction starting before the end of this month.

Also, a little bit further down the horizon, I am committed to the construction of the Townsville port access road. This is a nearly $200 million project. It is a fifty-fifty share with the state government. It is time that we got on with the design and construction of the port access road. I have spent considerable time with the port people. There is huge development going on and we are probably going to see tonnages triple through the port in the next 15 or 20 years. We need to get that freight down the port access road and not take it through some of the suburbs of Townsville. It is big money—a $119 million ring road, a $200 million port access road, $222 million in flood mitigation on the Bruce Highway and $128 million raising the road in the Tully area. They are huge licks of money and I have been part of delivering that. I am going to be part of delivering the further commitments.

I want to move from roads to Defence. Again, it is extraordinary news for the people of North Queensland and in particular industry and commerce in Townsville. We are going to proceed with the redevelopment of Lavarack Barracks stage 4, we are going to do 3/4 Cavalry Regiment, we are going to do 4 Field Regiment, we are going to do 3CER—$207 million. If it goes according to Defence’s time frame, we will see that start in August this year—$207 million being spent on the barracks.

It does not end there. In 2011 the 3rd Battalion Royal Australian Regiment will be transferred from Holsworthy up to Townsville, so we have to build the working accommodation for them. That is going to cost about $350 million and that will start probably at the end of 2008. So we have lined up over half a billion dollars worth of capital works at Lavarack Barracks in the next three years—extraordinary what it does to our economy.

But there is more. The Defence Housing Authority has to house these 800 soldiers and 700 support staff; it will probably need 1,500 more homes. Defence will spend a heap of money
on phase 2 Single LEAP, which is the single soldier accommodation, for 168 single soldier accommodation units. That is extraordinary.

There is more. Over at RAAF Townsville this year we are moving all of Australia’s Caribou aircraft to Townsville—another 250 airmen to support that operation. Just across the runway there is more at 5 Aviation Regiment—$20 million to prepare for the arrival of Australia’s MRH90 helicopters, which will be based in Townsville and replacing the Black Hawks. On top of that there might be a little bit more. I am unable to announce that yet, but we are certainly working very hard on it. In other words, the future in North Queensland, the prosperity in North Queensland, is locked in—perhaps for the next decade. Families can plan for the future with confidence with these sorts of major developments locked in.

I now switch tack to an opportunity which has emerged today. That is in relation to Tiger Airways. Tiger Airways is the Singapore government Singapore Airlines low-cost carrier. It currently services Darwin; it has a connection between Darwin and Singapore. It is operating now. Tiger has confirmed that it is very interested in running domestically in Australia. I am in the process of setting up a meeting between our peak tourism people and Tiger to talk about the Darwin to Townsville connection. There is a very significant passenger load that is Defence generated between Townsville and Darwin, home of the 3rd Brigade and the 1st Brigade, and I think that route is currently not serviced by any other domestic airline. It is an opportunity for Tiger to move in on a new route and take advantage of the traffic loads that are undoubtedly there.

Mr Prosser—Do something that Qantas won’t do?

Mr LINDSAY—Correct, as the member for Forrest correctly indicates. But more than that, it will give Townsville an international connection through Darwin direct to Asia, and of course Tiger on-flies to a series of other destinations in Asia. That is an opportunity we are going to have a good go at getting and we will give Tiger every support if it will support Townsville.

In the couple of minutes that are left to me, I want to pay tribute to the staff at the Great Barrier Reef Marine Park Authority. Over the last several years they have had some very difficult issues to deal with. They are headquartered in Townsville. They are charged as the custodians of the World Heritage area which is the Great Barrier Reef Marine Park. They do a wonderful job.

We have been through a lot of community angst, particularly with fishermen. But fishermen have now come to understand that what we said is true: if you have green zones, no fish zones, where you can go and you can look and you can touch but you cannot take, fish grow more rapidly and they move outside the green zones and fishermen can catch bigger fish and more fish. It is now coming through very clearly that the science has been proved right.

The initial objections from the fishermen about us, GBRMPA, taking away some of their fishing locations, have been found to be not sustainable. In fact, we have delivered a better outcome for fishermen. GBRMPA have weathered all of that storm and they have weathered all of the political interference that has been run. They have delivered a great outcome for fishermen in North Queensland. If you want to throw a line in the water, you can throw a line in the water. But these days you can catch more fish and you can catch bigger fish.
Yes, I agree that some of the commercial fishermen were impacted upon, but for the first time we ran a significant package to help the fishermen overcome the disadvantage that they did indeed suffer. I note a couple of my colleagues are still unhappy with GBRMPA, but they have to understand that we got a great outcome not only for fishermen but also for the World Heritage listed park. It is really important to pass on to our kids and their kids a wonderful resource in a better condition than that in which we ourselves found it. We intend to do that. We are doing that. Congratulations to the Great Barrier Reef Marine Park Authority on the leadership that they have shown on this issue.

Mr GIBBONS (Bendigo) (11.27 am)—I rise to speak on the appropriation bills to illustrate the impact of the Howard government’s administration on various issues affecting my electorate of Bendigo, starting with the heavy-handed approach to community radio licensing. The demand of the Minister for Communications, Information Technology and the Arts, Senator Helen Coonan, for the Australian Communications and Media Authority to identify a suitable frequency for Central Victoria to receive the parliamentary news network has threatened local community radio stations FreshFM and Central Victorian Gospel Radio, CVGR.

Evidence from Monday’s Senate estimates process clearly identifies the minister’s role in jeopardising the licences of FreshFM and/or Central Victorian Gospel Radio. It is now clear that the decision to cancel FreshFM’s broadcasting licence had little to do with the alleged late renewal application and everything to do with the minister’s demand that a suitable frequency be allocated for the broadcasting of the ABC’s NewsRadio and the federal parliamentary proceedings. FreshFM has had a substantial presence in Central Victoria and provides a wide range of programming that is not available from any other broadcaster, and its future is of major concern to large numbers of Central Victorians.

It is interesting to note this exchange in the Hansard of the Senate estimates process on 30 October 2006 regarding the cancellation of FreshFM licence:

Senator CONROY—Minister, is there any suggestion that you can make? It just seems a little harsh, even if they have failed to get their paperwork in on time?

Senator Coonan—Senator Conroy, I have absolutely no role and no discretion, but I can tell you that the act provides that, at the latest, they must lodge 26 weeks prior to the licence expiry ...

Senator CONROY—But could I urge you to consider encouraging ACMA to expedite the reissuing of a licence. This is a 25-year-old station, that sounds as though it is having a few administrative difficulties, at a minimum.

Senator Coonan—Senator Conroy, that is a matter for the regulator. That is why we have a regulator. I have no role in this, but I have satisfied myself that the act has been properly applied, and I am quite confident that the regulator is capable and, if there is some basis for looking at this favourably, it would be disposed to do so. That is as far as I can take it.

The minister has actually caused these three broadcasters to compete for two frequencies in Central Victoria. FreshFM and CVGR have been broadcasting successfully for many years and are now under threat because of the minister’s demand to force broadcasting of the federal parliamentary proceedings and NewRadio onto one of the frequencies that service Central Victoria. The minister, who states she has no role in these matters, has actually caused this very situation.

These two valuable community radio broadcasters are providing much-needed services across a range of programs that are only available through community radio broadcasters. The
proceedings of the federal parliament and NewsRadio are already available to anyone connected to the internet via a real-time webcast. I am sure that while there would be people who would want to listen to federal parliament broadcast on radio, the overwhelming majority of listeners would prefer the programs put to air by FreshFM and CVGR. In February 2000 the frequency utilised by CVGR was reallocated to Radio for the Print Handicapped. This resulted in a large number of CVGR listeners being severely disadvantaged. No-one begrudges Radio for the Print Handicapped listeners receiving a radio service, as in most cases this is the only method by which their audience can receive information. They have a substantial and a legitimate need.

What I find annoying is that, after losing the frequency, CVGR, at considerable expense—remember that CVGR use their own financial resources; they have never requested or received any financial assistance from government—retained the services of a consulting firm to identify any potential unused frequencies that may be available. Radspec Consultants provided an in-depth technical report on the suitability of 101.5 FM. Permission was eventually granted to conduct a test transmission resulting in no claims of interference with other frequencies or users. Consequently, CVGR have been successfully broadcasting on this frequency since 4 October 2002. What I find absolutely astounding is that the authority have advertised this frequency for use by other organisations after CVGR went to all the trouble and expense of identifying this frequency—effectively doing the job that one would expect to be the responsibility of the authority itself.

I call on the minister to postpone the broadcasting of federal parliament and NewsRadio to Central Victoria until the Howard government sorts out the mess it has made of implementing digital radio and to grant permanent licences to FreshFM and CVGR immediately. May I suggest that the minister direct her department to carry out a thorough examination of all frequencies that might be suitable and even contract private agencies, like Central Victorian Gospel Radio did, to research any options that may be appropriate. If CVGR were able to retain consultants who successfully found a suitable frequency it beggars belief that the department seems incapable of doing the same.

Water is an issue of major concern in my electorate of Bendigo, right across northern Victoria and in most of the eastern states. The Howard government continues to play the blame game with federal funding for the Waranga to Eppalock pipeline. Media comments in December last year by the then parliamentary secretary for water, and now minister responsible for water, stated that the Bracks government was holding up an announcement on federal funding for the project. The minister was quoted in the Melbourne media on 20 December as saying that the Bracks government was ‘dragging the chain’ by not providing a detailed costing and that it was somehow responsible for the Howard government’s stalling on an announcement of federal funding for the pipeline project.

The state government has provided a detailed submission, including costings, as required under the guidelines for funding from the National Water Commission. The state government has also identified the pipeline project as Victoria’s No. 1 priority for funding under the National Water Initiative. The minister is clearly indulging in the same old blame game that the Howard government is renowned for—that is, always blaming the state Labor governments in an attempt to opt out of the federal government’s own responsibilities. We saw the same blame game being played on federal funding for the Liberals’ share of the Calder Highway
duplication that stalled the project for four years, and now they are trying the same tactic with the pipeline funding. The Liberals were not fair dinkum about funding this vital project for Central Victoria.

There were no submissions to the National Water Commission supporting federal funding for the pipeline from any Liberal or National MP. The only coalition MP, senator or candidate to send a submission to the National Water Commission regarding federal funding for the pipeline was Howard government minister Dr Sharman Stone, who vigorously opposed any federal funding. Obviously the local Libs are all talk and no action. They are not fair dinkum about federal funding for what is plainly Bendigo’s lifeline. I call on the Howard government to stop playing politics and immediately announce federal funding for this vital project.

The construction of the Waranga-Eppalock pipeline should provide an opportunity to strategically rethink the way water is delivered and utilised in Central Victoria. The Eppalock pipeline will substantially change the options for the delivery of water throughout Central Victoria in the future. It would provide an opportunity for a long-term proposal to dramatically increase the full capacity of Coliban Water—Bendigo’s water authority—in normal conditions without the need for expensive additional infrastructure.

For example, Goulburn-Murray’s current full capacity is almost 12 million megalitres. Coliban Water’s current full capacity is just 137,000 megalitres. A reduction of just 2.09 per cent of Goulburn-Murray’s total capacity would result in an increase in Coliban Water’s capacity of about 280 per cent. This could be achieved by lifting Coliban Water’s Eppalock allocation from 18 per cent to 100 per cent by reallocating management responsibility for Lake Eppalock from Goulburn-Murray Water to Coliban Water.

Obviously, this proposal can only be considered seriously now because of the decision to construct the pipelines. Campaspe irrigators would continue to receive their allocations from the Goulburn-Murray system via the Eppalock pipeline instead of the current arrangement of drawing water directly from Lake Eppalock. Reducing Goulburn-Murray’s full capacity by just 2.09 per cent, or 249,752 megalitres, would still leave the authority with a massive capacity of 11,692,408 megalitres of water. A 2.09 per cent reduction for Goulburn-Murray would represent the loss of a small puddle compared with their ability to continue to hold over 11.6 million megalitres of water at full capacity. But it would mean a massive increase in Coliban Water’s full capacity, from 137,485 megalitres to 387,236 megalitres in normal conditions. This could free up 100 per cent of Eppalock’s capacity in the future to exclusively supplement not only Coliban’s requirements but possibly Ballarat’s existing water supplies in future emergencies. With the additional capacity of sustainable access to groundwater, these measures should drought-proof Central Victoria well into the future.

It is also interesting to do the sums just on a 50 per cent increase in Coliban’s capacity by lifting the 18 per cent it currently gets from the Goulburn-Murray system to 50 per cent. The current capacity, as I said, is 137,485 megalitres. An increase in capacity to 50 per cent would lift Coliban’s capacity to 235,910 megalitres—a 71.6 per cent increase in Coliban’s capacity—with a reduction in capacity of 0.9 per cent for Goulburn-Murray.

I have already outlined in this parliament a proposal to deal with the water emergency by establishing a water bank in Central Victoria to supplement the purchase of water from the Goulburn-Murray system via the Waranga to Eppalock pipeline if the drought conditions we are experiencing now prevail or become even more severe. Coliban Water has been investigat-
The feasibility of accessing groundwater to secure the water supply for the Castlemaine and Kyneton districts as well as investigating using groundwater from the Elmore and Serpentine district’s aquifers to supplement Bendigo’s water needs.

The Department of Sustainability and Environment—DSE—has produced maps identifying groundwater throughout regional Victoria. These maps indicate a potentially large groundwater resource south of Bendigo, stretching from south of Elphinstone to Melton in the south and from Creswick in the west to Kilmore in the east, and situated below large areas of Coliban Water’s normal catchment area. The salinity levels for this water are calculated to be below 1,000 parts and therefore suitable for connection to town water supplies. The small town of Trentham, for example, is solely dependent on this water for its domestic use.

The precise size, terrain and volumes of water held in this aquifer are not clear. However, maps commissioned by the Department of Natural Resources and Environment in 1994, as well as current maps produced by the DSE, show the potential for huge volumes of good quality water. If the drought conditions prevail or become worse over the next few years, the potential to enable groundwater from these sources to be pumped directly into the entire Coliban Water system may be a good option. I understand that, within the next couple of weeks, Coliban Water will be conducting test drilling in the Kyneton region, with a view to adopting the very proposal that I have outlined previously in this parliament. If those tests are successful, that would secure Bendigo’s water until such time as the Waranga to Eppalock pipeline is completed, which will be by September this year.

Accessing groundwater would enable a substantial addition to Coliban’s system, benefiting the Kyneton, Castlemaine and Bendigo districts without having to utilise the Elmore and Serpentine aquifers, which is the Liberal and National parties’ policy. Those aquifers are already at or approaching full allocation. Accessing water to Bendigo would result in more pipelines being built, which is very expensive and time consuming. It is far better to locate the water close to Coliban’s existing infrastructure and place that water straight into that system.

In addition to the Waranga to Eppalock pipeline and the recycling programs currently under construction by the Bracks state government and Coliban Water, accessing groundwater could provide the potential to drought-proof the Central Victorian region completely, possibly for decades. Surface water from the normal catchment areas of the Coliban and Goulburn-Murray systems, via the Eppalock pipeline, will secure our water requirements, but only if we get adequate inflows in those catchment areas in the future.

If the drought conditions worsen then utilising the available groundwater would become essential. When the drought conditions pass and the region’s catchments return to somewhere near normal, surplus surface water should be used to put water back into these groundwater reserves for future use. In other words, we would be establishing a water bank, accessing the groundwater from these aquifers in severe drought conditions and then replacing it or artificially recharging the system with our surplus surface water when conditions return to normal. The Centre for Groundwater Studies has said that artificially recharging aquifers—which is precisely what we are talking about—can also lower the salinity content of this resource.

There are many hundreds of farmers, householders and other landowners who depend on groundwater for their wellbeing and livelihood, and we must make sure it is always available to them. Accessing groundwater resources must be done in a carefully considered and sustainable manner, as aquifers are naturally recharged with surface water during normal conditions.
and therefore equally affected by drought conditions, resulting in a diminishing volume of water.

Because of the natural recharging process during normal conditions the aquifer should only require an artificial recharge of a percentage of the water removed in severe conditions to ensure the resource is always available. It would be unacceptable to do what the Liberal and National parties’ policy says, which is to simply plunder this resource without providing the means to artificially recharge the system under the right conditions. The Centre for Groundwater Studies’ website states:

Groundwater is the main water source of many towns and community centres all over Australia. It is also used for irrigation in several regions. In most areas allocation and/or use is in excess of the sustainable yield. In addition there is no single understanding or definition of sustainable yield across Australia.

Many terms are used to describe the resource potential; optimal yield, safe yield, mining yield and sustainable yield, but in general they are not well defined and in most cases are mainly described by the recharge component. The optimum utilisation of each resource depends upon balancing the recharge and discharge components with minimal disturbance to the other users (including the environment).

Although there are many scientific methods for determining recharge, discharge, storativity and specific yield, the application of these techniques in most cases are not well coordinated towards a sustainable yield concept and optimisation of the resource. At the same time, determining some of the parameters ie—specific yield are not well developed and are guess estimates.

Estimates of recharge have also been the basis for estimates of land salinisation, groundwater salinisation and river salinisation, the groundwater discharge component that is the main cause of salinisation has been grossly overlooked.

CGS research has demonstrated that even saline aquifers can be used to store temporary excesses of surface water to create new water resources or extend the life of over-exploited groundwater.

The conjunctive use of groundwater and surface water provides a flexible approach to water management. With the increased environmental constraints in siting surface reservoirs, conjunctive use for ‘banking’ surplus surface water in aquifers in times of plenty, for use in times of scarcity assumes increasing importance.

A technique called aquifer storage and recovery (ASR) where the same wells are used for injection and recovery to reduce operational problems such as well clogging, now offer viable ways in which water can be stored subsurface in deeper aquifer systems. CGS has demonstrated that brackish or saline aquifers, can be used to create fresh/potable water storages subsurface, where none existed previously.

So using the water bank principle actually helps lower the salinity levels of those existing resources.

These are very important issues that I have raised in terms of my electorate of Bendigo. I am delighted to hear the Prime Minister often say in this House that he is going to be very happy to run on his record in the forthcoming election. That pleases me greatly because his record in Bendigo and the surrounding district is appalling. There has been a four-year wait for the Calder Highway funding. There has been no announcement, when they said there would be an announcement for the pipeline funding by the end of last year. There is still no announcement; they are still blaming the state governments for delays. It took four years to get an MRI licence for the local public hospital. It seems that every major project that Bendigo has been able to win over the last four, five or six years has been won despite the...
government—we have had to drag the government kicking and screaming all the way. If Mr Howard is happy to run on his record, I am certainly more than happy to run on Mr Howard’s record in Bendigo—and I am sure we will be most successful.

Mr HATTON (Blaxland) (11.45 am)—I am happy to follow the member for Bendigo and happy to follow his lead in regard to Labor members campaigning on what this Prime Minister has not done, not only over this term but over the past 10½ years—what he has not done in Labor electorates and other electorates from one end of the country to the other.

But I also say that I am happy to follow the member for Bendigo and to speak with my other Labor colleagues in this debate on Appropriation Bill (No. 3) 2005-2006 and Appropriation Bill (No. 4) 2005-2006. There are 25 Labor members speaking on these appropriation bills. Two members of the government side spoke today. Three spoke in the House. Twenty-five to five is a ratio of five to one. That should be enough of a condemnation of the laziness of this government’s members, as I mentioned the other day in speaking to some other bills, in terms of their speaking duties in the House. If this government was not out of puff, if it had not run out of ideas—however good or bad those ideas are—if it had not run out of steam in terms of people being willing to commit themselves to what they have done, instead of simply relying upon Commonwealth public servants and the occasional minister to run the case for what is being done, or relying upon the media doing the job of parliamentarians in this place, there would not be a five-to-one ratio of ALP members to government members speaking on these appropriation bills.

Mr Deputy Speaker, I can assure you that, if you were to take a look at the speaking lists on a range of bills we have had before us in this parliament, you would see the same story over and over again. The members of this government are not taking the process of government, or their duties in relation to that, seriously. They are leaving it to Mark Textor and others, and to their advertising programs, to tell their story for them.

This is fine by me, in a way, because however insignificant people in the government think speeches in this House are, and however much things might have changed because of the changed nature of technology, the fundamental role of the parliament is to be a talk shop. It is a talk shop, Mr Deputy Speaker Kerr—as you well know from your ministerial experience—where, unless you are willing to get up and defend what you have been doing and to do that not just at ministerial level but down to every level of the government, you are not going to sustain yourself in government and you are not going to be able to energise the whole government process. The whole show has run out of puff when it gets to these ludicrous levels. The energy in this parliament is with the Labor Party—and has been for many long years now, as this indicates—and so it is proper that we should take the reins of government. I think that is important, but it is an important issue I mention in passing.

There are a number of measures in these appropriation bills, and this is basically catch-up. We have the budget appropriations where they lay out what they think they are going to do for the next year and what the provisions are. We then have a mid-year review to say, ‘This is what we have done so far and this is where we think we are going,’ and there are adjustments made—as there always are in the budget process—and moneys are sought for various programs.

I want to comment on the defence programs in both these appropriation bills—they seem to have doubled up. That they appear in both appropriation bills Nos 3 and 4 is somewhat pass-
ing strange, unless I have misread the situation. I want to speak about our defence commitments, particularly in Afghanistan, and the security at our federal airports. This is a theme that I took up the other day in debating the AusCheck Bill 2006, which was presented by the Attorney-General and which you, Mr Deputy Speaker Kerr, spoke on as well. I want to take up some of the elements of that debate in terms of the government initiatives canvassed here and what else needs to be done in this area.

I want to flag an important study—hopefully I will get to it today—done by the Australian Strategic Policy Institute. Its author is Andrew Davies and it is entitled The generation gap: Australia and the Super Hornet. This important document has a direct and fundamental bearing on the appropriations before us. The government, from out of nowhere, has decided to buy a bunch of Navy Super Hornets from the United States, built specifically for aircraft carriers. The Australian government is going to spend about $4 billion on buying or leasing these aircraft in order to cover the strategic gap that will be there, we think, with the arrival of the JSF. This study bears on the fact that this is immensely important for our national security and defence posture. It also goes to the whole question of how this government decides to spend its dough. Like Menzies, the government is into adhocery at almost every level. There is not enough consistent planning at its basis.

I support the additional funding outlined in the legislation. A provision of $120.8 million is made for Operation Astute to restore peace and stability in East Timor. We have had to go back to East Timor in order to settle the problems that occurred there. This could not have been readily predicted and it is necessary to support it. The cost of these kinds of operations is increasing, as we continue to intervene in East Timor and in the Pacific region. This indicates the changed nature of the environment we face—it is very different from when we were last in government—and the pressures on the budget and on our defence forces.

A provision of $49.6 million is made in these bills for the first stage of the program to improve the retention and recruitment of Australian Defence Force personnel. This is necessary because of the minerals boom and because people who are highly qualified or who have great expertise in particular areas can make more by working outside—there is always a siren call for people in the defence forces. It is also because of the skills crisis that the government has allowed to develop. Well-skilled people in the defence forces are in great demand in the economy, and not just because of the minerals boom—they are in demand across the board. The government has not done an adequate job in the education and training area to provide Australia with the young, highly-skilled people it needs across all disciplines and in all areas—professional and trade. This is particularly important for us in the defence area. The government has contracted out or outsourced so much of its work. That is the way it has gone over the last 10½ years. It is no longer willing to sustain work internally. That presents a problem for us. I do not think it is a wise thing to do.

People used to be rolled back when they were injured in the field in a program where they would go through the workshops and do work they were capable of doing—light work. They would be kept involved in the process instead of staying in the barracks to deal with their difficulties. Active work is of great benefit to the defence forces as a whole. Most of that work has now been taken outside, and that has put pressure on our forces. Lastly, $32 million is provided to deliver stage 1 of the enhanced land initiative to increase the size of the Australian
Army by one light infantry battalion. The government has made this decision largely because an expanded role is now being given to our defence forces.

Mr Deputy Speaker, I would also draw your attention to the materials for appropriation bills Nos 3 and 4 in the Bills Digest and what is laid out. It seems rather strange, but in the Bills Digest for No. 4 it says:

- $27.9 million will be allocated to the Department of Defence to fund a Special Forces Task Group to Afghanistan, and a further $27 million will be provided to deploy helicopters and support elements in Afghanistan; these increases have been fully offset by savings arising in the department’s non-operating budget.

If we look at Appropriation Bill (No. 3), there is:

- $40.9 million to provide a Special Forces Task Group to Afghanistan
- $16 million to fund the deployment of helicopters and support elements in Afghanistan

Usually they would be in one bill rather than the other—unless the Bills Digest is wrong. I would be interested to know from the library if that is the case. Which bill are we looking at here? Are we doubling up or is it a case of clerical error? Are we going to provide two buckets of money to basically do the same job? The other major element here again crosses over. It is:

- a total of $34.3 million to the Australian Federal Police to fund the Joint Airport Intelligence Group and to implement phase 1 of community policing at airports

If one goes to the Bills Digest for No. 3, there is $29.2 million in a range of areas with the Department of the Attorney-General, including ‘$27.2 million for phase 1 of community policing at airports’—that is a difference of $0.71 million. Are we getting two cracks at this whip or is it just some kind of mistake? I would appreciate it if that was clarified.

If we look at what else is laid out in Appropriation Bill (No. 3) with regard to airport security, there are quite significant bits and pieces that are put together in an area where there is an expectation that our airports need to be as safe as possible. The extension of moneys needed for the war in Afghanistan will only continue in the future as pressure increasingly comes on coalition efforts in that country. But the pressure here in Australia to secure ourselves properly is indicated, particularly this year, in item 1 in relation to the Attorney-General’s Department asking for more money. The department wants:

- $18.1 million for security costs associated with the APEC Leaders’ Week 2007.

That is money for that. It is not just the leaders week we are looking at here in 2007 with massive security attached to that—60 leaders from the Asia-Pacific area coming in. Our very first meetings have happened already. They are happening in Perth. We have Comcar drivers going over there for ministerial and departmental meetings. We know that the whole month prior to APEC will be taken up with significant meetings between officials and essentially the leaders will come on to tick the boxes and do the presentation on what is to emerge from that conference. This is a vitally important conference for Australia to demonstrate itself to the world, and the security aspects and money spent on Sydney (Kingsford Smith) Airport are critical.

As part of that there is ‘a total of $54.6 million to the Australian Federal Police for airport policing measures’. I have already mentioned this in relation to community policing. There is also:

- $18.2 million to provide a first response counter-terrorism capability at relevant airports, and
• $9.2 million to establish joint airport investigation teams with the Australian Customs Service, who will also receive an additional $1 million for this initiative.

Related to that, in transport and regional services:
• $11.9 million has been provided to the Department of Transport and Regional Services to improve security of international passenger aircraft through increased inspection of air cargo.

We need to do these things, but, as I argued the other day, we need to do a hell of a lot more.

The specific provision on community policing and on seeking to work with Customs and the Australian Federal Police for policing at the airport I do not think goes far enough, because it will not get to the nub of the key problem at that airport: our security has been breached in the past and it will be breached in the future because there are gangs operating— they have been operating for decades—at Sydney airport. Why? Because of the immense amount of drugs and other contraband that goes through the place that has not been adequately picked up. They only pick up part of it.

The money going to the Department of Transport and Regional Services for extra scanning will assist. But it will not assist in a situation such as that which existed in the old Ansett air cargo. People there were running a racket for years. They put pressure on new people who came to work with them to turn their heads the other way and not look at the trucks being driven out with contraband in them; they would be looked after if they did that. I know that from direct personal family experience, because my brother was working there. When he was threatened by these people, he only got out of that situation because there were some Maoris, who were pretty big blokes and pretty effective, who were willing to defend someone who wanted to continue to be honest in the way they did their work. That is a problem that existed there. It exists. If you talk to the people who used to work in Qantas security about the problems that existed then—and the problems that existed when Wackenhut came in and when SNP came in, with the outsourcing and contracting of work at Sydney airport—you find that these problems have not been readily fixed. Why? Because we do not have Commonwealth government employees in charge of that security.

I have some experience of this. While Mr Keating was Treasurer, and particularly in the time he was Prime Minister, I can indicate that, as his electorate officer, I was able to do some things at the federal government level to achieve a better security situation at Kingsford Smith airport and to defend the Australian government employees at Qantas and the security people when the security director, Geoff Askew—who is still in charge of Qantas security—wanted to throw those people out of their jobs and put in the Wackenhut mob from America. Eventually they got SNP and a combination of the two. He could not do it, because they were protected by the Prime Minister and by the Australian government and their jobs were secured—until the day before the 1996 election when they were told that, if we went out, they were gone as well. What went was a qualified security force that people could rely upon, who were willing to stand up and say, ‘You’re not going to get away with those kinds of breaches, because they are criminal, and you’re not going to get away with people just turning a blind eye.’ I have a branch president, Claude Killick, who did exactly that—put his life on the line time and time again. There was cargo going off to Japan with Prime Minister Keating and there had been evidence of potential tampering. Claude sat with the cargo throughout the entire night to make sure that stuff was not pilfered from it, in the time-honoured way that it had been done at Kingsford Smith airport.
The only way you will get a proper solution to the security problems, the contraband problems and the drug dealing problems is to have one dedicated force. I do not think it is enough just to have the intersection between Customs and the Federal Police. It is this Australian coalition government that has taken responsibility away from Australian government employees at that airport, that has allowed the outsourcing that has opened a window for a security breach—and that window can be exploited by virtually anyone who wants to. The measures taken through AusCheck and otherwise do not get to the core of the problem. You do not fundamentally know who is working at that airport, because the major security groups subcontract down to the point that, when casuals run into the place, they could be from anywhere. That is the fundamental security hole that has to be plugged. How do you plug it? Get rid of all the private security people, put Australian government employees in place who are responsible to the secretary of the department, who is then responsible to the minister, who is responsible to the parliament and the Australian people. That is the way the Americans do it; that is the way it was done under Labor; that is the way it should be done here.

In these areas I support what is being expended in relation to defence and the measures, inadequate though they are, by the Attorney-General in relation to improving security at those airports. But I want to underline here for anyone who needs to look at this situation in terms of the potential gap that is there that, as to going for a Super Hornet, which bears virtually no relationship whatsoever to the F18 Hornets we have now—and also to the upgraded and improved version of that, which is a $3 billion program that has been undertaken; I will return to this later in another context—it is a dumb decision to go with a plane that is inadequate. We should look at this from the bottom up again in terms of the expenditure here, because the $18 billion or so can rack up against what is recommended here—that is, $21.7 billion for 60 Raptor F22s.

Mr MURPHY (Lowe) (12.05 pm)—The challenge of climate change is the largest single issue confronting Australia and the nations of the world yet, despite the overwhelming evidence that climate change has been driven by greenhouse gas pollution from the burning of fossil fuels, this government remains unrepentant in its determination to sabotage efforts to reduce emissions. As is now well known, this government, not just content with spreading disinformation about the consequences of global warming, deliberately set out from the start to wreck any attempt by the international community to establish a treaty to reduce the volume of greenhouse gas emissions from the burning of fossil fuels.

On 28 August 2006 the Prime Minister, despite all of the evidence for global warming induced climate change, stated on Four Corners that he remained unconvinced about the evidence and declared that he was ‘a climate change sceptic’. The Prime Minister was being disingenuous when he referred to himself as a sceptic, which implies some acceptance of the evidence, since his actions prove that he is completely opposed to any actions that could reduce carbon dioxide emissions.

Now the member for Wentworth, the new Minister for the Environment and Water Resources, as ever the Prime Minister’s creature, announces that he too is a climate change sceptic, conveniently ignoring the mass of evidence that would, if he bothered to study the issue, inform him of the reality of the situation. In continuing an internationally condemned campaign of deceit and disruption directed against the Kyoto protocol, the Howard government...
has adopted policies that are not supported by scientific evidence but, rather, are clearly designed to advance vested interests and the Prime Minister’s self-evident dogmatic position.

The details of these policies were spelled out by Professors Ian Lowe and Tim Flannery on the ABC Radio *The National Interest* program on 27 August last year. Of course, you will never see the government issuing this sort of description of its policies, but the statements and actions of the ministers make it clear that what follows is an accurate account of their intentions. Firstly, there is complete opposition to any form of carbon tax or the imposition of trade restrictions on carbon dioxide emissions. The rest of the developed world, with the temporary exception of the United States, agrees that emission caps and financial incentives are required to shift the world’s economy away from fossil fuels and towards non-polluting energy sources. Secondly, there are larger subsidies for the coal industry, the largest greenhouse gas polluter, for research into vaguely described carbon capture schemes that have neither specific targets for emission reductions nor any starting date. This is despite the fact that this still-undeveloped technology would not be used on existing coal-fired power stations and could not be used for mobile sources such as vehicles.

Thirdly, there is opposition to adopting any limits on carbon dioxide emissions until developing Third World economies with much lower per capita incomes and emission levels do so first. This is of course in complete opposition to the principal position of the Kyoto protocol that states that those who can afford to act should do so now. Fourthly, there is the promotion of the establishment of a nuclear industry in this country. This is despite the very evident risks associated with nuclear reactors and the fact that building the 25 or so proposed nuclear power stations around the country would divert resources away from more effective and less hazardous emission reduction schemes. I would add to this list the Howard government’s evident hostility to any expansion of the renewable energy industry and a continuing threat to abolish the existing minimal two per cent mandatory renewable energy target.

There is also a determination by the Prime Minister and the Minister for the Environment and Water Resources to promote the clean coal lie. Let me be clear: there is no such thing as clean coal. Burning coal unavoidably produces carbon dioxide, although there have been some pilot schemes to pump carbon dioxide down depleted oil wells; the practicalities of compressing and cooling the millions of tonnes of hot gas produced annually by a large power station remain unresolved to say the least. Note that coal is a solid, but carbon dioxide is a gas. For every tonne of coal burned, approximately three tonnes of gaseous carbon dioxide is produced. No wonder there is a problem with this scheme.

The only conclusion to be drawn from the actions of the Prime Minister and his ministers is that their real purpose remains the sabotaging of any international emissions reduction scheme that could reduce the profits of the Australian export coal industry. The Australian Labor Party supports the signing of the Kyoto protocol as a valuable instrument for addressing the critical issue of global warming and equally as an instrument to express Australia’s support for the principle of equity, wherein wealthy nations such as Australia, that can afford to take immediate steps to reduce carbon dioxide emissions, should do so. The welfare of the Australian coal industry should not be the primary influence in deciding our stance on the Kyoto protocol.

For the benefit of the sceptical members of the government, I will explain the basis of the present understanding of the phenomena of global warming. The measurable changes that are now occurring in the atmosphere and in the oceans are a direct result of the current annual
worldwide emission of more than 24,000 million tonnes of carbon dioxide from the burning of fossil fuels. By the way, of this quantity, Australia’s contribution, including emissions from our coal exports, is nearly 1,000 million tonnes—around five per cent of the total; a small proportion but in absolute terms a not insignificant amount.

When radiant energy from the sun reaches the earth’s surface, some may be absorbed and some may be reflected. The sunlight that is absorbed heats the surface which then, in the process that was explained by Max Planck in 1900, radiates energy back into space as heat in the infra-red part of the spectrum. The gases that form the bulk of the atmosphere—nitrogen, oxygen and argon—do not absorb visible or infra-red radiation and so allow light and heat to pass through unabated. It is the minor constituents of the atmosphere such as carbon dioxide that are opaque to wavelengths of infra-red radiation that actually absorb and trap the heat radiated by the surface of the earth.

The heat-trapping effect of the atmospheric carbon dioxide can be accurately calculated from the properties that have been carefully measured in laboratories. The results of these repeatable measurements are beyond dispute. I want to emphasise this point because members of the government regularly claim that the science of global warming is uncertain and have constructed a carefully calculated campaign of disinformation to mislead the public into thinking that the evidence of the effects of carbon dioxide pollution remains in dispute.

Let me state the position explicitly. Global warming by the trapping of heat by atmospheric carbon dioxide is a well-understood phenomenon, as are the changes taking place in the earth’s climate that are being driven by a measurable increase in average surface temperatures. Measurements from the Antarctic ice core stretching back over 800,000 years demonstrate that the earth’s average surface temperature is strongly correlated with atmospheric carbon dioxide concentrations. According to the United Nations Intergovernmental Panel on Climate Change, the present-day carbon dioxide concentration has risen to 383 parts per million by volume, a measure that appears to be higher than any naturally occurring levels over the past 20 million years. There are other influences that drive the glacial episodes, such as the Milankovitch cycles, but the evidence for disruption of these natural cycles by the massive release of carbon dioxide into the atmosphere is now overwhelming.

The World Meteorological Organisation warned in 2003 that the incidence and intensity of extreme weather conditions such as droughts in Australia, floods and storms and heatwaves in Europe and tornadoes and hurricanes in the United States were on the rise and that the emerging pattern of these changes is clearly linked to global warming caused by greenhouse gas pollution.

While climate change is rightfully driving our attention, the effect of carbon dioxide pollution upon the oceans has received less attention. Once again, the warnings issued by scientists have been ignored by this government in the hope that the issue will either disappear or be lost in the welter of other concerns. It appears that, to date, about one-half of the carbon dioxide emitted by human activity has been dissolved into the upper layers of the oceans. The quantity of carbon dioxide absorbed in the oceans has been measured and because carbon dioxide that has been produced from fossil fuels does not contain the short-lived isotope carbon 14, which occurs in naturally occurring atmospheric carbon dioxide, there is no doubt as to the origins of this dissolved gas.
While the oceans have been a convenient dumping ground for our waste, the effect of all of this carbon dioxide upon the ocean waters is beginning to have serious consequences because carbon dioxide, when dissolved in water, forms a weak acid. The Great Barrier Reef, for instance, which is an enormous accumulation of constructions of coral and coralline algae, is not only under threat from increasing water temperatures that cause coral bleaching but now appears to be additionally besieged by rising ocean acidity. Other sea creatures that are likely to be adversely affected by increasing ocean acidity include the small marine snails that constitute a major food source for fish and marine mammals, including some species of whales. Ken Caldeira, of the Carnegie Institute’s Department of Global Ecology at Stanford University, has warned that acidification of the oceans through carbon dioxide emissions could, if unabated, cause a massive extinction of marine life similar to one that occurred 65 million years ago when the dinosaurs appeared.

As I have stated repeatedly, one of the greatest failings of this government is the complete refusal to adopt any measures to reduce carbon dioxide emissions. Fortunately, the rest of the world is awake to the consequences of inaction. Many nations, including the United States, China and the European community, have introduced regulations to curb emissions from the transport, industrial, domestic and agricultural sectors. Quite extraordinarily, and virtually alone amongst the industrialised countries, Australia has not introduced any legislative requirements for emission reductions for motor vehicles.

The following is a list of regulations for emissions in grams of carbon dioxide per kilometre in the most important countries. In China, the Chinese government has regulated for a maximum level of emissions by 2008 from vehicles in various weight classes ranging from 131 grams per kilometre for the lightest vehicles to 481 grams per kilometre for vehicles weighing over 2,500 kilograms. In the United States, under the less stringent corporate average fuel efficiency requirements, this year’s cars have to achieve average emission levels of 210 grams per kilometre while light trucks must achieve an average emission of 260 grams of carbon dioxide per kilometre. In the European Union, the European Union’s environment commissioner, Stavros Dimas, is promoting a new EU law requiring new European, Japanese and Korean car makers to meet emissions from new passenger cars to an average of 120 grams per kilometre from 2012.

In Australia there are currently no fuel efficiency regulations for cars or trucks, although in 2002 the Australian Greenhouse Office estimated that the average urban car emitted 192 grams of carbon dioxide per kilometre, equivalent to 12.8 kilometres per litre. In my view, Australia should immediately adopt the European standard and regulate to ensure that the average emission of all new cars sold from 2012 must be 120 grams of carbon dioxide per kilometre, the equivalent of 20 kilometres per litre. By 2020 the level must be reduced to 80 grams per kilometre, equal to 30 kilometres per litre if we are to have any chance of averting the worst consequences of global warming. The fact that the Howard government has done nothing to require Australian manufacturers and importers to improve fuel consumption means that for years into the future Australian drivers will be driving low fuel efficiency, high emission vehicles while paying ever-increasing prices for fuel.

Recent developments in vehicle technology suggest that, in the short term, the most effective means of reducing fuel consumption will be the introduction of hybrid electric cars and trucks with a capacity to recharge their batteries both from the mains overnight and from roof-
mounted solar panels during the day. I believe that the Australian government should immediately introduce regulations requiring the makers of hybrid vehicles to include a plug-in battery charger in their cars and to investigate the potential of vehicle roof-mounted solar panels to further reduce fuel consumption. The present generous tax benefits available for the buyers of four wheel drives should be immediately abolished and the resulting tax concessions transferred to the buyers of hybrid or electric cars.

We regularly hear about schemes to produce petrol from coal or from oil shale, or from natural gas. While petrol has been produced from coal on a large scale in the past, particularly in Germany in World War II, the process normally used is inherently inefficient and results in emissions of carbon dioxide that are as much as four times as great for the equivalent volume of petrol produced directly from oil. For this reason alone, no proposals to produce oil from coal should ever be entertained by Australian governments. Similar arguments apply against schemes to manufacture petrol from natural gas or oil shale. The inefficiency of the processes and resultant carbon dioxide emissions are simply unacceptable.

George Bush in his recent State of the Union address gave his support to a massive expansion of ethanol production as a replacement for imported oil. While there are problems with George Bush’s scheme, any attempt to substitute a significant proportion of Australia’s petrol consumption with ethanol would be limited by the low agricultural productivity of Australia. Figures provided to me by the Minister for Industry, Tourism and Resources in answer to my question on notice No. 2110 in 2003 indicated that just to replace 10 per cent of the petrol consumed in that year it would have required approximately 40 per cent of the wheat crop.

I am a supporter of ethanol and I acknowledge the substantial improvements needed in the fuel economy of Australian vehicles. I also acknowledge that ethanol on its own will not be a total replacement for petrol in Australia. However, the government should do more to support the ethanol industry in Australia and it could learn from Brazil. For example, I asked why we could not grow more sugarcane near the Ord River in Western Australia. Increased ethanol production, though not a panacea for the global warming crisis, is one important component of a serious climate change solution.

Freight is the other part of the transport problem. Since 1996 we have seen an uncontrolled growth in emissions from an out-of-control road freight industry that has been mismanaged by a succession of incompetent Howard government ministers for transport. The member for Gwydir and the Prime Minister in introducing their Diesel and Alternative Fuels Grants Scheme Bill in 1999 boasted that transport operators would save money on fuel and be able to provide cheaper transport. At the time I asked various questions of the then minister for transport about some of the undisclosed costs, such as increased greenhouse gas emissions, road safety and the lack of equivalent support for railways. In his wisdom, the minister refused to reply, stating that either the answers were to be found on his department’s website or the questions were ridiculous.

We now know that emissions from road transport have risen by over 20 per cent since this government came into office. In this government’s view, truck drivers are—considering the frequency of fatal crashes—regarded as expendable and the alternative, the railways, are better off if the tracks are torn up and their equipment scrapped. Railways are the most energy efficient and least polluting form of transport, with energy costs and emissions between one-
quarter and one-eighth that of road transport. I know the member for Hinkler, who is listening to this, supports that.

Back in the 1970s, investigations in the United States showed that railway electrification had considerable advantages over diesel traction and these advantages include higher operating speeds, reduced maintenance and, not least, lower overall operating costs and reduced pollution. In the present context, the great advantage of electrification is the potential for building up a transport system that, when operated from renewable power, produces virtually zero emissions. The present interstate railway system has not greatly improved since the 1950s, when duplication of the interstate tracks was abandoned. The main line between Junee and Melbourne remains a single track operation that is interrupted occasionally by passing loops and its trains are hauled by the obsolete diesel locomotives. No wonder it only carries 18 per cent of the freight between Sydney and Melbourne. I am sure that, if the Hume Highway or the Pacific Highway were to be restricted to single lanes with passing loops, there would be a national outcry. How is it then that our most important interstate rail link remains in this condition? The vital railway connections between Sydney and Melbourne and between Sydney and Brisbane have to be electrified and duplicated by 2020 at the latest. Improving the railways will reduce emissions. Improving the roads and neglecting the railways, which is the present government’s policy, will increase emissions. It is as simple as that.

The last matter that I wish to raise in this debate today is the coal-fired power stations that produce 95 per cent of our electrical power and more than 40 per cent of our greenhouse gas emissions. As we know, the government does not intend to take any action to reduce greenhouse gas pollution from existing power stations. It is content to allow the newer ones to continue spewing out massive quantities of carbon dioxide for the next 30 years or so. I have seen for myself the advanced solar power collector that has been installed at the Liddell Power Station in the Hunter Valley by Dr David Mills. This relatively simple and inexpensive piece of equipment, designed by Australian scientists, will produce the heating equivalent of approximately 1,500 tonnes of coal per week and will result in the power station generating 20 megawatts of electrical energy directly from the sun. We have heard that the Prime Minister’s nuclear task force has proposed that nuclear reactors be built alongside existing power stations so that the heat from these reactors can be used to replace the coal presently burned in the boilers. I have been informed by the designer of the Liddell solar power collector, Dr David Mills, that a solar collector no more than six square kilometres in area could replace all of the coal-fired heat used in that power station and similar sized power stations around the country. Why do we need to go down the nuclear path when locally developed technology could replace all of the coal presently being burned in Australian power stations without the dangers of nuclear terrorism or nuclear waste?

In order to encourage the owners of power stations to increase the proportion of electricity generated from renewable sources, the mandatory renewable energy target—presently languishing at two per cent—has to be increased by a minimum of five per cent per annum starting immediately. Working at that rate, we would see virtually all of our power generated from renewable sources by around 2025 and at the same time a potential drop in locally produced emissions of 40 per cent. Those are the facts. In concluding, the United States government Energy Information Administration said in a report in 2002:

... Australia’s environmental progress is still sometimes slowed by a lack of clear federal leadership.
I wonder what they will say when George Bush is no longer the President of the United States of America.

Mr Kelvin Thomson (Wills) (12.25 pm)—First let me express my concern about the government’s watering down of the election disclosure requirements, particularly given the weekend revelations that the member for Indi is linked to a secret fund called the Friends of Indi which has received, amongst other donations, some $15,000 from the tobacco giant British American Tobacco. There are three strikes on the member for Indi over this matter.

Firstly, these donations were not declared to the Australian Electoral Commission. None of the cash, including the $15,000 from British American Tobacco, was disclosed on Liberal Party returns to the Australian Electoral Commission, nor did the Friends of Indi disclose its funds separately as an associated entity of the Liberal Party.

Secondly, there is a major question mark about where this money ended up and what the person who got it did with it. A spokesman for Friends of Indi said:

I don’t think that the Victorian division or the head office of the party would be aware of our existence or what we do mainly because we’ve never seen fit to get in contact with them about it.

... it’s not set up primarily to provide money to the party. We prefer to engage in more direct action.

It sounds as if the money might have gone to the local Liberal Party, except that the Liberal Party’s finance chairman for the Indi area, Andrew Randall, has never heard of it. He says:

I have never heard of a supporters group called Friends of Indi. I have never seen a cheque come into the Indi funds from any organisation calling itself Friends of Indi.

He says, not unreasonably, that he would be ‘most appreciative’ to receive its fundraising results including the British American Tobacco cheque.

So maybe British American Tobacco did not really donate the money to the Liberal Party at all. Maybe it just wanted to donate it to Friends of Indi. Well, not according to British American Tobacco spokesman, Bede Fennell. He has stated he had absolutely no doubt the company’s $15,000 cheque to the Friends of Indi was intended for the Liberal Party. He said:

For us that’s the main thing. That’s why we disclose it. We wouldn’t be giving money to bodies that aren’t connected to the Liberal Party.

The member for Indi has stated she was familiar with the group, and believed it was registered with the AEC as an associated entity. She is wrong about that. That is okay; we all make mistakes from time to time. She goes on to describe the group:

Just like a lot of political parties, it’s a fund-raising support organisation ... specifically for the Indi Liberal Party.

Yet the Indi finance chairman says he has never heard of it. The member for Indi owes the House an explanation. She owes the Australian Electoral Commission an explanation. Indeed, she owes the Liberal Party an explanation as to what happened to the money which went to the Friends of Indi, including the $15,000 it got from British American Tobacco.

There is a third strike: British American Tobacco says it made the donation ‘just to be part of the political process.’ It turns out they did a little better than that. They paid $15,000 to Friends of Indi in April last year. In October last year the member for Indi advocated in support of British American Tobacco’s offer of a buyout of the industry, encouraging tobacco
growers to vote in favour of it. So British American Tobacco was indeed part of the political process. They donated $15,000 to a front group for the member for Indi—

The DEPUTY SPEAKER (Hon. IR Causley)—Can I draw this back to the bill. I am wondering what this has got to do with government services and where there is any appropriation for this particular—

Mr KELVIN THOMSON—There is an appropriation for the Australian Electoral Commission and I speak, as members do in the appropriation debate, to matters of government expenditure and the provision of government services. Some years ago, the Labor Party stopped accepting political donations from the tobacco industry and it is time that the Liberal Party did the same.

I turn to the issue of Regional Partnerships. I have on a number of occasions previously raised in the House the abuse of the Regional Partnerships program by the Liberal and National parties for political advantage. I was therefore very concerned to learn on a recent visit to Mackay that the government had decided not to reappoint the chairman of the Mackay Regional Area Consultative Committee, Mr Col Meng. Mr Meng is extremely highly regarded locally. There was a near riot in the local paper and on radio and TV about his sacking. I am concerned that the decision to replace him will diminish public confidence in the integrity and transparency of the Regional Partnerships program.

There is already substantial public disquiet at the way in which Regional Partnerships moneys have been administered and concern that taxpayers’ money has been wasted on projects chosen for their political value to the government rather than on their merits. This decision suggests that the government have learnt nothing from the regional rorts scandal of 2004-05, Tumbi Creek, Beaudesert Rail or the A2 milk debacles. They are recidivists, serial offenders, and what everyone in Mackay suspects is that Col Meng has been sacked because the member for Dawson wanted him out. The question Minister Vaile must answer is: did he discuss with the member for Dawson the reappointment of Mr Meng prior to deciding not to reappoint him? The people of Mackay want an answer to that question. They are entitled to one. I have written to the Auditor-General asking him to add the issue of Mr Meng’s sacking to the long list of dealings he is investigating in relation to Regional Partnerships.

A division having been called in the House of Representatives—

Sitting suspended from 12.32 pm to 12.44 pm

Mr KELVIN THOMSON—One of the largest appropriations in the last few years has been that for the war in Iraq—$2 billion and still, sadly, no end in sight. The Prime Minister is so unwilling to admit that he got it wrong on Iraq that not only will he not contemplate any deviation from our present disastrous course but also he will not even contemplate the United States rethinking its position. His remarkable attack on Sunday on the Democratic Party shows this. In the Prime Minister’s view, even though the war in Iraq has now cost more lives of American servicemen and women than the September 11 attacks—3,000 killed and 20,000 wounded—and even though the United States has spent over $360 billion on the war, the United States has no business and no right to reconsider its own position. It is little wonder that some of the American commentary in response has been: ‘We’d take you more seriously if you had a fraction of the military investment in Iraq that we do.’
What is now out there for all the world to see is that our Prime Minister does not have a special relationship with the United States; he has a relationship with the Bush administration. He is prepared to allow that relationship to get in the way of managing Australia’s alliance relationship with the United States—an alliance between the people of both countries, beyond party politics. It means that the Prime Minister has a political use-by date. After the end of next year, when George Bush ceases to be President, the Prime Minister becomes a foreign policy liability. By contrast, the Labor leader—the Leader of the Opposition—is an experienced diplomat who would never offend a prospective US President with such an offensive claim. The Democrats, after all, control the congress. The Prime Minister’s approach is risky and reckless.

In recent days, the Prime Minister and other Liberals have been talking a lot about experience. Experience is not much use unless you actually learn from it. The trouble is that we have a Prime Minister who is, on the two biggest issues facing the world today, utterly unwilling to admit he has got them wrong. On the war on terror, it was a debacle to go into Iraq. It had no weapons of mass destruction; more American lives were lost there than in the September 11 attacks, to say nothing of the innocent Iraqi men, women and children who have died there; we have let Osama bin Laden run free in the meantime and given him a magnificent recruiting pitch, and there is no end in sight. It is not Vietnam; it is worse than Vietnam. But the Prime Minister will not admit that he got it wrong on Iraq, and that refusal, stubbornness and pig-headedness make him a foreign policy risk. He is carrying baggage.

It is the same thing with the other great threat facing the globe—global warming, also called climate change. The Prime Minister has experience all right, but his obstinate refusal to admit he got it wrong on climate change means that he is a risk to our future economic prosperity. He keeps saying that action on global warming could threaten jobs and the economy. He still does not get it. Inaction on global warming will threaten jobs in agriculture and tourism and will condemn our children to a bleak economy where droughts, floods, storms and bushfires are routinely the order of the day. It is another week, another blunder from a Prime Minister who is living in the past and incapable of admitting he got it wrong.

The final thing I want to talk about is the issue of David Hicks. The Attorney-General has entered what amounts to a not guilty plea to the charge of abandoning David Hicks in Guantanamo Bay. The government, he wants us to believe, has done all it can and continues to do all it can to help David Hicks. Let us look at the evidence. The Attorney-General says that a comparison of conduct of the Australian government with the British government, which had its citizens released, is not valid because the released UK citizens had not been designated as eligible for trial. In fact, in July 2003, US President George W Bush determined that six people were eligible to stand trial by military commission. One was David Hicks and two were British citizens, Feroz Abbasi and Moazzam Begg. But their government—the UK government—said that the military commissions did not meet their requirements for a fair trial by international standards. They said that the British detainees should be either tried in accordance with international standards or returned to the UK. Mr Abbasi and Mr Begg were returned to the UK.

The Attorney-General says that the UK made it clear early on that a detainee would not be repatriated unless the detainee would be prosecuted. Under our law at the time, he says, that was not possible. He is wrong on both counts. The US-released British detainees were held by
British police for questioning for a day and were then released without charge. So clearly it could happen in the case of the British detainees. It did happen in the case of the British detainees.

It is also noteworthy that a spokesperson for the Attorney-General has said that Australian citizens who engage in hostile activity in a foreign country face up to 20 years in jail under the Crimes (Foreign Incursions and Recruitment) Act 1978. When you talk about this question of David Hicks being tried in Australia, the Attorney-General responds that things like the likelihood of success, the facts in question and the rules of evidence in Australian courts must all be considered—and indeed they must. But the point here is that no government has a right to seek a guarantee that an individual will be successfully convicted. The Attorney’s obligation was to point this out to the United States—not to meekly accept such an idea.

The Attorney-General says that the new US military commission process ‘incorporates a number of fundamental safeguards’. He apparently thinks, or wants us to think, that a military commission constitutes a fair trial. He is wrong again. The Universal Declaration of Human Rights states:

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and of any criminal charge against him.

This is also set out in the Geneva convention, which recognises the right to trial before an impartial and regularly constituted court. It is also set out in the International Covenant on Civil and Political Rights that ‘everyone shall be entitled to a fair and public hearing by a competent, independent and impartial tribunal’.

A military commission consists of officers appointed from the US armed forces who work for the person who appoints them. This is not trial by a jury of your peers. Furthermore, the military commission rules do not exclude evidence obtained by coercion—and that is a breach of the Geneva convention; they do not exclude hearsay evidence—that is a breach of the Australian Criminal Code; and they do not permit the accused to be privy to all the evidence. The military commissions are not independent or impartial, and it is noteworthy that the US Military Commission Act 2006 expressly stipulates that no American citizen can be dealt with by a military commission. If it is not good enough for American citizens, why is it good enough for Australian citizens?

I know that there are people out there who say and think that David Hicks is a terrorist and deserves all he gets. There are two problems with this approach. Firstly, that is for a properly constituted court to decide. Secondly, this issue has long since ceased being about David Hicks; it is about us. It is about whether we still stand for habeas corpus—that is, no imprisonment without trial—and its proud 800-year history. It is about whether we still believe in a fair trial and understand that the right to be tried by a jury of our peers is part of the package.

Labor believes that the rule of law should be universally applied. Anyone accused of a crime should be afforded a swift and fair trial, irrespective of the nature of the allegations or of political sensitivities. A fair trial is the legal form of a fair go. When we hear the Attorney-General saying that what he is seeking in David Hicks’ case is ensuring that any process is as fair as possible, that is not good enough. Either the process is fair or it is not fair. We have a situation where David Hicks is being held, right now, without charges having been laid, whereas the British citizens who were deemed fit to be charged have long since been returned to Britain.
As I said, the US government itself knows that military commissions do not constitute a fair trial. It has banned any US citizen from being tried under them. The point here is that deviations from the rule of law undermine the system and expose individuals to risks, physical abuse, injustice and the like. There is no doubt that the allegations against David Hicks are very serious, and what Labor is calling for is a fair trial, not special treatment.

I also raise concern about the issue of the current physical and mental health of David Hicks. I note that the Attorney-General has not been willing to seek an independent mental health assessment for him. The Melbourne psychiatrist Paul Mullen visited David Hicks in February 2005 and, in light of recent concerns that have been expressed about him, it is my view that a follow-up assessment should occur. But we have not seen it. It is also my view that this government needs to reacquaint itself with the tradition of a fair go, and these legal cases, which highlight the adverse consequences of government policy, should be no exception. Australian law should be administered without prejudice and every Australian given access to justice.

I note that there were reports that the Department of Foreign Affairs and Trade had in fact requested an independent health assessment of David Hicks. We have got that on the one hand and we have the Attorney-General saying that the government had not asked for an independent health assessment of David Hicks on the other hand. When asked why, the Attorney-General said that it is a question of sovereignty—it is the prerogative of the United States to refuse such an assessment—and that there are 500 Australians held in overseas jails and we do not normally ask for independent medical assessments of them. He did not say whether any of those 500 had been held in overseas jails for five years without trial. It should be a matter of shame for the Attorney-General that he has not had the courage to ask for an independent assessment. At least the Department of Foreign Affairs and Trade has had the audacity to ask for an independent assessment.

I also note that the United States military prosecutor does not seem to hold the view that time already served should be deducted from any sentence which David Hicks might receive. I regard this as at odds with the basic principles of fairness and justice in the legal system. Again this does not seem to be something that has been raised by the Attorney-General. Rather than meekly accepting everything he is told by the Bush administration, the Attorney-General should be doing as the British government did and demanding that David Hicks be returned to Australia to face prosecution or be tried in America before a properly constituted United States court, not a military commission with a jury of military officers.

I note also that the Minister for Foreign Affairs said that he had received advice that David Hicks was in good shape. It turned out that this advice came from a consular official who had visited David Hicks for five minutes and had not even spoken with him. For the minister’s benefit, some consular official waving as he walks past on a tour of inspection does not constitute an independent mental health assessment.

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The Attorney-General should release the advice that he has received from the Commonwealth Director of Public Prosecutions as to whether David Hicks can be tried under Australian law. The Attorney-General has been claiming that Labor wants David Hicks to avoid prosecution. That claim is completely and utterly without foundation. It is expressly contradicted by the wording of the parliamentarians’ letter to the United States congress that asks that David Hicks be returned to Australia to face prosecution. The Attorney-General refers to
the Director of Public Prosecutions as independent. This reference would carry more weight if the advice from the Director of Public Prosecutions was public rather than the private play-
thing of the Attorney-General which is presently being used for his own political purposes.

Furthermore, when the Attorney-General says that David Hicks cannot be prosecuted under Australian laws, he goes on to admit that he has not even seen the United States evidence. If we are to have a serious debate about this issue, we need to have the advice of the Director of Public Prosecutions made public so we can all have a look at it. We need to have a serious debate about this matter of great national importance. *(Time expired)*

**Sitting suspended from 1.00 pm to 4.08 pm**

**Dr Emerson** (Rankin) *(4.08 pm)—When debating any appropriation bill, it is valuable to reflect on the overall progress of the Australian economy and the quest to sustain prosperity in our country. No better reflection could be provided than by the Business Council of Australia in its budget submission for 2007-08 titled *Passing on prosperity: rising the high bar on reform*. The Business Council of Australia observes:

The benefits that rising commodity prices have provided to the economy have masked underlying structural weaknesses.

This is a point that I have been making for about five years—that structural weaknesses have emerged in the Australian economy and they are not getting the attention they deserve. They have been masked by the strong rate of economic growth that has been achieved in Australia over the last 16 years. I point out that the government seeks to claim credit for all of that, including the almost six years of it that occurred under the previous Labor government. Never-
theless, the government does frequently boast of 16 years of sustained economic growth and in statistical terms it is correct; it has been the longest period of unbroken economic growth in Australia’s history.

The structural weaknesses that began emerging in the Australian economy around the turn of the century have been masked by that strong growth. It was growth that was built on the reform program implemented by the previous Labor government which unleashed a produc-
tivity surge through the 1990s. Today’s productivity growth is tomorrow’s prosperity, and to-
day’s prosperity is a consequence of yesterday’s productivity growth. More specifically, it is a consequence of the productivity growth of the 1990s.

As the benefits of that productivity surge began to wane, the Australian people looked to this government for a new reform agenda. But it has come to pass that this government is re-
form lazy. It could have seized the opportunity to build on the productivity boom of the 1990s, but instead it has built ongoing economic growth on two subsequent booms, neither of which can be expected to continue indefinitely. The first of those was a housing boom in the early 2000s. We would not want a housing boom sustained indefinitely, because we can see now the consequence of it, with the lowest level of housing affordability for decades, including during the period of high interest rates of the late eighties and early 1990s.

When that housing boom petered out, as we hoped it would, a new boom came to take its place—the China boom. The Reserve Bank’s statement of monetary policy, released just yester-
day, confirms that Australia’s terms of trade are not now the highest in three decades but the highest since the early 1950s. So there is a huge surge of income coming into Australia not as a result of the good, hard policy work of this government but as a result of the rapid rate of
economic growth in China and also in India. Of course, the Minister for Trade claims credit for these record high mineral prices. It is strange, is it not, that the government claims credit for everything that is going favourably and blames everyone and everything else for anything that goes wrong. But the consequence has been a housing boom, followed by a China boom, masking these structural weaknesses in the Australian economy. What are those weaknesses? Again, I need not go to any source other than the same report by the Business Council of Australia. It says:

Australia continues to run a significant current account deficit; exports outside of resources are performing poorly; infrastructure bottlenecks are limiting activity; we are failing to manage key resources such as water; and significant pockets of entrenched community disadvantage remain.

Add to these challenges the impact of an ageing population and slower productivity growth as the benefits of past reforms fade, and many conclude that slower growth in the future is inevitable for Australia.

What an indictment, but the Business Council of Australia is right. It has encapsulated in two paragraphs the very structural weaknesses to which I have been referring over the last few years. At the heart of those weaknesses is Australia’s appalling productivity performance during the early part of this century. When the government could no longer rely on the productivity boom of the 1990s, which was built on the reform program of the previous Labor government, when it was on its own and needing to implement its own productivity enhancing agenda it failed to do so. Again, the Business Council of Australia points to this problem where it says:

More worryingly, labour productivity growth has slowed sharply in Australia.

This deterioration in productivity performance is a very real concern.

The government should be embarrassed about this. The Business Council of Australia represents the largest multi-state companies in this country, and it has set out in the clearest possible terms the structural weaknesses in this country, the productivity slump that has occurred under the watch of this government and the sorts of economic and social consequences that flow from it. And good on the Business Council of Australia for pointing out that one consequence of this is that social disadvantage is being entrenched, because we have had the capacity in this country to deal with entrenched social disadvantage and yet we have an entire underclass of people who are heavily dependent on welfare or who are in work but are on very low incomes or in insecure jobs. We can do better, but in order to do better we must regain productivity growth and ensure that the benefits of that productivity growth in terms of tomorrow’s prosperity are fairly shared.

The Labor leader, Kevin Rudd, appointed me to the portfolio of shadow minister for the service economy, small business and independent contractors. Again, the Business Council of Australia makes some pertinent observations in relation to services, a long-neglected area of the Australian economy in policy terms, contributing 80 per cent of the nation’s gross domestic product and 85 per cent of all jobs. The BCA says:

While Australia’s capacity to maintain competitiveness in manufacturing, agriculture and mining remains important, it is time to recognise that our economic success and prosperity are increasingly linked to the competitiveness of our services sector.
Recent trends in the productivity performance of key services industries domestically raise concerns about the quality, effectiveness and competitiveness of services now and into the future.

The reason that the Business Council of Australia is so concerned is, again, because of faltering productivity growth, as that adversely affects the competitiveness of our services sector.

Those are the observations of the Business Council of Australia. I agree with them totally.

But let us delve a little more heavily into Australia’s productivity story. From the 1950s, Australian labour productivity began a long slide and, because today’s productivity growth is tomorrow’s prosperity, that long slide in productivity growth had direct consequences for Australia’s prosperity and our place in the world relative to other countries in terms of gross domestic product per person, which is one measure of living standards. Between 1950 and 1990, Australia’s productivity fell from 180 per cent of the OECD average to a little more than 90 per cent. Australia’s standard of living, as a consequence, slipped from fifth in the OECD to 17th. It was that problem that the incoming Labor government inherited and recognised and decided it would deal with through a productivity-raising reform agenda.

Let us have a look at some of the commentary on the economic reform program implemented by the previous Labor government, not commentary by fellow travellers, by people from the Labor side of politics, but by John Hyde, who had been a member of the Fraser party room—that is, a Liberal member for Western Australia during the period of Malcolm Fraser and the then Treasurer John Howard. John Hyde describes what Labor inherited in these terms:

Fraser’s policies were a grab bag of popular measures including some that were inconsistent with the core undertakings to restore the economy to health, return the budget to responsible balance and reduce unemployment. He failed to cut stifling regulations, tariffs and licences that favoured the few at the expense of the many.

That was John Hyde, a leading economic dry, describing the economy that the incoming Labor government inherited. Then, when he gave the verdict on the Hawke government, he did so in these terms:

... the Hawke governments advanced the long-term national interest by deregulating the financial markets, floating the dollar, cutting import protection and privatising and deregulating inefficient state-run industries.

The Hawke administrations deregulated, reduced industry protection and privatised with a will that matched any government anywhere then, or at any time in Australian history. It cut wasteful expenditure and produced substantial budget surpluses.

You would never know from listening to the Treasurer that the Labor government produced substantial budget surpluses. Indeed, the surpluses now as a share of gross domestic product are lower than the surpluses that were recorded by the Hawke government in the late 1980s. So when the Treasurer says, as he did at the National Press Club, that Labor never produced a surplus, he is completely wrong. He knows he is wrong. Labor produced surpluses on many occasions, including surpluses that were bigger as a share of the economy than the biggest surplus that this government has produced.

I want to examine the impact of the reform program that John Hyde so eloquently described. During the 1990s average annual productivity growth leapt to 2.3 per cent, which was
sharply up on the 1.1 per cent of the 1980s. So the reform program worked. There was a huge increase in productivity growth. During the productivity boom of the 1990s Australia’s standard of living recovered from being 17th in the OECD in 1990—to which it had plummeted as a result of the sloth and policy neglect of previous coalition governments—to ninth highest in 1999. So it was all working very well. All that was needed was foresight and commitment on the part of the Prime Minister and the Treasurer to sustain that productivity growth and, therefore, to sustain prosperity in this country. But it did not happen. Compare the growth in productivity during the 1990s of 2.3 per cent to what happened subsequently. Between 2000 and 2006 Australian productivity growth slumped from that boom rate of 2.3 per cent per annum during the 1990s to just 1.5 per cent per annum. And it is getting worse.

Work Choices came into effect in March of this year. What was the government’s great claim for Work Choices? This was its one item agenda for boosting productivity growth. It is worth having a look at what happened to productivity growth following the introduction of Work Choices.

Mr Crean—It didn’t go up; it fell.

Dr Emerson—It didn’t go up. You would think it would be disappointing if it remained flat, but it was negative. In the June quarter—that is, in the three months after Work Choices came into effect—productivity fell by 0.2 per cent. That is bad enough, but in the three months to September it fell by 1½ per cent. If productivity fell by 1½ per cent in a year, people would be very worried, but productivity fell by 1½ per cent in three months. So this should be deeply worrying. Yet we had the Treasurer on 1 November saying—this is hard to believe, but he said it; I have doubled checked it—in the parliament:

So the good news is that labour productivity was revised upwards. It shows that it is in line with, or marginally in front of, the last productivity cycle.

So, at a time when productivity was declining by 1½ per cent, the Treasurer was in the chamber saying, ‘Isn’t it terrific—it is going faster than the productivity boom of the 1990s.’ He is the only person in Australia who thinks it is good news when productivity growth turns sharply negative. No wonder there has been no investment program for the future. No wonder this government is reform lazy, because it does not care about productivity growth. It brought in Work Choices because it is an ideological commitment of the coalition government. That is why it did that. It did not do it to increase productivity growth. I do not assert that as a consequence of Work Choices productivity growth fell; what I assert is that Work Choices did not do the trick, it did not lift it, and Work Choices substituted for a genuine comprehensive reform program, because this government is reform lazy and has no time for such a program.

A number of excuses have been made. We heard the Prime Minister yesterday in the parliament say, ‘It is the mining sector’, because productivity growth is negative in the mining sector and it is dragging everyone down. I ask: what percentage of the economy does mining comprise? Less than five per cent. How can it be that productivity in one of the most capital intensive industries in Australia, which contributes five per cent of gross domestic product, could so pervert productivity growth in the rest of the economy? How could that five per cent tail wag the 95 per cent dog? It just does not make sense, but the government will clutch at anything. It will blame SARS, bird flu, a slowdown in economic growth when growth is going at about five per cent per annum, and international terrorism. It will blame anything and everyone it possibly can. It is never the government’s fault.

MAIN COMMITTEE
Another argument is being used as to why productivity growth is so sharply negative—that is, we are very close to full employment, and the extra workers that are coming in are not very productive because they have been long-term unemployed. On the face of it you think, ‘Maybe that has a bit of force.’ But there are 10 million people already working and there might be 50,000 or 100,000 extra workers that have come in during a quarter. How could the low productivity on the part of those workers so affect the overall result when they number perhaps a couple of hundred thousand compared with the 10 million who are already there? The government must be arguing that most of the 10 million have become less productive. If that is their argument, they should say so. They should say that the Australian workers are less productive these days. They are always looking for an excuse.

But there are no excuses. The government has run out of excuses. The OECD and the IMF and the Governor of the Reserve Bank have all warned that this is a big problem. In its most recent survey, the OECD warns:

Following a surge in the second half of the 1990s, productivity growth has reverted to its long-run average.

The IMF notes:

Productivity growth slowed in the first half of this decade.

There are similar observations by the Governor of the Reserve Bank. The Reserve Bank is now saying that we are going to have to get used to an economic growth rate with a ‘2’ in front of it. That is all because of the sloth of this government. It is only through the election of a Rudd Labor government that we will see the resumption of a reform program and the resumption of productivity growth in this country, locking in the gains that have been achieved and securing Australia’s long-term prosperity.

The DEPUTY SPEAKER (Hon. BK Bishop)—Before I call the honourable member for Hotham, I would remind the committee that this is a cognate debate covering Appropriation Bill (No. 3) 2006-2007 and Appropriation Bill (No. 4) 2006-2007. The original question was that this bill be now read a second time. To this the honourable member for Melbourne 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. I call the honourable member for Hotham.

Mr CREAN (Hotham) (4.29 pm)—I rise in support of the amendment that has been moved by the member for Melbourne. Despite the resources boom that this country has experienced and the record commodity prices, it is our charge that this government has wasted an opportunity of a generation. It has wasted an opportunity to use the proceeds of that boom and the continuing prosperity—the base for which was laid by Labor governments—to invest in our future, to invest in the drivers of economic growth, in skills formation, in infrastructure, in innovation. These are the mechanisms by which we can take this nation forward and secure its prosperity. The government’s claim is that it has been a good economic manager. The fact is that it has not. It has ridden the resources boom but it has wasted the opportunity it has presented.

In the time that I have, I want to try to touch on three important areas. The first is in relation to our woeful trade performance, the second—and it follows on from what the member
for Rankin has been talking about—is our failure on the productivity front, and the third, if there is time, the fiscal ill-discipline of this government.

On the trade front, there are some pretty revealing statistics that we need to set the scene. The Howard government has racked up the worst trade performance in Australia’s history. In December, the most recent figure, a monthly trade deficit of $1.3 billion was recorded and this was the 57th consecutive trade deficit. This is the longest uninterrupted period of trade deficit on record.

When Labor were in office—in every year between 1983 and 1996—we were able to average on an annual basis eight per cent growth in exports. How does this compare with what the current government has achieved? Despite a record resources boom, it has averaged a growth of only four per cent if you take the whole 10 years that it has been in office and for which the records apply, and just one per cent over the past five years. That is why the performance is woeful.

If Australia had maintained the rate of growth that we had set in place, instead of a trade deficit of $12 billion, we would have today a trade surplus of $14 billion. That is the wasted opportunity. That is a huge difference. They are the overall figures. If you go to manufactures, our rate of growth was 13 per cent per annum; theirs just three per cent. Thirteen per cent to three per cent: little wonder that we have seen 145,000 jobs lost in the manufacturing sector over the last decade, 60,000 of them since the last election. On the services front, service export volumes averaged 10 ½ per cent under our period of government in every year compared to the last five years where they have averaged a decline. In this prosperity we are going backwards in service exports.

This poses the question as to why we were able to achieve better outcomes without a resources boom than this government have been able to achieve with one. There are a number of reasons for that. One is their fundamental failure on trade policy. This government do not have a strategic approach to trade, whereas when Labor were in office, which led to that eight per cent per annum growth, we concentrated impeccably on the multilateral round, the Uruguay Round. We formed the Cairns Group. We formed a third force to effectively be the honest broker between the Americans and the Europeans and we achieved the breakthrough.

But not content simply to settle on a successful outcome in the multilateral round, the Uruguay Round, we persisted with the agenda through APEC. We achieved the Bogor declaration, which was an enhancement of the WTO outcome—if you like, APEC was WTO plus. On top of that, we then used the bilateral free trade agreements to enhance the opportunities yet again—WTO plus plus.

But what has this government done? It has essentially reversed the order. It has approached trade policy on the basis of securing bilateral trade agreements not as any part of a strategic trade agenda but as trophies to be obtained to simply demonstrate that people think it is doing something. In all three free trade agreements that this government has reached, our trade position has gone backwards with all countries—including, now that it is two years in operation, the United States.

In all cases, this reversal of order not only has not enhanced multilateralism, it has detracted from our trade performance. It has seen a massive diversion of resources away from the Doha Round. It has not seen any creativity in building upon the Cairns Group structure.
and recognising the new entrants into the WTO and how they need to be managed. It has failed to embrace or identify and engage with the emergence of the G20 group of nations, which are more of a force, sadly, than the Cairns Group itself.

I think that there is an opportunity this year for this government to start getting its trade strategy right. I am here to offer some helpful suggestions and I hope that it takes them up. APEC is being hosted by Australia this year. This is a golden opportunity for this nation to use that very forum that enhanced Uruguay to now drive Doha. What we have to do is to use the opportunity through the APEC fora—and there are many meetings between now and the September meeting when it is to be held—to really get a united and disciplined front to drive an early conclusion to Doha. This is a mechanism which, if pursued, might achieve that objective. Even if it does not, it provides the unity for being the most effective fallback if Doha were to fail. There is no harm lost in embracing this agenda. It either succeeds in clinching Doha, or it gives us the next best option.

The second point I would make in terms of our approach to Doha is that we have to insist more on the guidelines governing free trade agreements being much more multilateral compliant. That has not been happening. Australia has been negligent in its discipline with free trade agreements. With the Australia-US Free Trade Agreement it allowed carve-outs. Sugar is the classic example. It allowed circumstances in which the rules applying to investment from the United States in this country are a lot more lenient than those which we obtain in terms of trying to get into their country. These inconsistencies are undermining our authority. APEC has a framework in place to produce some discipline for the free trade agreements. Australia has to lead this charge in ensuring that free trade agreements are consistent with the multilateral principles.

The next thing I would argue that the government needs to do is to approach APEC and the openness in economies for economic growth and sustainability within the APEC region from the perspective of not just trade ministers but economic ministers. I say that advisedly. If we just allow the trade opening to be driven by trade negotiators, we run the risk of limiting the real opportunities for growth, expansion—capital flows in particular—between the countries concerned. We need to engage the economic ministers more intensely so that we can open up opportunities for better capital flows and address the issues of deregulation, as well as those issues of regulation which are important in ensuring transparency and accountability. We also need to give much greater emphasis to the services sector and not be preoccupied solely with the agricultural sector.

Another issue that I believe could usefully be put on the APEC agenda is the whole question of APEC’s enlargement. We have to engage in that. There are other countries seeking to come into this group. Just as the OECD has had to embrace enlargement, so too should APEC. Australia should be leading the pace in terms of guidelines for consideration of new entrants. But in the process it needs also to look at new governance procedures for APEC. At the moment there is a requirement for unanimity in decision making. My argument is that it is time to look at whether majority decisions or certain thresholds are sufficient to bind the group.

This is what a government that had opportunity in this area should be doing in terms of seizing the moment—if it had a strategy. It is what Labor would do if it had the opportunity now, and it is what Labor did when it had the opportunity prior to that, some 10 or 11 years ago, when it was a driving force in the formation of APEC. Trade policy in this country is a
disgrace, and the figures are a demonstration of that disgrace. They represent an underperformance in terms of where this nation could be.

I turn now to the question of productivity. I want to go to the Work Choices debate because I think this is where the government argues that this is great for the economy. The fact is that Work Choices is not good for the economy. Quite apart from the unfairness inherent in Work Choices, the title of the legislation is really the greatest misnomer of any legislation brought into this parliament. It is no choices; it is take the job or take the sack; it is an erosion of collective bargaining; it is a diminution of the influence of trade unions in this country and it is an eradication of the independent umpire. For all of those reasons it is bad.

But it is not only bad on the fairness front, it is also bad for the economy. We have had the assertion that Work Choices is responsible for job growth in this country. The fact is that the great bulk of job increases have come because of the resources boom in recent months. That is on the record. If the argument by the government is right, how is it that there has been slower jobs growth over the months since Work Choices was introduced than before it? That is what the Minister for Employment and Workplace Relations could not answer in question time today, and the avuncular dissembled into stupidity in terms of his response. He could not answer the question and said it was not the responsibility of the government, it was not the government that created jobs, it was business. Technically, that is true, but when it suits them they claim it is the government.

It is not just on the jobs front that their argument fails; it also fails on the question of productivity. The member for Rankin touched on this in part before. Labor achieved strong productivity growth in the period of the low inflation environment that it created for a number of reasons—the opening of the economy, the deregulation of the banking sector, the whole opening of trade that I have already referred to, floating of the exchange rate, the commitment to research and development, investing heavily in education, and getting the year 12 retention rates up, which are a huge impetus in terms of economic growth in this country. But the period that Labor was in office also saw centralised wage fixing replaced by collective bargaining linked to productivity. I heard the Treasurer yesterday claiming credit for having ended centralised wage fixing. He did not. But this is another case of the Treasurer always being pretender to the policy when it works but never having the wit or wisdom to understand how to implement a change.

The fact is that the system that was deregulated and moved to collective enterprise bargaining saw the biggest step up in productivity growth Australia has ever experienced. Between 1990 and 1996 annual productivity growth leapt from 0.7 per cent to 4.1 per cent—a huge jump. That trend in strong productivity actually continued for the first four years they were in office. Why? Because they inherited our system and could not change it.

Remember the early attempts, the Peter Reith first wave of industrial reform that he could not get through? The system pertained, and it worked and it drove productivity. So, up until 2000, that huge jump in productivity was sustained. But, once this government started meddling on its terms with its ideology on industrial relations, what did we see? We saw the full effect on productivity when the productivity level plummeted to an average of 2.3 to 2.8 per cent a year, and to just two per cent a year over the past five years. Great achievement! All because of this ideological drive and its perception about industrial relations.
The point I am making is that the reason Labor is trusted on industrial relations more than this government is not only the fairness argument; it is also the economic impact. Labor’s approach to industrial relations is not just fairer, it is better for the economy. If you compare the productivity growths of Australia and New Zealand over the same period, when New Zealand went to an individual based system, the workplace agreement system that this government is so besotted with, and we were developing our collective bargaining system, you will see that productivity growth in Australia was substantially higher than that in New Zealand, and the figures attest to that. So my point is that this government has no strategy in its approach to industrial relations: it is ideology, it is mean-spirited, it is wrongheaded and, in particular, it is bad for the economy.

The final point I want to make goes to the question of fiscal discipline, and we saw a classic example last night of the fiscal profligacy of this government. We saw the Minister for Finance and Administration lounging back in a chair, admitting that a $10 billion expenditure had not even been to cabinet, and we heard the head of the finance department, Dr Watt, saying some words to the effect that they ran a quick eye over it. What sort of discipline is that? If this were Labor making a claim on the budget of a billion dollars a year for the next 10 years, we would be pilloried daily by the likes of the Treasurer and his acolytes in the press for being economically irresponsible. The finance minister was lounging back in that chair, saying that it is no big deal, that it is only a small proportion of the budget outlays. What irresponsibility! Has this been submitted to the charter of budget honesty? It was not even submitted to its own finance department until the last minute to get the quick eye over it. This is a government that wants to lecture us about financial responsibility, a government that wants to say that it has got a charter of budget honesty to keep governments and oppositions honest! It is the most dishonest piece of legislation ever introduced by this government and it is treating it as a joke, with no respect whatsoever, and we saw the finance minister last night on display, attesting to that point.

So, whilst these appropriations must of course go through, we take the opportunity in this debate to point to the wasted opportunities. This is a government that has ridden a prosperity wave. This is a government that has inherited significant continued growth in its surpluses, but it is a government that has squandered them. It is about time it changed its direction. I know it will not, so we must change them and give us the opportunity to—

(Time expired)

Ms MACKLIN (Jagajaga) (4.49 pm)—I certainly welcome the opportunity to speak on these appropriation bills as it gives me my first chance to give an overview of my new portfolio and to address some of the issues where the government is really letting down some of our most vulnerable Australians. It certainly is a portfolio in which I have had a very longstanding interest and a deep conviction that, as a community and in government, we need to do much better than we are.

There are a number of policy shortcomings in the Families, Community Services and Indigenous Affairs portfolio. I will talk in a moment about Indigenous affairs, but I first want to turn to the families and community services part of the portfolio. Unfortunately, in Senate estimates this week, the additional estimates that have been released show that the Department of Families, Community Services and Indigenous Affairs are in fact in deficit, as they were last year. During the Senate estimates hearing that was held on Monday this week it was revealed that the department do not even have an accurate staffing model that can tell them
who they have working on what or where. How on earth they can be responsible for supporting families, particularly some of our most vulnerable families, when they have not got their own house in order is a very serious problem.

The critical challenge facing Australia today is how we sustain our national prosperity after the resources boom is over. There is no question that the resources boom has been very good for our nation, but we know that booms always come to an end. What is it that we on this side of the parliament believe need to be done to make sure that we have sustained prosperity beyond the boom? From our point of view, there are two critical elements to that future prosperity—lifting participation and improving productivity. Unfortunately, yet again, we have seen the government fail to take action in these good times in these two critical areas. These appropriation bills that we are debating today stand yet again as evidence of that missed opportunity.

One critical step that we need to take in this country is to lift workforce participation. For the people who are in some ways cared for and are the responsibility of the families and community services portfolio—a portfolio that has appropriated to it billions of dollars to support Australians who are not in the workforce—lifting workforce participation is a particularly important objective.

We all know, and I think all of us would agree, that participation in the workforce is good for Australians, for their sense of self-esteem and of course for their standard of living. People need to feel that they are contributing and that they are supporting others, especially their families, so that they can rely on themselves and so that they can help their loved ones get through life. Work is one of those essential things like family that gives meaning to our lives. So a government that actually cares about people will do all that it can to foster people’s capacity to participate in work and to gain purpose through work. These human reasons are reason enough, but of course there are other very good reasons why Australia’s national government needs to increase participation in the workforce.

The ageing of Australia’s population will increase the demand for services and reduce the supply of people able to fund and deliver these services. So it is critical that we address the barriers to participation that currently exist in our country. Last year Senator Penny Wong, Labor’s shadow minister for workforce participation, released a discussion paper called Reward for effort which detailed how Labor will address this participation challenge. That paper reaffirmed our commitment to the principle of mutual obligation and proposed to harness mutual obligation so that it actually serves the interest of both the individual and the nation. Mutual obligation should be used to help income support recipients to become independent and also to help the nation to lock in our future prosperity.

Unfortunately, under the current government, mutual obligation is simply a way of keeping people engaged in some activity but not necessarily working. That is not good enough. Labor intends to put the mutual back into mutual obligation by making sure that people who do have participation requirements also have opportunities to get ahead to foster their independence. So what we want to do is bring both obligation and opportunity together. At the heart of that relationship is enabling people—especially those people with part-time participation requirements, some of our most vulnerable income support recipients—to build their capacity through study or training. This really is the missing ingredient in the government’s current plans.
From Labor’s point of view we intend to back up our proposals with options to turn this opportunity into reality. We intend to introduce measures that will be designed to give the financial backing to those who will benefit from investment in their skills. We know that skills are critical to participation. We have a major skills crisis in this country. There are jobs out there available for Australians, not able to be filled by Australians because many of the people who would like to work do not have the skills to fill them. Of course the government’s response to that is to bring people in from overseas on short-term visas rather than extending the opportunities for participation in skill development to our own people.

We know there are other very difficult issues in the social security and income tax areas. We know that some of the most vulnerable Australians face very high effective marginal tax rates when they want to come back to work. They lose more in their social security payments and in the tax that they pay than makes it worthwhile to work. For many, those disincentives are very powerful indeed.

We know for many others that problems to do with accessing affordable child care prevent them from working as much as they would like to do. We certainly do welcome the additional funding that this bill appropriates for the Jobs, Education and Training Child Care Fee Assistance program. An extra $20 million is being provided for this service and it is a program that we support. After all, the JET program is a Labor program, a great Labor initiative, and I am pleased to see that the federal government is supporting it.

We know that for people with children workforce participation is just not achievable without proper childcare support. So while there is this additional funding in the bill, and I do think that is a good thing, more broadly, unfortunately, the latest Bureau of Statistics figures tell us that childcare costs are spiralling out of the reach of many Australian families.

Just to inform the House of the increase in costs of child care, these latest Bureau of Statistics figures show that childcare costs have increased more than the price of bananas or fuel over the past five years. Since December 2001 out-of-pocket childcare costs for Australian families have increased by 82.5 per cent, eclipsing increases in fruit, which went up by almost 73 per cent, and petrol, just over 40 per cent.

You wouldn’t know it, would you? The Prime Minister was quick to blame the price of bananas for the increase in the cost of living. He at no point took into account the very significant increases in childcare costs that have burdened and continue to burden Australian families with young children. These increases compare to an overall increase in the cost of living of about 14.8 per cent in the same period. So you can see that there was a massive increase in the cost of child care compared with the general cost of living.

Of course, it is true that natural disasters can be blamed for increases in fruit costs, but you would have to say it is the disastrous policies of the Howard government that have sent childcare costs rocketing. At nearly $240 a week, it certainly is not easy for parents to afford child care when they have very tight family budgets. Parents—and it is still the case that it is particularly mothers—are acutely aware that if they want to go back to work or if they want to increase their hours of work it is very difficult for them to do so if they cannot afford the cost of child care.
Just recently we have seen that the government thinks that one of the reasons parents are not using the child care that is available is that they are too choosy. A recent report by the Treasurer’s department claimed that:

... contrary to popular perceptions, there is not an emerging crisis in the sector—

they mean the childcare sector—

... supply is generally keeping pace with demand and child care has remained affordable.

I think they need to get out more and talk to parents about the childcare reality that is facing so many families in this country.

The other element to securing Australia’s long-term prosperity is boosting productivity. We know that Australia must find new sources of competitive advantage if our prosperity is to be sustained following the resources boom. We on this side of the parliament believe that investment in our people is essential in creating an innovative and productive workforce that can adapt to a rapidly changing world.

The first priority that we have identified this year, and one that I know parents certainly agree with, is that all of our children deserve the best start in life. Overwhelming international evidence supports the view that investment can provide crucial support to parents and communities, helping to make sure that children succeed in life. So all the evidence is telling us that investing in the early years of life delivers strong long-term benefits for children and the wider community. Investing more and investing it earlier leads to increased educational attainment and labour force participation, with higher levels of productivity. It also helps tackle disadvantage, dependency on welfare, our hospitals and our criminal justice system—all the things that you would think the department of families and community services should be concerned about. Unfortunately, all we ever hear from the government is: yes, it is very important to invest in the early years. They would like it to be the case that four-year-olds in Australia get access to preschool programs, but frankly it has been nothing more than a lot of hot air from the government. They have made no commitment to this crucial area of investment in our young children.

Nobel Laureate James Heckman put it very well, I thought: ‘Learning begets learning, skills beget skills.’ The World Bank said, ‘It is never too early to become involved but it can easily be too late.’ According to the OECD, Australia spends just 0.1 per cent of GDP on preschool education compared with an OECD average of 0.5 per cent. So you can see that, under this government, Australia is not meeting the challenge that so many international experts have set for us. Our four-year-olds are being left behind at just the point where we can help them most.

The OECD reported that, in 2005, four in five Australian three-year-olds did not receive any pre-primary education, one of the worst results of the surveyed countries. What Kevin Rudd, the Leader of the Opposition, and I have done is indicate that Labor will put learning and development of our four-year-olds at the centre of Australia’s approach to early childhood education and care. For Labor, early childhood policies are not just about providing more care. Of course it is true that affordable and accessible child care is essential to lift workforce participation, but it cannot be the totality of any government’s ambitions in providing services for children during their early years. All parents, all of us, have very high aspirations for our
children, and I know that parents across Australia share Labor’s concern that our children have access to high-quality early learning and care.

So, under a Labor government, all Australian four-year-olds will have enshrined in a new Commonwealth early education act a universal right to access early learning programs. We will make sure that our four-year-olds are eligible to receive 15 hours a week of government funded early learning programs for a minimum of 40 weeks a year. That will include a requirement for all early childhood educational care services catering to four-year-olds to have sufficient degree-qualified early childhood teachers to meet that entitlement. Structured play based learning would be provided to assist the development of pre-literacy and pre-numeracy skills. We will provide $450 million in additional Commonwealth funding to cover the cost of these new programs in order to make sure that parents do not have to pay more as a result of this increased educational provision to our children.

We recognise that parents are going to use a wide range of different services. We will make sure that these services to four-year-olds are available in preschools or kindergartens, in long day care, whether it be community based or private, and in family day care. We are not going to be fussy about where it is provided; we want to make sure it is provided and provided by a qualified teacher. We intend to do it with the states and territories because we know that blaming others for the lack of service provision is not going to do anybody any good. When it comes to this government, all it can do is blame the states and territories. In the meantime, 11 years worth of four-year-olds have missed out on early childhood learning because all this government can do is blame somebody else for the lack of provision for these children.

It is going to take a Labor government to make sure that each and every four-year-old in this country has access to early childhood education delivered by a qualified teacher. We will also make sure that there are enough qualified teachers available by expanding the number of university places and paying half the HECS fees of those university qualified early childhood educators who are prepared to go to areas of need. It is only Labor that is proposing a way forward in this area, because we understand just how critical it is.

I just want to turn briefly to the other critical area of this portfolio, which is Indigenous affairs. Additional estimates hearings show that the Department of Families, Community Services and Indigenous Affairs will administer approximately $430 million in Indigenous programs in this financial year. That includes $292 million for community housing and infrastructure, yet their departmental expenses are nearly $110 million. That amount of departmental expense is equivalent to more than a quarter of the administered funds. If you take out the amount they are actually spending on community housing and infrastructure, the amount of departmental expenses almost equals the amount of administered funds; it will take almost as much to run the programs as the Commonwealth spends on them.

Last year my predecessor in this portfolio, Senator Evans, outlined our approach in this area. He noted the failed approach of the COAG trials, which have certainly overreached the capacity of the bureaucracy to deliver. In the time remaining I want to say that we are not interested in bureaucratic solutions. What we will be doing is finding the things that work and building on those, scaling up the things that work in Indigenous affairs and not taking an ideological or bureaucratic approach. (Time expired)

Mr FITZGIBBON (Hunter) (5.09 pm)—I do not think too many people would challenge the proposition that the first and most important priority of any government is the defence of
its country and the people who are residents of that country. The Howard government’s performance in this regard has been somewhat wanting in recent years. I know that that concern would be shared by many Australians. That concern would be driven largely by our strategic direction in Iraq and the apparent lack of any exit strategy or even benchmarks on which to base that exit strategy. Around $2 billion has already been spent and, for the Prime Minister at least, it appears to be an open cheque book. Much has already been said about that today.

I want to zero in on a couple of other large and looming problems involving our ability to defend our country. I will give a few examples. The fast guided frigate upgrade is years behind schedule and the cost is over $1 billion. The Wedgetail airborne warning and control aircraft will now be at least two years late. The M113 armoured personnel carriers are at least four years late. We have seen the debacle with the Seasprite helicopters. Of course, it is very topical at the moment to talk about the government’s mishandling of the replacement upgrade for our fighter jets. I am pleased to see you in the chair, Mr Deputy Speaker Wilkie, because I know you have a very deep interest in that matter.

It is those last two examples that I want to focus on for a few moments this evening. This should always be seen in the context of budget sustainability. You cannot defend the nation if you do not have the money to do so. While it is true that the Howard government has been offering real growth in our defence budget, it is also true that it is spending it more quickly than it is adding to it. Indeed, while capital costs are growing, so are operational costs, but operational costs are not being accounted for. It is like allowing your 18-year-old daughter to purchase a car when she has the $10,000 necessary to buy the car but not insisting that she take account of ongoing costs like fuel, registration and insurance.

This funding gap that is opening up in defence funding should be of real concern to all Australians, and it is a matter that the government should be paying urgent attention to. We are not going to sit back and allow the government to pretend it is not happening until they get the election out of the way and then worry about it after the election. We want the government to start telling the Australian people before the coming election how they intend to deal with this looming funding gap over the course of the next four forward estimate years.

I return to the issue of the Seasprite helicopters which will, if they ever come on board, be located at HMAS Albatross. The government’s mismanagement of this program leaves it with some fairly limited choices. There are rumours that the national security committee was to meet today—and I do not know whether that occurred; we will soon learn, no doubt—to determine whether the government should proceed with the Seasprite project.

These are its choices: spend up to another $50 million and take the primary contractor at its word that an extra $50 million maximum will deliver a fully operational helicopter within the next three years. When I say ‘fully operational’ I mean meeting all the airworthiness accreditation standards and all the technological capacity and capability of that aircraft. That is one option. The second option is to scrap the Seasprite—and rumour has it that is currently in the defence minister’s budget—flush the almost $1 billion already spent down the drain and find an additional $1.5 billion to fund a new fleet of helicopters that probably would not be delivered any quicker than the Seasprite would be delivered if the government took the first option.

This is a scandal. The government’s mismanagement of this project has left it, on behalf of the taxpayer, with only those two choices. Neither is very attractive at all. The opposition are in no real position to determine which is the best option for the government—given that we
are not given access to the information that is required to make such a decision—but I think most people would say that spending an additional up to $50 million might be well spent, given the evidence that the primary contractor has given that it does still have the capacity to deliver on this project, rather than letting the total cost run up to $2.5 billion and getting a helicopter no sooner and that is not necessarily any better.

If the government decides to scrap the project, it will be devastating for Kaman, the primary contractor, and it will be devastating for those in the electorate of Gilmore who were relying on the ongoing nature of this project to add substantially to the local economy and to support many jobs. I wish the Minister for Defence and the National Security Committee of Cabinet the best in their deliberations, but I remind those listening that we only find ourselves making this difficult choice because of the government’s incompetent handling of the project.

The other project I mentioned was the Joint Strike Fighter. Put simply, this is about our next generation of fighters. The government made a decision to phase out the forever faithful F111s and replace them with a combination of the joint strike fighters and, for a time, our existing FA18s. The government planned to purchase 100 joint strike fighters at a significant cost of around $15 billion, but it is well known that that project now stands to be delivered very late. We have been for some time warning what that will mean for the defence of Australia. If the JSF arrives late—possibly as late as 2018—and the F111s are gone and the FA18s are ageing, Australia will be left with a significant air capability gap. The most important aspect of the defence of Australia is our air superiority in the air gap between our continent and the nation states in the north. Originally the government denied that there was a looming capability gap. Then it turned around very hastily—and without the money to fund it—and announced the decision to spend $A4 billion on the so-called Super Hornet to fill that capability gap. Most, if not all, experts on these matters in this country are questioning whether the Super Hornet is up to the task of maintaining our air superiority.

The amazing thing about all this is that the government seems to have entirely ruled out the prospect of putting into the policy options mix the US F22, which is commonly known as the Raptor. People who understand these things well and know that the F22 is without challenge the most effective fighter aircraft in the world cannot understand why this is the case. I issued a media release on this subject today, and it drew a response from Minister Nelson. I found his media release fairly fascinating. He began by claiming that Fitzgibbon—that is me, of course—failed to grasp the facts. He said:

There is no gap in Australia’s air combat capability ...
I did not say there was; I said one was looming. He went on to say:
... and no gap will be allowed to develop.
He has not told us how he is going to ensure that that gap does not develop. He said:

The Government is continuing to explore options to manage the transition to Australia’s planned acquisition of the Joint Strike Fighter.
Again, he did not say how. You cannot do it through management processes, other than through bringing the Joint Strike Fighter forward on the time line, but we know that that is simply not going to happen. He continued:

Contrary to Mr Fitzgibbon’s claim, the Government has not asked the United States for access to the F-22 Raptor.
I had made the point: why is it now belatedly asking for access to the Raptor—that is, an opportunity to purchase the Raptor from the US—if it believes the Super Hornet is up to the job? I refer the House to an article on the front page of today's *Australian* which suggests that the US deputy defense secretary, Gordon England, had written to the defence minister, Brendan Nelson, saying the US would not export the world's most deadly war plane, the F22, to Australia. Maybe the *Australian* got it wrong, but it is very specific about the author of the letter. Maybe Minister Nelson is being clever in saying he did not ask for the Raptor. Maybe the conversation took a different tone. But certainly the US deputy defense secretary interpreted the conversation as one in which a request was being made, otherwise he would not have written such a letter. So I suggest that that is a very clever play on words on the part of the minister. In his press release he then goes on to say:

The F-22 is not currently available for Foreign Military Sales to *any* country outside the United States.

I did not know there were countries inside the United States, by the way, but I will not dwell on that; he has made his point. I do not know how he knows it is not available if he has not asked. I know there is legislation in place and that the congress has control of these things, but if he does not ask he cannot be sure. So there seems to be a conflict in his statements there. He continued:

Mr Fitzgibbon fails to understand that the F-22 is *not* the most suitable aircraft for Australia’s needs. There is no shortage of experts around this country who will challenge that, and challenge it quite strongly. I make the point that alone, of course, it is not. That is his implication throughout the media release. Alone, it is not, because it is limited in its capacity to carry payloads and maintain stealth. But it is part of the mix and it is what experts around the country expect to be part of the mix. He continued:

The F-22 is primarily a single role air-to-air combat aircraft.

Again, I did not say it was not. But why not consider it as part of the mix? He continued:

It has limited strike capability.

Yes, it does. If it wants to maintain stealth, it does have limited strike capability. No-one is saying that we should not have a Joint Strike Fighter. We are talking about a looming gap in our air capabilities. He said:

The budget would not acquire enough F-22s to sustain concurrent tasking.

The Australian Strategic Policy Institute put out a paper only this week—yesterday, in fact—in which a comparative analysis of the cost has been made. We all know, thanks to the recently tabled US defense budget information, that the unit cost of the Joint Strike Fighter is rising, and we do not know with any certainty what the cost gap between the Joint Strike Fighter and the Raptor will be. ASPI certainly talks about that comparison becoming very competitive. The ASPI paper, talking about the two, says that ‘the F22 is starting to look competitive’ on a cost basis. So the minister is making statements that are not supported by the experts. He goes on to say:

It does not carry the variety of weapons we need for strike operations.

No-one said that it did, but we are talking about the best way to close the looming capability gap in taking us into the future. He continued:

It loses its stealth benefits when carrying external weapons.
That is true, but it is capable of carrying a payload internally and therefore maintaining stealth; not potentially as much as we would like it to carry, but that is a misleading statement on the minister’s part. He goes on to say:

It has no maritime strike capability at present.

Nor does the Joint Strike Fighter; the panacea for all our problems according to the minister. So I do not know what his point is there. He says:

The Government continues to work on options to ensure that Australia maintains regional air superiority throughout the air combat transition.

But again he does not spell out what the plan is to do so. Surely the Minister for Defence should be in a position to spell out exactly how he intends to do so. The Australian people who consider the defence of their country want much more than a bit of rhetoric and assurance from the minister that no gap will be allowed to develop. They want to hear from the minister how the minister intends to ensure that it does not develop, because all the facts are that there is a looming gap. All the experts say that the Super Hornets are not capable of closing that gap. If he has been to the US and asked for access to the Raptor, he has himself come to the conclusion that the Super Hornet is not capable of closing that gap. He needs to do much more than to give us his rhetorical assurance that there will be no gap, and if a gap emerges he will close it. He needs to give us the facts. He needs to spell out how he intends to do it. It is ridiculous for the government to rush in and spend $4 billion of taxpayers’ money on a Super Hornet that may not be up to the job without any real debate either in the broader community or in this parliament. ASPI at the end of this paper comes to the conclusion:

A deferral of the decision to purchase Super Hornets would seem sensible. This could be for 6-12 months, during which the government could:

- Gather availability, cost and capability data for the F-22, so that we understand the affordability and feasibility of moving quickly to a high-end fifth generation solution. Only if that proves unfeasible should we move to a fourth generation fallback.
- Evaluate the fourth generation options available in the world marketplace and choose the one most likely to provide us with high-end capability through the decade beginning 2020 should we need to go that way.

That is not the opposition speaking. That is a report from the most highly regarded think tank on strategic air defence issues in this country and yet all we get from minister Nelson is this diatribe in his media release that is clever in its wording but absolutely empty in its substance.

In the time remaining to me, can I quickly say something about drought funding in my electorate. We were very disappointed in the Hunter when in about early October last year the Prime Minister announced an enhanced drought assistance scheme. The problem was the scheme applied only to areas which had an existing exceptional circumstances declaration. That included no areas in the Hunter, so there was nothing in that scheme for struggling Hunter farming families. Then, later that month, he restored an exceptional circumstances declaration for part of Hunter but left the other part undeclared—again, helping some but not others based on arbitrary boundaries.

Finally, only a few weeks ago, exceptional circumstances were declared for all the Hunter region and we welcome that. That will be very helpful. There are very long waiting lists as people in the first tranche of declarations are still waiting for their applications to be assessed and processed. Today I appeal to the government in the context again of giving thanks for an
albeit late declaration for those regions to add to the resources within Centrelink and other organisations, to lift those levels of resources to a point at which it will be possible to process and assess more quickly those applications for those desperate farming families. If you have not experienced what they are experiencing on the land, you could not possibly understand the challenges they are facing. I appeal to the government to give those extra resources. *(Time expired)*

**Mr Snowden (Lingiari) (5.30 pm)** I did not hear the whole of the member for Hunter’s contribution, but I am sure it was an erudite analysis of the failings of the Minister for Defence in the application of his responsibilities, particularly as they relate to the question of the Joint Strike Fighter. I know that the member for Hunter understands—and the member for Grey would also appreciate—that I have some interest in this issue. I have to say that I share the concern of the member for Hunter. I understand you also have an interest in this, Mr Deputy Speaker Wilkie, having been a bit of a fly-boy in the past. It was F111s, was it not? We need a far better response from this government about the JSF than we have got to date.

I watched with interest the Senate estimates committee hearings today. Although I did not hear all of them, what I did hear left me wondering. I was really agog at the prospect of our being told effectively that we are likely to get the Joint Strike Fighter any time between roughly 2013 or 2014 and, perhaps, 2018. That is not good enough. The capability gap which the member for Hunter spoke about is something that we as a nation ought to be concerned about. He is dead right to say that this should be an issue which is discussed far and wide, and we should not be sitting here copping the prospect of the government purchasing Super Hornets—a $4 billion purchase—without a reasonable debate in the community about whether or not it is the most appropriate thing to do. We have not had that debate. I hope that, as a result of the interventions by the member for Hunter and others, we do get a debate, because it goes to the very important question of the capacity of this government to look after the nation’s security.

It is very clear that this government has been asleep at the wheel in relation to these issues. There have been a number of examples—the Seasprite is yet another—of where the government has not been able to manage the Defence budget in an appropriate way, and that is a risk to all of us.

Those Defence issues are what I want to talk about today, but principally I want to talk about Iraq. The Prime Minister’s performance over the last couple of days in relation to this issue has, I am sure, amazed many. There has been a constant failure by the Howard government, in a public policy sense, from go to whoa. I note that this bill earmarks an additional $202.4 million for the Department of Defence, including $120.8 million for Operation Astute in East Timor, $49.6 million for the first stage in lifting the retention and recruitment of ADF personnel and $32 million as the first instalment on increasing the size of the Army by one battalion.

I have no difficulty in supporting those budgetary measures. However, in relation to Iraq, it is very important, when we are contemplating these budgetary measures, to see how we have been dealing with defence and foreign policy issues. It is clear to me, and I am sure it is clear to the bulk of the Australian community, that the situation in Iraq is very grave and is deteriorating day by day. That of course was the opening assessment of the Baker-Hamilton Iraq Study Group report, which was issued in December of last year. In unusually sweeping and
blunt language, that study group rejected the ‘stay for the course’ option that the White House
and the Howard government, in tandem, have constantly adhered to. It called for a gradual
withdrawal of American combat troops, greater self-reliance by the Iraqi government and dip-

tomatic engagement with Iraq’s neighbours. Of course, just last month the Bush administra-
tion requested an additional 21,500 troops together with more funding for Iraqi reconstruction
and increased Iraqi responsibility for security.

It is no secret that we on this side of the chamber did not support the military engagement
in Iraq in the first instance, and I recall well the comments that I made in the House during the
debate that transpired when we took the step of joining the war. I warned then against aligning
ourselves blindly with American foreign policy, particularly on a matter which we on this side
of the chamber said then was against both our national and regional interests—and so it has
come to pass. We were told that this was all about terrorism and we said that this would exac-
cerbate terrorism and the opportunities for terrorism throughout the world—and, again, it has
come to pass.

We note that when the Australian troops were first deployed, our Prime Minister said that
they would be deployed for a matter of months, not years. Those are his words, not mine. De-
spite the public protestations, the opposition expressed here in this chamber and, I have no
doubt, a degree of opposition within their own party room, this government made the decision
to take us to war in Iraq and to commit Australian troops. By troops, I mean generically Aus-
tralian Defence Force personnel, because we have deployed successive rotations of Army, Air
Force and Navy personnel to the region.

Whilst I opposed the original decision and I oppose the continuing presence of Australian
troops in the region and I think they should be brought home, we must ensure that, whilst our
troops are there doing their service for our country as desired by the Prime Minister and the
government, we give them our absolute and utmost support and ensure that they are properly
equipped and are able to do the job they have been asked to do.

I am one of a number of people who had the opportunity, as part of a delegation of the Joint
Standing Committee on Foreign Affairs, Defence and Trade, to visit Iraq in October 2005.
The purpose of the visit was to visit Australian armed forces personnel deployed in the Mid-
dle East area of operations. In particular, in Iraq we visited the Al Muthanna Task Group,
commanded at that time by then Lieutenant Colonel Roger Noble, stationed in Al Muthanna
province in the south of Iraq. When we came back, I made the observation publicly that I
thought once the next rotation had finished we should bring our troops home. I did not believe
there was any further need for them to be there then.

They have now been given a different task and have been relocated to the province of Dhi
Qar, where they have met organised resistance rather than the usual hit-and-run attacks. This
alarming situation was reported in an article in the Bulletin on 5 December last year. The arti-
cle contained an account from a source close to Darwin’s Robertson Barracks. It stated:

The Al Muthanna task group now patrols Dhi Qar, which only has one route in and out. This poses a
serious threat to troops in vehicles. The current task group has already been in fire fights as a result of
the expansion of the area of operations.

In one fire fight 2,000 rounds of small arms ammunition, 14 40mm grenade-launcher rounds and two
rocket-launchers were fired [by Australians]. A sniper also fired 10 rounds from his weapon. Australian
infantry soldiers have not been involved in fighting of this intensity since Vietnam.
So we need to be concerned, on the evidence of that article, about the safety of our troops in Iraq. Thankfully, our casualties have been limited.

After returning from Iraq I spoke on the quality of our troops, their training, their leadership, their professionalism and their motivation, and congratulated all those involved in Iraq for doing a very difficult task. I would do that again because there is no doubt that those troops who are serving our interests at the Prime Minister’s wont are doing so with great aplomb. Despite the danger, they are in fact very highly trained and very highly motivated, but the fact is that they should not be there.

When I came back, I said that I thought the situation in Iraq—a position shared by others, by the way—is one which is likely to be drawn out for many more months, even years. This is consistent with other opinions on the situation in Iraq then and now. Even Robert Gates, the recently appointed United States Secretary of Defense, gave a blunt assessment to the US Senate Committee on Armed Services when he conceded, ‘The war is not being won.’

From the performance of the Prime Minister today, we see that our commitment of troops to Iraq is of an indefinite nature. There is no plan to this mission. There was no mission statement at the beginning, there is no mission statement today and there is no plan for an exit strategy. We do not, as I said, challenge the professionalism of the Australian personnel in discharging their duties in this exceptionally difficult and dangerous operating environment. The core problem, however, remains that the ADF in my view has not been given a clear-cut mission statement and there is no way of determining, in the absence of such a mission statement, when the mission has been achieved.

You have to wonder about the basis on which you can send Australian troops to war if you cannot give them a reasonable expectation of what their mission statement might be and at least have a plan which says, ‘You’re going to be there for X months or X years and at the end of that period you’ll be withdrawn.’ That has not happened. We heard again today from the Prime Minister that our commitment is of an indefinite nature, and he has used those fateful words yet again: ‘until the job is done’.

But of course he has yet to define what the job is. Despite his attempts in the House of Representatives today at question time, he was unable to convince me, and I am sure anyone else who was able to listen to him, that he had a plan for Iraq, that he knew exactly where we were going with Iraq. He has no idea what the plan is for Iraq. All he is doing is relying upon the fact that the United States will determine its policy in Iraq and we will of course jump along lockstep, without question, in the same way, sadly, that the government was not able to bring itself to question the original decision by the United States government to enter Iraq in the first instance.

We can all remember those discussions, the debates in here and elsewhere about the reasons we were going to Iraq: weapons of mass destruction. It was to be a question of regime change. I can recall the words well of the Prime Minister. It was not a question of regime change; it was about weapons of mass destruction. There were no weapons of mass destruction and it turned out to be only about regime change. Now we have a situation where, at a minimum, 60,000 Iraqi civilians have been killed; estimates in the *Lancet* take that figure to 600,000. We have been partly responsible for those deaths, despite what the Prime Minister might like to think. We did not know what the plan was and we still have not see the plan.

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MAIN COMMITTEE
We know that the Iraq war is a quagmire. In my very strong view, Australia should not continue its involvement in it. We should be looking, as the Leader of the Opposition has said, for a plan to exit—a proper plan; a plan which will not have us withdraw immediately but in consultation with our allies: the United States and the other members of the coalition. Other countries have taken this step and it has not been the end of the world, but of course we were one of the troika involved in making the initial decision and in being the occupying power in Iraq leading up to the Iraqi elections.

The government has a moral obligation to tell the Australian community exactly what its strategy is for Iraq, when Australian troops will no longer be required and when they will be brought home. In fact, it is clear to me that the Prime Minister has got neither the guts nor the vision to do this. I think it has been abundantly clear over the past week during question time that he does not—he simply does not. He is not able or willing to accept the challenge of the Leader of the Opposition to have a publicly televised debate on the issue of Iraq policy. I would have thought, given his supposed credentials on the issue of national security, that he would not worry at all about having a nationally televised public debate with the Leader of the Opposition. He would feel confident in himself that he could convince the Australian community of the merits of the policy or lack of policy in Iraq. But, of course, he squibbed it. He is not prepared to front up to a reasonable debate with the Leader of the Opposition so that the Australian community can compare their two positions on Iraq—the position of the Labor Party and that of the government. I would have thought that a Prime Minister who prides himself in knowing so much and being so willing to support the President of the United States would have no difficulty in confronting a mere Leader of the Opposition here in the Australian parliament. It is a lot easier to commit troops to Iraq than it is to get out there and publicly debate with the Leader of the Opposition, it appears. I would have thought it is in our national interest to ensure that that debate happens and happens soon.

We know that recently, over the last week, the Prime Minister has tried to interfere in internal discussions in the United States—ultimately in the presidential election race—and has been rebuked widely from across the political spectrum in the United States for his unprecedented interference. I note particularly the comments of John Murtha, a member of the United States House of Representatives and a democrat, who is reported in the *Sydney Morning Herald* today, saying:

*John Howard is trying to interfere in an election and that’s uncalled for.*

Even his own backbenchers think he has gone off the track in relation to this issue. The member for Moore, Mal Washer, commented:

*We’ve got a Western alliance, I guess you’d call it, where we’ve got to have some solidarity in how we approach these matters. Spreading it to the Democrats probably wasn’t such a good idea.*

I think there is an obligation on the Prime Minister to tell the Australian community exactly where we are headed with this. He has failed to do so.

A number of things have passed us by in recent times, but it is amazing that even ranking US Republicans have expressed deep reservations about US engagement in Iraq—and, I would have thought, by extension, Australia’s involvement in Iraq. Francis Fukuyama, one of the darlings of Washington’s neoconservative establishment, has also fundamentally repudiated his original position. Fukuyama, in his book of last year, *After the Neocons*, said:
I’m not shocked. I’m completely appalled by the sheer level of incompetence. If you are going to be a benevolent hegemon—a reference to America’s status as the sole superpower—you had better be good at it.

We owe it to the Australian community to ensure that our Prime Minister and the government are held accountable for their policy in Iraq. The Prime Minister prides himself on saying that he understands and believes that he is the one to govern Australia in terms of representing Australia’s national interest, and our national security interests in particular. He has demonstrated by his failings in Iraq that he does not really have that capacity. The Australian community will have a chance to judge him later in the year, but I would say that before then he has an obligation to stand up in front of the Australian people, along with the Leader of the Opposition, and debate these issues in a nationally televised debate. The sooner he does it the better, because he has been exposed and it is very important that the Australian community understands how exposed he has really become. (Time expired)

Mr HAYES (Werriwa) (5.50 pm)—I welcome the amendment to Appropriation Bill (No. 3) 2006-2007 moved by the shadow minister for finance. The nature of the second reading amendment catalogues the litany of fault lines this government has allowed to appear in Australia’s economy and, quite frankly, in Australian society. It allows us now the opportunity to stop and think about some of the difficulties that many of our constituents are struggling to manage on a day-to-day basis.

Many members in this place, particularly those on this side of the chamber, are all too well aware that the financial and time stresses placed on Australian families, the impact this is having on their economic decisions for their family units and the pressures this is placing on personal relationships are the normal sorts of things that we as members of parliament see on a day-to-day basis through the front doors of our electoral offices. For this government to arrogantly assert, as it continually does, that Australians have never had it so good because the economy is allegedly in such good shape is nothing more than a desperate bid to let national figures hide some of the local realities that we as members of this parliament deal with. The national aggregates, the broad generalisations and the average figures really do hide the reality faced by many of our constituents who continue to experience stubbornly high unemployment rates, negative housing equity, high credit card debt and other economic stresses. While states like Queensland and Western Australia benefit from the economic boom on the back of a strong minerals demand from emerging economies such as China and India, the reality in the more localised pockets throughout our country is considerably different from that.

While the government does not admit to it, it has benefited from the efforts of the tough decisions that were made during the Hawke and Keating governments. The Howard government has seen the benefits of microeconomic reforms, the deregulation of the Australian economy through the eighties and nineties and the benefits that have flowed into the Treasury coffers just simply blown away. This government has blown these benefits. It has blown them by failing to invest for the future and lock in the benefits over this period of prosperity. It is not difficult to find many commentators and experts who are more than willing to point out the fact that this government has failed to invest in the dividends of the current resources boom in securing Australia’s long-term productivity and long-term prosperity. I have to say that the government and the Prime Minister, who has been all too willing to pride himself on
the stewardship of this economy, have been extremely short-sighted. This situation will per-
manently lower the ability of our future generations to achieve growth rates such as those ex-
perienced over the last decade.

While many have benefited from Australia’s current high economic growth and many have
shared in the resources boom, there remain pockets of disadvantage and disconnection from
the mainstream economy. The new realities for those communities are that, while vast sums of
money have been slushing around in the resources sector and are flowing through to other
sectors of the economy, these areas of disadvantage are not sharing in Australia’s good for-
tune. In my own community—the electorate of Werriwa in the south-west of Sydney—the
aggregates, generalisations and averaging of figures simply mask the pockets of disadvantage
that exist in suburbs, and it is a continual disappointment that the government are more than
willing to sit back and gloss over the difficulties in many of these communities as they crow
about the success of macroeconomic measures. Seeking out and implementing the real solu-
tions to correct the imbalance within communities is something that we as policy makers
should be giving priority to and pursuing as legislators.

One of the so-called solutions that this government has which does not assist the stubborn
areas of high unemployment and financial stress throughout the community is Work Choices.
There are not too many people in this place who would not know of my absolute objection to
these extreme industrial relations laws. I objected to them when they were proposed, I spoke
against them during the debate in the House, I voted against them and I will continue to op-
pose them until they are thrown out and replaced with something that is decent and fair for
working Australians.

While the government tries to deny it and hide behind the aggregate figures, Work Choices
is a real concern and it is having a real and negative impact on working Australians. I have
heard the stories throughout the country first-hand as part of parliamentary Labor’s industrial
relations task force. I have heard directly the experience of my constituents. I can assure you
that these experiences certainly do not match the rhetoric and the spin that this government
has tried to use to cover its position on Work Choices. In my electorate I have heard the ex-
perience of a gentleman who was sacked while he was on sick leave. When trying to seek a
remedy for that, he discovered that the only recourse that he and his family had was to go to
the Federal Court, something that a worker earning minimum wages and supporting a family
could simply not afford. To do that, he would have had to commit resources in excess of
$10,000 to prosecute his case.

I have also heard the experience of employees at Esselte, which is an establishment in
Minto, whose conditions and take-home pay were being stripped. I have heard from the work-
ers of Lipa Pharmaceuticals, who are having not only their hours of work extended but their
overtime, and consequently their take-home pay, cut. I have raised this in this parliament.
Those were cuts of up to $200 a week. These are workers who work on minimum rates as
process operators. They are workers who do not have any real and substantial bargaining
power. These are the people who are having their take-home conditions slashed. They did not
have the real opportunity to negotiate. They were presented with contracts. And to use their
words—what they put to me—they were told if they were not prepared to sign them there
were plenty of people who would. Work Choices is the law that has brought this about. This
law has encouraged good employers to act badly. While it is doing that, it gives a blanket pro-
tection for bad employers, but the real objection here is the level of encouragement that it
gives to good employers to act badly. That encouragement is through Work Choices.

I find it interesting that the real-life experiences of working Australians stand in stark con-
trast to the rose-coloured views of the brave new world of industrial relations as outlined ear-
lier in this debate by the member for Moreton. Earlier in this debate, when speaking about
individual contracts, the member for Moreton said:
They are an opportunity for individual workers or their representatives to talk to their employers and an
opportunity for those with abilities and skills who have something to trade with their employers and
gain additional advancement.

Implicit in that statement is the effective condemnation of those with few skills and those
seeking to work in unskilled jobs to a life of minimum wages and minimum conditions be-
cause in reality they have very little to trade with their employers. Spare a thought for women
trying to return to the workforce who need to make arrangements in relation to child care and
to have it recognised. These people could only be characterised in economic terms as price
takers. In other words, either they accept the conditions that are offered or they do not take the
job.

We are marginalising enormous sectors within our economy. Women in particular are being
impacted by this change. That is borne out by the figures released yesterday in a study by
Griffith University that indicated that women are not faring as well as male workers in being
able to negotiate. This is because of their family commitments and because of the recognition
that is required of those commitments. The absence of the ability to achieve some form of
recognition of family-friendly conditions has impacted on this class of employee being able to
have some equity in the workplace. The Howard government talks of aspiration and ad-
vancement, but the Howard government gives those with little to trade with their employer to
gain additional advancement very little to aspire to. That is the kind of choice that the Howard
government has implemented—no choice at all.

The member for Moreton went on to say that we on the other side of the chamber look to a
return to everyone being paid the same in the same kind of environment, where no additional
money is available to those with skills to trade with their employers. I know other politicians
have a tendency to gild the lily, but I have to say nothing could be further from the truth. Not
only does it completely and utterly misrepresent the position of Labor when it comes to its
view on future industrial relations; it also shows a complete ignorance of the industrial rela-
tions laws of this country for decades.

The member for Moreton, and no doubt other members opposite, may not realise that it has
never been the case that employers were not allowed to pay higher than award wages. The
award system has always established minimums for either an industry or an enterprise and has
always allowed overaward payments. An employer always had the ability to improve the level
of remuneration or conditions set down in the relevant award by the process of overaward
payments. ‘Overaward payments’ is a term that would have at one time just rolled off the
tongue of many, because that is what people would have once negotiated to achieve. Pay-
ments made over and above an award formed what is referred to as a common law contract
for the difference. That is simply the reality of industrial life. These people should revisit what
has already been set down. These people now setting the terms and conditions of industrial
relations for the future have really missed out on the benefits in the past.
The greatest act of economic vandalism that this government has perpetrated on the Australian economy is its contentment to simply ride on the wave of economic prosperity brought about through the reforms of the Hawke and Keating Labor governments. This government has been more than willing to sit idly by and watch productivity growth falter. After a decade of average productivity growth of 2.7 per cent over the term of the last Labor government, productivity growth has been allowed to slump to a mere 1.6 per cent over the period of this government. The September quarter national account figures show that productivity has failed to grow since the June quarter in 2004. There have been more than two years of zero net productivity growth.

The September quarter national accounts also show that labour productivity growth actually declined by 1.6 per cent in the previous six months. This is not the worst of this government’s crimes against productivity. Economic commentators throughout the world were once impressed by Australia’s relative productivity growth during the nineties compared to the benchmark of the United States. The Australian economy was being studied to determine the factors and conditions that produced such impressive productivity gains and assisted in producing such buoyant economic conditions.

Following the rapid productivity growth of the nineties, Australia’s relative productivity was measured at that stage as 85 per cent of that of the United States. The decline that this government has presided over—the decline that this government has allowed to occur—means that Australia has dropped back to only 79 per cent of US levels. This government and its lack of action have presided over this. You have to ask yourself: is this government taking steps to address the problem? Is the government asking what is going on and why we cannot match the performance of the Hawke-Keating period? Is the government asking what we should be doing to regain average labour productivity growth of nearly three per cent? Of course not. It is simply trying to work out how it will spend the rivers of gold pouring into the Treasury coffers in a manner that will be of most advantage to its re-election.

For this government, pork barrelling, political pandering and buying off interest groups is the only benefit to be had from this minerals boom. Responsible governments would have invested in the future, increased spending on education and training and invested in infrastructure. A responsible government would use the good fortune provided to us to build the foundation for the next round of economic growth.

Working smarter and not necessarily harder, encouraging innovation and developing new technologies and new ideas is the means by which Australia will be able to compete with the low-wage emerging economies of China and India. This government does not seem to understand that, and it certainly does not have any aspiration to understand that. To build the platform for the next round of economic and productivity growth, and to lock in prosperity, we need to invest in the future, and we need to invest now. Around the world, our competitors are investing in their people. They are investing in education, skills and innovation. Instead of investing, we are in fact cutting expenditure in those areas.

If you do not believe me, just look at the statistics. Australia’s overall investment in education is 5.8 per cent of GDP, which is behind 17 other OECD countries. Other nations have, on average, increased their education spending by 48 per cent. Australia has actually had a reduction of seven per cent over that same period. We are ranked 29th in global competitiveness in science and education levels. No wonder we have a declining economy.
I am deeply troubled about the prospects of future generations in Australia should this government continue its neglectful management of the economy. To simply rely on funds that are flowing from the budget as a result of the minerals boom to curry electoral favour with various groups does not lock in prosperity and it does not bode well for Australia’s future generations. The government’s crimes against productivity will have long-lasting effects on the economy. To think that the government continues to ignore the need to invest in productivity infrastructure, to remove bottlenecks, to invest in education, skills development and training and to provide the means through which innovation and the commercialisation of innovation can occur so as to profit this country is, quite frankly, a disgrace. I look forward to trying to remedy these issues. I look forward to trying to correct the wrongs of this government. I look forward to the election of a Rudd Labor government— (Time expired)

Mr JENKINS (Scullin) (6.10 pm)—Debates such as this one on Appropriation Bill (No. 3) 2006-2007 and Appropriation Bill (No. 4) 2006-2007 allow us, under the standing orders, to discuss public affairs. Today I wish to discuss the way in which the government puts in place its public policy statements. This week we had a discussion on a matter of great importance—our continued involvement in Iraq. In fact, we have had a ‘discussion’ about matters to do with Iraq in general, but what we have not had is a debate.

Often, I regret to say, members of the government have suggested that in some way, because this government has what it believes to be a more virtuous outlook on question time, that question time can replace proper debate. That is not the case because, as I have said before, if one reads the standing orders, question time is not a level playing field. I am not picking on Minister Hockey, but I give his performance in question time today as an example. If the opposition had asked a question that mentioned an individual’s name and in any way went on to make derogatory remarks about that person, it would have been ruled out of order. Today Minister Hockey, at the end of his answer to a dorothy dix question provided by a member of the government, took to an academic— with vague relevance but sufficient to have it ruled as relevant— who has very little opportunity for rebuttal.

I see that two distinguished members of the Procedure Committee—the member for McPherson and the member for Banks—are in the chamber. They, along with members of other committees, have thought that citizens should have a better right of rebuttal when comments are made about them in the chamber. In this case, the academic was named and his motives for putting a position were derided because of his past associations, including singing in the Trades Hall choir or whatever it was. I only raise this because it is about parliamentary standards; it is about the way in which we project ourselves to the rest of the world.

Last week, on the day that the state and territory heads of government were to meet with the Prime Minister about his $10 billion water plan, the Prime Minister was asked quite rightly and legitimately in question time, before that meeting, to provide the House with some detail about the plan—which had been out in the public ether for about four or five days by Thursday. What was his answer? He said that it would be inappropriate for him to explain the detail to the House before he explained it to the territory chief ministers and state premiers.

I am sorry, but if we are going to have fair dinkum debates about important issues like water, some of the action should occur in a parliamentary democracy—in the houses of the parliament. In fact, a week later, we find that there is a lot to question about this proposal. It would appear that this proposal was run out of the Prime Minister’s office—Australia’s
equivalent to the Oval Office—without too much process through cabinet. I have never had to stand here and actually protect the rights of executive government before but, in this case, even that was bypassed. We have had the bypassing of the full executive government and we have had no discussion of this proposal in the parliament, and then this is portrayed in the community as the levels of government and the parties not cooperating on an important issue.

Of course we want to cooperate, because it is a serious problem. But we need a fuller discussion about this type of thing, when this goes to a criticism about the Murray-Darling Basin Commission, which was set up by a piece of legislation, amended as recently as late last year, and which has been a successful body where all tiers of government have been able to come to the table. All the states involved in the Murray-Darling Basin finally came to the table. We can remember a time when those who looked after the headwaters, the Queensland state government, were not involved. But they were all involved. We have not really had explained why there is a need for a new mechanism where the Commonwealth decide, in their version of new federalism, that they will take over holus-bolus without explaining to the public or to the leaders of the state governments in what way the powers will be divvied up.

I notice that it appears—and it is reported in the paper—that at least one member of the coalition parties, the honourable member for Mallee, has raised his concerns. How demeaning, last week, to get him to ask the dorothy dix question that went to matters that he has championed ever since he first came into this place. It is not as if he is somebody new to this question. He then gets, in the answer back from the Prime Minister, all the things that he has been promoting. Now, a week after that incident, he finds when he starts to study the detail that in fact there are a whole host of questions. So not even the processes of the coalition parties have apparently been followed with regard to this important piece of public policy.

Often people say, ‘Look, this is not about processes; this is about outcomes.’ But I can assure you, for those who should have faith in the way we put in place a parliamentary democracy in Australia: it is fairly important what happens here. And the cooperation that you can get across parties is fairly important.

Mr Deputy Speaker Haase, without drawing you into the debate, you as a contributing member to a variety of parliamentary committees know that that is the case. You know that we can achieve a lot of things, in the case of the House of Representatives, through bipartisan action. That is important. And it is a very important thing to do with the future development of Australia in a sustainable way.

One of the words that we do not hear enough about is sustainability. Sustainability cuts across all notions of public policy, whether they be economic, environmental or social. They are the pillars that we should be talking about. In the past, they have been pillars that have been hidden behind: ‘We can’t solve this or that environmental policy because of the economic damage that might go on.’ I think we have moved on from that, and we can have a sensible debate about things like the River Murray, but that is best done in a way that is inclusive and that understands that people expect a bit better out of their elected representatives in a parliament.

There is another aspect about this besides the lack of detail that goes to question time, for which I have given examples such as water policy and the attitude to answering questions about Iraq. I am on the record where I decried the fact that, especially in the early years of our involvement in Iraq, there was so little debate in the parliament. There were two longwinded
debates before the troops were sent in, and then there was silence—because, of course, two or three months after hostilities commenced, we had that great scene on 1 May 2003 where George Bush, in the copilot seat of the fighter, made the landing on the USS Abraham Lincoln, then got up and made the speech with the banner behind him: ‘Mission accomplished’.

Tell that to the families of the thousands of US defence personnel who have been killed, the families of the over 100 UK personnel who have been killed and the families of the at least 60,000 Iraqi civilians who have been killed. When we want to have a discussion about this, the only discussion that the parliament will have is in question time—which, of course, as I have said before, is very much not a level playing field.

I am on the record as saying that I did not think we should have gone in when we went in. I sure think that we should be out of there as soon as it can be appropriately arranged. Of course we understand that there is a need, in strategic terms, to look at that and do it in an orderly fashion. But, if the Prime Minister thinks that there is only one case that can be argued about the effect of Australian troops or the whole of the coalition of the willing leaving Iraq, he is wrong. What he does not consider is that their presence in Iraq is an impediment to the continuing developmental progress of a new form of leadership and control in Iraq. There is a good case for saying that. There is a good case for saying that the American personnel especially have been perceived—and I am not making any comment about their actions; I am talking about perceptions—as a catalyst for the civilian civil war occurring in Iraq at the moment. I think anything that we can do by way of other measures that can be taken to assist the continued development of a new Iraqi regime should be looked at.

The Australian Labor Party, Her Majesty’s opposition, are on the record as saying that we believe that the continued involvement in armed action is not the way. If we really want to be helpful, we should be looking at reconstruction. There are plenty of credible American commentators who are now saying that the situation has been going downhill since the time George Bush landed on the USS Abraham Lincoln and claimed mission accomplished. Something that could have been perceived as a victory has gone downhill. But, if America decides to involve itself in the peaceful development of infrastructure and in the training and skilling up of the Iraqi population, it will get a great deal more credit and there is likely to be a better outcome.

They are the sorts of things that I believe that a parliament like ours can be involved in. At the moment we are having a very vigorous discussion about matters to do with climate change. Slowly but surely the Prime Minister is seeing the light. Slowly but surely he is understanding the problems that confront the globe because of carbon emissions leading to climate change. I think that most people now accept that there is a problem that has to be dealt with. In the past even I have admitted that there may have been a view that this was incorrect. But I have always said that that was not a reason for not doing anything, because we could not afford to wait to take action before things were verified in a scientific way.

One of the aspects we have not considered in our response to climate change is that we need to be looking at sustainable solutions and sustainable action. Therefore we should not have this false debate where the dog whistle is whistled, where we say, ‘All right, this is between having a coal industry and jobs and an alternative that has something to do with improving our chances of surviving climate change.’ Both can go hand in hand, and most thinking people understand that.
One of the things about hydrocarbon fuels is that, at the end of the day, the one that will remain in abundance is coal, and the world will have to look at cleaner ways of using coal. I say that in the context that we should look at a whole range of alternatives. We need to break through and say, ‘Why is it that people claim that solar is not economical? Why is it?’ ‘Why do we have these disagreements about the placement of wind farms?’ Those things by themselves are not the solution, but there are plenty of other solutions that we can come to.

Whilst I have not been able to visit that part of your electorate, Mr Deputy Speaker Haase, I have listened to not only you but also the member for O’Connor, who has championed tidal power. I had to admit that, at one stage, I was getting a little worried about myself, because he is starting to make even more sense. He is developing a case for tidal power as an alternative source of energy, but he is also looking at ways in which it could be used economically. He is looking at how it could potentially help not only the north-west but also down towards Perth along the western coast. It is that sort of thing that I admire. It may be that, at the end of the day, he is wrong. But the point is: if he is willing to put forward ideas like that in the Australian parliament, that is where we should debate them. It has got to be an attractive source of energy, because it is there to be used. It can provide a sort of baseload that other alternative methods may not be able to provide. That should not necessarily be the argument that tosses things out.

With respect to climate change we should be looking at other methods of providing sustainability. We should look not only at the individual level, the household level, and the way in which we use resources. The Minister for the Environment and Water Resources might be dismissive of what people are doing to reduce their water use, but it is important because it tells us that people are thinking about the issue and there is a cultural change about their expectations of what decision makers should do. We should be looking at ways to reduce water use at family level, at household level, at community level and at city level.

In thumbing its nose at parliamentary practices, the government has not responded to the sustainable cities inquiry of the House of Representatives Standing Committee on Environment and Heritage. What we members of that committee say is that we have to take the holistic approach, because if we want to have sustainable communities it is about the use of resources, it is about the ecological footprint and it is about the environment—but it is also about the economy and about the social networks within our communities. That is what we really should be on about—instead of nitpicking about schooling and blaming teachers for everything that is going wrong. I wish the Prime Minister and other ministers who make comments like that would come and visit some of the schools in my electorate and see the job that they do in teaching the kids of the outer northern suburbs of Melbourne. They should judge those teachers based on the way in which they progress those kids—not based on a comparison with other schools in suburbs where there is less disadvantage. What a nonsense! There should be a cooperative effort between families, parents and teachers. It is not just about national curricula. Of course there is also a case for national curricula, but that is not the be-all and end-all. There is great strength in the diversity of Australia. If we do not have a regional outlook on many things, we will lose that strength. We will be a very mundane society and community as a collective.

So we should acknowledge that through our schools. We should celebrate our schools, the important role they have and the successes they have. We should not have schools, such as the
ones in the electorate of Scullin in the government system, being decried because when they are compared to expensive private schools their statistics are not the same. The outcomes that they provide to the students that they are working with are very positive and families are appreciative of that. Families want to be involved in the education of their children and they know that, when they devolve responsibility for that during the daylight hours to educational institutions and school communities, those people are doing a good job.

I finish where I started. I would appreciate the Howard government really acting out—not just saying in words but acting out in deed—taking the parliament seriously and bringing on the big debates, not being scared of diverse opinion and taking that on board. Slowly but surely we will understand that there are other ways of improving Australia as a nation. (Time expired)

Mr Byrne (Holt) (6.30 pm)—In rising to make this contribution tonight on the appropriation bills, I endorse the comments made very eloquently by the member for Scullin on climate change. Like him, I believe that climate change is an issue that deeply disturbs my community and my electorate. People are very unhappy—that is how I would characterise their attitude—in the sense that they have been told, for example, that everything is going to be okay with respect to the climate. What they have witnessed in reality is substantial change in climate and substantial threat to their future economic prosperity, their economic security and their very living security.

That is a responsibility that government should take. The government’s responsibility is to alert its people in times of crisis or potential crisis and to work collaboratively and collectively towards solutions. But what we have had in the midst of the 11 years of this government is 11 years of denial about a problem that threatens the very economic security and economic prosperity of our country. That deeply disturbs me. So I certainly endorse the member for Scullin’s comments on climate change, because it is an issue that my community is demanding that our government, of whatever persuasion, takes action on.

In speaking on Appropriation Bill (No. 3) 2006-2007 and Appropriation Bill (No. 4) 2006-2007 tonight, I would also like to raise a couple of issues that concern my constituents. One in particular is the communication services that exist in the suburb of Cranbourne. I have been here in this Main Committee on several occasions and in the other place speaking about Cranbourne, which is a fantastic area and a suburb in my electorate of Holt. The very interesting thing about the suburb of Cranbourne is that in the past it was categorised as a rural township and it was known for that but, due to the very rapid expansion and growth of Melbourne, numerous families have shifted into the area and have changed the face of Cranbourne. So Cranbourne is now a very active, vibrant suburb of Melbourne, about 42 kilometres south-east of Melbourne.

In this suburb, which is inundated now with housing—in fact, the population growth of Cranbourne is astonishing—when someone picks up the phone to make a phone call, they have to pay an STD rate and that is ridiculous. The people of Cranbourne, who have lobbied this government for 11 years now for this particular issue to change, are very unhappy. Why is it, for example, that in the suburb adjacent or very close to Cranbourne, Berwick, a person does not have to pay an STD rate when they pick up the phone? When the residents of Frankston pick up the phone, they do not have to pay that particular STD rate.
So the question that I ask again on behalf of the residents of Cranbourne is this: in this rapidly growing suburban area, why do they have to continue to pay this STD rate? Really, it is a disgrace, because it is an injustice. The people of Cranbourne have asked their government to take their concerns into account for 11 years and they have not been taken into account. Because they are a suburban area, and that is acknowledged, they should not have to pay this STD rate. They have been told that everything is going to be okay. In fact, a local member of parliament who represents that region, or close to it, effectively said that this issue was going to be dealt with—it was going to be solved. There was going to be a government inquiry into it. The government was going to make submissions to Telstra and, on a great happy day 12 months subsequent to this particular announcement, the residents of Cranbourne, when they picked up the telephone, would not have to pay an STD rate.

Eighteen months have passed and Telstra has been sold, and there is no hope for the residents of Cranbourne. They have been deceived and they have been dunned by that member of parliament who made that promise in the local papers. He will be held to account for making that promise—you mark my words on that—because he has deceived the people of Cranbourne and they do not deserve to be deceived. The people of Cranbourne, for example, until very recently did not have a Medicare office—a Medicare office needed to serve a population base of some 30,000 people. Again, for 10 years before they got this office, they were lobbying the government, ‘We need a Medicare office.’ They deserved a Medicare office. They were located within the city of Casey and, until the Medicare office was opened in the city of Casey in 2004, when it had a population of 190,000, that city did not have a Medicare office and yet the city of Monash, which had a population of 165,000, had three Medicare offices.

The people of Cranbourne, like many of the residents of the city of Casey, pay taxes. The people of Cranbourne are good, hardworking, loyal Australians. They pay their taxes. They believe that a government should actually deliver a service which they are entrusted to provide—the provision of a Medicare office—but what has happened? It has taken them 10 years to actually get a Medicare office. That Medicare office was opened by the then minister, Joe Hockey.

What is interesting about this particular Medicare office? Unlike other Medicare offices in Fountain Gate, Dandenong and Frankston, which are all open until 7 pm on Thursday nights and between 9 am and 12.30 pm on Saturday mornings, the Medicare office in Cranbourne is the only nine to five, Monday to Friday office. There are an additional 5½ hours of access at the other offices compared to the hours of access at Cranbourne. Why are working families in Cranbourne being denied access to these services when just down the road in the Fountain Gate Shopping Centre people get those services? A lot of people work shiftwork and a lot of people have families.

In my electorate of Holt, I have the highest rate of mortgagees in the country. In my electorate, I have the highest rate of couples with dependent children in the country. These people work. They send their children to school. They take them to sporting events. They are not just the typical family working nine to five which this government seems to have in mind. These people are those who delivered economic prosperity to our country. They pay their taxes. Why aren’t the people of Cranbourne—hardworking people who have delivered this prosperity—being given access to a Medicare office operating during what I would categorise as reasonable hours? The Cranbourne shopping centre is a very busy shopping centre. People want to
take their forms to that particular shopping centre, particularly on a Thursday night or a Saturday morning because some of them cannot get there. In fact, I have spoken to people who tell me, ‘We’ve been working and we just basically can’t get there.’ The fact that it has not been opened outside of the normal nine to five hours, I think, is a disgrace. Again, if you are a resident of the city of Cranbourne, you would feel quite rightly that you were being discriminated against.

The other issue I would like to raise which really irks a great number of my constituents is the issue of broadband in the outer suburban areas of Melbourne, particularly in my area. We have a lot of families shift into this area and a lot of them would like to run businesses from home. They want fast internet access. I can give you an example of a constituent who asked that the issue be raised of broadband not being rolled out by Telstra. He lives in Lyndhurst. He has asked that I not name him, but we will call him Mr L. He has asked me to talk about his story. He applied for ADSL with Telstra in December 2006. On approximately 5 January, he was informed by Telstra that they would not be able to connect a BigPond broadband ADSL for him because apparently there were no ports free for connection and ‘Telstra has no plans to add further capacity’. So he is left waiting for someone to part the earth or the very unlikely event of someone giving up their broadband connection for dial-up. This is in Lyndhurst. Incidentally, this person has been working in the IT industry for the past 18 years and wanted to set up a business from home. Great incentive to live in Lyndhurst!

Another gentleman, a resident of Hampton Park, which is not that far away from Lyndhurst—he also has asked that I not use his name, but we will call him Mr F—has been endeavouring for the past 18 months to get ADSL broadband connected. He has neighbours who have a broadband connection. However, after he made a complaint to Telstra he was advised that, because he was located 5.15 kilometres from the exchange at Lynbrook, he was too far from the exchange. Just remember that—5.15 kilometres. If you are 4.5 kilometres away—600 metres away—you can get a connection, but if you are 5.15 kilometres away from this exchange you cannot. Consequently, he gets nothing.

To show how the issue of broadband really affects the economic productivity of our country and how it can affect people in my area, I want to talk in particular about a gentleman called Walter Meyler. He manages a company called Pressotechnik Pty Ltd, which is based in a factory in Rimfire Drive, Hallam. This company is a high-technology engineering company involved in metal pressing and metal joining. They sell in Australia and they build special-purpose machinery for industry. High tech—this is the next wave of Australian industry coming through, the next wave of Australian manufacturing. This particular company is a daughter company of a firm in Germany. It employs five people, so it is a small business.

Around August last year this gentleman shifted his company into Hallam. He applied to get an ADSL2 broadband connection. They needed the ADSL2 to communicate more efficiently with the parent company in Germany. This, the next wave of manufacturing reform and development, is the thing that you would expect governments would be trying to encourage in this country. We keep hearing about niche manufacturing; as old manufacturing is moving offshore, we have niche manufacturing. Here is our niche manufacturer.

Mr Meyler wanted the ADSL2 because he needed quick internet access to the intranet site in Germany. He wanted to employ a design engineer. This person needed to download and send large engineering design files to counterparts in Germany, China and the United States
and to their technical sales reps in New South Wales who needed to do reporting and access technical documentation via a customer relationship management package, which requires this particular technology to allow efficient access. When the company went to Telstra—because they expected that this would not be too much of a problem—they were advised that they needed a dedicated line from the Princes Highway, which runs close to Rimfire Drive, through a fibre optic cable. This would cost the company between $2,500 and $3,000 per month.

Other internet service providers said that the Hallam subexchange did not have the capacity and, therefore, they could not provide the ADSL2. Because the company’s access to the international intranet site is so slow, they have to get the parent company in Germany to post CDs with things like sales presentations on them. The area they are located in is industrial, with many small businesses and factories who would want to use this capacity in the future, if not now. Effectively, they cannot because of Telstra and because the government is not spending the money to roll out this broadband access which is needed.

When speaking to Walter about this issue—think about his company and what he does—he was very upset because he knows that in a country like Taiwan, which is looked at as an economic powerhouse in the region, the download speed is 50 megabits per second. What is his download speed? It is 0.5 megabits per second on his current ADSL. So how does he feel? We have to compete against companies in Taiwan. This company, from what I understand, is the sort of high-tech next generation manufacturing company that we need to attract into our area. We have a lot of young people coming through who need these sorts of jobs, and this company is seriously thinking of relocating as a consequence of this problem. So if you are a business and you want to shift into the Casey area or into Hallam, why would you do that?

What grossly offends me about this is that the department of communications confirmed in estimates on 12 February that the Howard government’s metropolitan broadband black spots program had spent six times as much on bureaucrats as on the roll-out of the broadband. More than two years after the $50 million program was announced by the Prime Minister during the 2004 election, government bungling has resulted in $1.3 million being spent on administration costs while only $200,000 has been spent on providing broadband services. People like Walter are not happy when they hear these sorts of facts. They want action. They deserve a government that delivers the services they pay their taxes for.

I would also like to talk about an issue of pressing importance in my electorate, and that is the Commonwealth Financial Counselling Program. You may recall that I mentioned that in my electorate I have the highest rate of mortgagees in this country. I have a lot of families. There are a lot of financial pressures in my electorate, and they were exacerbated when the price of petrol went to $1.40 and when there were interest rate rises. These people are very heavily leveraged and could do with some support. The Commonwealth Financial Counselling Program is administered by the Department of Families, Community Services and Indigenous Affairs. The Financial Counselling Program funds incorporated non-profit community based organisations and local government community service organisations to provide access to financial counselling services free of charge to individuals, families and small business operators who are experiencing personal financial difficulty due to circumstances such as unemployment, sickness, credit overcommitment—and that is an issue in my electorate—and family breakdown, which unfortunately is also a substantial issue in my electorate.
A range of services can be provided by a financial counsellor, as people here would know. They can assist with negotiations with creditors, advocate on a person’s behalf, assist people to take the appropriate course of action in debt recovery and, importantly, assist people to develop a budgeting plan so they can take control of their finances and avoid other consequences. The Commonwealth financial counselling service that can be accessed by people in my electorate is the Casey Cardinia Community Legal Service. This service has such a high level of demand that it usually fills three weeks worth of appointments within two days and unfortunately once the waiting time has been reached—three weeks—it has to stop taking appointments. In fact, in the face of massive demand, the service is given so few resources by the federal government that it can only afford two part-time financial counsellors, which does not even amount to a counsellor being available all week. It provides two part-time financial counsellors to provide assistance to the more than 96,688 people in my electorate. Why is this the case? If the federal government are going to spend a very large amount of money—as I understand they did—advertising to the electorate about why they should be financially responsible, why is it that they cannot spend the money to provide more financial counselling services on the ground for the large number of people in my electorate who need that service and would grasp at it very quickly if it was available?

In closing tonight, I would briefly like to talk about the Holt Australia Day awards, which I initiated and presented at Betula Reserve in Doveton on Australia Day—a very good day to present these awards. The purpose of the awards was to recognise the spirit and the commitment of local volunteers who through their service strengthen our community and our country. And they do. They are the glue that binds our community together. When we called for nominations we had a phenomenal response from a huge variety of community organisations. We had a selection committee. They had a very difficult task in choosing them.

The Holt Australia Day awards recognised a number of people and tragically I think my time is going to run out to mention them. I wanted to mention the invaluable efforts of the local CFA staff and volunteers who, in addition to the large volume of call-outs that they have received for local fires and assistance, were travelling as part of the CFA strike teams to the recent bushfires burning around the state. We honoured the five CFAs in my electorate. There had not been a formalised ceremony by the community to acknowledge their efforts and, given the number of hours that they put in and the lives and the properties that they literally saved, it was appropriate that we gave them an award. It went down very well.

I may run out of time, but I am going to mention some of the other people who deserve to be mentioned because they are very rarely recognised. They are Vitolio Aia, Susan Bergman, Anne Brown, Gary Brown, Margaret Fairhurst, Terri Fallows, Jenni Hunter, Judy Martin, Shirlene Dawn Nadarajah, Glenda Novotny, Connie Newman, Derbus and Rachela Pequeno, Ed Price, Ken Ritter, George Stephens, Venice Taweel, James Ter, Neil and Tammey Tiley, the Berwick Opportunity Shop and the Cranbourne, Hallam, Hampton Park, Narre Warren and Narre Warren North Fire Brigades. I thank all of the individuals mentioned for their incredible service and their devotion to their community. What strikes me about those people was that many had to be nominated by other people because they would not put themselves forward for an award. They are the unsung heroes. They are the people who make our community tick over. It was a huge honour for me to, in front of 500 people in Doveton at Betula Reserve, present the awards to them and to give those people—those silent heroes who make our coun-
try run—at least some recognition to let them know that they are appreciated and valued by our community.

Debate (on motion by Mr Melham) adjourned.

Main Committee adjourned at 6.51 pm
KPMG Contracts
(Question No. 4064)

Mr Kelvin Thomson asked the Minister for Education, Science and Training, in writing, on 4 September 2006

(1) What contracts have been awarded to KPMG by Departments or agencies within the Minister’s portfolio for the financial years (a) 2004-05, (b) 2005-06 and (c) 2006-07.

(2) What is the cost of each contract identified in Part (1).

Ms Julie Bishop—The answer to the honourable member’s question is as follows:

The response to this question includes data from DEST and its agencies. The Australian National University has not been included in the response to this question because it operates with a greater degree of autonomy than other departmental agencies.
Contracts awarded to KPMG for the 2004-05; 2005-06; and 2006-07 (up to 4 September 2006).

<table>
<thead>
<tr>
<th>Group</th>
<th>PRN Number</th>
<th>Contract Number</th>
<th>Supplier</th>
<th>Contract Description</th>
<th>Start Date</th>
<th>End Date</th>
<th>Total Contract Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)</td>
<td>AIATSIS</td>
<td>N/a</td>
<td>KPMG</td>
<td>Australian Equivalents to International Financial Reporting Standards (AEIFRS)</td>
<td>17-Mar-05</td>
<td>15-Apr-05</td>
<td>$3,300.00</td>
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<tr>
<td>Australian Research Council (ARC)</td>
<td>ARC</td>
<td>N/a</td>
<td>KPMG</td>
<td>KPMG’s Monthly Reporting Kit Licence and Support Agreement 2005</td>
<td>15-Sep-04</td>
<td>31-Dec-05</td>
<td>$13,200.00</td>
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<tr>
<td>Australian Research Council (ARC)</td>
<td>ARC</td>
<td>N/a</td>
<td>KPMG</td>
<td>KPMG’s Tax Management Technology - FBT Simplifier 2005 Software Licence Agreement</td>
<td>07-Mar-05</td>
<td>11-Aug-05</td>
<td>$744.70</td>
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<td>Australian Research Council (ARC)</td>
<td>ARC</td>
<td>N/a</td>
<td>KPMG</td>
<td>KPMG’s Tax Management Technology - FBT Simplifier 2006 Software Licence Agreement</td>
<td>12-Aug-05</td>
<td>01-Jun-06</td>
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<td>Australian Research Council (ARC)</td>
<td>ARC</td>
<td>N/a</td>
<td>KPMG</td>
<td>KPMG’s Monthly Reporting Kit Licence and Support Agreement 2006</td>
<td>01-Jan-06</td>
<td>31-Dec-06</td>
<td>$19,998.00</td>
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<tr>
<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Provision of taxation advice and services regarding deregistration of R&amp;D syndicate companies</td>
<td>01-Jul-04</td>
<td>31-Jul-04</td>
<td>$1,372.80</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Provision of taxation services regarding a CRC</td>
<td>01-Dec-04</td>
<td>31-Dec-04</td>
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<tr>
<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Professional fees for review of CSIRO financial policy</td>
<td>01-Mar-05</td>
<td>31-Mar-05</td>
<td>$4,294.13</td>
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<tr>
<td>Group</td>
<td>PRN Number</td>
<td>Contract Number</td>
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<td>End Date</td>
<td>Total Contract Value</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Probity Audit of a project</td>
<td>03-Mar-05</td>
<td>30-Aug-05</td>
<td>$12,570.25</td>
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<tr>
<td>CSIRO</td>
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<td>N/a</td>
<td>KPMG</td>
<td>Probity Audit of Data Managed Services RFT</td>
<td>03-Mar-05</td>
<td>30-Aug-05</td>
<td>$5,725.47</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Probity Audit of Data Management Capability RFT</td>
<td>03-Mar-05</td>
<td>30-Aug-05</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Research regarding classification of income received overseas and preparation of amended Australian income tax return</td>
<td>23-Mar-05</td>
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<td>$4,290.00</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Risk Management Harmonisation Project</td>
<td>29-Mar-05</td>
<td>30-Jun-05</td>
<td>$8,740.00</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>IFRS and accounting assistance</td>
<td>01-Apr-05</td>
<td>01-May-05</td>
<td>$5,238.75</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Provision of financial services relating to a financial modelling project</td>
<td>01-May-05</td>
<td>31-Aug-05</td>
<td>$16,500.00</td>
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<tr>
<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Provision of assistance to CSIRO in determining the taxation and accounting implications of senior executive remuneration package</td>
<td>01-May-05</td>
<td>31-May-05</td>
<td>$1,029.60</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Services relating to IFRS Status Letter to CSIRO Audit Committee</td>
<td>01-May-05</td>
<td>31-Jul-05</td>
<td>$5,494.50</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Audit services for CRC for the financial year ending 30 June 05</td>
<td>01-Jun-05</td>
<td>31-Jul-05</td>
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<tr>
<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Preparation of final income tax return for subsidiary company for the year ending 30 June 2006</td>
<td>01-Jul-05</td>
<td>30-Jun-06</td>
<td>$1,100.00</td>
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<tr>
<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Preparation of tax return due to overseas tax implications</td>
<td>01-Sep-05</td>
<td>30-Sep-05</td>
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<tr>
<td>CSIRO</td>
<td>CSIRO</td>
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<td>KPMG</td>
<td>Taxation advice regarding in relation to Sabbatical visit of an overseas Honorary Research Fellow</td>
<td>12-Sep-05</td>
<td>23-Sep-05</td>
<td>$1,870.00</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Provision of advice on tax and GST matters relation to the establishment of spin off company</td>
<td>01-Oct-05</td>
<td>24-Nov-05</td>
<td>$6,253.50</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Advice regarding indirect taxation affairs for “Trade Mark Assignment and Intellectual Property Licence Deed”</td>
<td>01-Nov-05</td>
<td>10-Feb-06</td>
<td>$1,842.50</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Provision of GST and tax advice regarding licence transaction</td>
<td>01-Dec-05</td>
<td>31-Dec-05</td>
<td>$3,300.00</td>
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<tr>
<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>FBT Simplifier software licence</td>
<td>01-Jan-06</td>
<td>31-Dec-06</td>
<td>$14,657.17</td>
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<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Audit services for a CRC</td>
<td>01-Feb-06</td>
<td>28-Feb-06</td>
<td>$3,850.00</td>
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<tr>
<td>CSIRO</td>
<td>CSIRO</td>
<td>N/a</td>
<td>KPMG</td>
<td>Preparation of FBT advice regarding conditions of posting for staff offshore</td>
<td>01-May-06</td>
<td>31-May-06</td>
<td>$836.00</td>
</tr>
<tr>
<td>Finance, Property and Planning Group</td>
<td>PRN6331</td>
<td>75408</td>
<td>KPMG</td>
<td>Review of the application of the Goods and Services Tax (GST) on transactions made by the Department of Education, Science and Training and to prepare a report documenting the GST treatment and develop some training material on the operation of the GST within the Department that can be provided to relevant staff</td>
<td>23-Nov-04</td>
<td>29-Apr-05</td>
<td>$21,670.00</td>
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### QUESTIONS IN WRITING

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<th>Group</th>
<th>PRN Number</th>
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<th>Start Date</th>
<th>End Date</th>
<th>Total Contract Value</th>
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<tbody>
<tr>
<td>Finance, Property and Planning Group</td>
<td>PRN1083</td>
<td>76757</td>
<td>KPMG</td>
<td>Review of DEST’s FBT Return prior to lodgement with the Australian Tax Office including a review of DEST’s FBT calculations and testing for reasonableness, errors and omissions</td>
<td>05-Jun-06</td>
<td>28-Sep-06</td>
<td>$9,000.00</td>
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<tr>
<td>National Training Directions Group</td>
<td>PRN7397</td>
<td>76293</td>
<td>KPMG</td>
<td>Conduct a review of the Group Training Australian Apprenticeships Targeted Initiatives Programme (TIP)</td>
<td>12-Oct-05</td>
<td>21-Dec-05</td>
<td>$298,650.00</td>
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<tr>
<td>Strategic, Analysis and Evaluation Group</td>
<td>PRN9365</td>
<td>76657</td>
<td>KPMG</td>
<td>Research consultancy services for Study of Workplace English Language Literacy (WELL) Projects, as a component of the 2006 Evaluation of WELL</td>
<td>26-May-06</td>
<td>30-Sep-06</td>
<td>$352,000.00</td>
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</table>

Note: The response to this question includes data from DEST and its agencies. The Australian National University has not been included in the response to this question because it operates with a greater degree of autonomy than other departmental agencies.
International Media Visits Program
(Question No. 4825)

Mr McMullan asked the Minister for Foreign Affairs, in writing, on 30 October 2006:

In respect of the 16 separate visits involving 63 media representatives, which were arranged in the 2005-06 financial year by the International Media Visitors (IMV) program; (a) who were the 63 media representatives and which groups and/or countries did they represent; (b) how were the participants chosen; (c) what was the stated objective of each visit; (d) how were the visits evaluated against their objectives; (e) what was the outcome of each visit; (f) how were the visits funded; and (g) what was the total cost of the visits to; (i) the taxpayer and (ii) the co-sponsoring organisations.

Mr Downer—The answer to the honourable member’s question is as follows:

(a) The Department hosted 16 separate media visits for 63 visitors under the International Centre’s International Media Visits (IMV) Program during 2005-06.

The IMVs for 2005-06 are set out below:

2005-06 International Media Visits Program Participants

<table>
<thead>
<tr>
<th>Visitor(s)</th>
<th>Date</th>
<th>Organisation</th>
<th>Position</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visit 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Ali A Hasan</td>
<td>14-19 Aug 2005</td>
<td>Iraq Television</td>
<td>Senior News / Current Affairs Correspondent</td>
<td>Iraq</td>
</tr>
<tr>
<td>Mr Ali Mohammed</td>
<td>14-19 Aug 2005</td>
<td>Iraq Television</td>
<td>Senior Assistant</td>
<td>Iraq</td>
</tr>
<tr>
<td>Mr Ali Sehel</td>
<td>14-19 Aug 2005</td>
<td>Iraq Television</td>
<td>Cameraman</td>
<td>Iraq</td>
</tr>
<tr>
<td>Visit 2</td>
<td>3-10 Oct 2005</td>
<td>Post Courier Newspaper</td>
<td>Senior Features and Supplements Writer</td>
<td>PNG</td>
</tr>
<tr>
<td>Mr Barney Orere</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visit 3</td>
<td>16-23 Oct 2005</td>
<td>International Business Daily</td>
<td>Deputy Chief Editor</td>
<td>China</td>
</tr>
<tr>
<td>Ms Teng Xiaomen</td>
<td>16-23 Oct 2005</td>
<td>21st Century Business Herald</td>
<td>Correspondent</td>
<td>China</td>
</tr>
<tr>
<td>Visit 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Vu Manh Cuong</td>
<td>27 Nov-4 Dec 2005</td>
<td>Lao Dong Newspaper</td>
<td>Deputy Chief Editor</td>
<td>Vietnam</td>
</tr>
<tr>
<td>Mr Veera Manickam</td>
<td>27 Nov-4 Dec 2005</td>
<td>The Star Newspaper</td>
<td>Deputy News Editor</td>
<td>Malaysia</td>
</tr>
<tr>
<td>Ms Myrna Ratna</td>
<td>27 Nov-4 Dec 2005</td>
<td>Kompas Newspaper</td>
<td>International Editor</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Visit 5</td>
<td>6-10 Feb 2006</td>
<td>Institute of Defence &amp; Strategic Studies</td>
<td>Professor</td>
<td>Singapore</td>
</tr>
<tr>
<td>Dr Kumar Ramakrishna</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Visit 6</td>
<td>20-24 Feb 2006</td>
<td>Frankfurter Allgemeine Zeitung</td>
<td>Foreign Editor</td>
<td>Germany</td>
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<tr>
<td>Mr Klaus-Dieter Frankömer</td>
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<td></td>
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<tr>
<td>Mr Marc van den Broek</td>
<td>20-24 Feb 2006</td>
<td>de Volkskrant Newspaper</td>
<td>Australian Correspondent</td>
<td>The Netherlands</td>
</tr>
<tr>
<td>Visit 7</td>
<td>27 Feb-3 Mar 2006</td>
<td>The Hindu Newspaper and Hindu Business Line</td>
<td>Joint Editor</td>
<td>India</td>
</tr>
<tr>
<td>Mr K Venugopal</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Mr George Skaria</td>
<td>27 Feb-3 Mar 2006</td>
<td>The Business Standard</td>
<td>Associate Editor</td>
<td>India</td>
</tr>
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</table>

QUESTIONS IN WRITING
<table>
<thead>
<tr>
<th>Visitor(s)</th>
<th>Date</th>
<th>Organisation</th>
<th>Position</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr Liu Wenfeng</td>
<td>25 Mar-1 Apr 2006</td>
<td>Private Business Weekly and Tainxia</td>
<td>Director of News Center and Deputy Editor-in-Chief Economic and Political Section</td>
<td>China</td>
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<tr>
<td>Ms Jin Zihua</td>
<td>25 Mar-1 Apr 2006</td>
<td>Xinmin Evening News</td>
<td>Deputy Director of Editor-in-Chief’s Office Assistant Editor-in-Chief</td>
<td>China</td>
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<tr>
<td>Ms Chen Zhenghong</td>
<td>25 Mar-1 Apr 2006</td>
<td>Public Commerce Information Service</td>
<td>China</td>
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<tr>
<td>Ms Yang Yanchun</td>
<td>25 Mar-1 Apr 2006</td>
<td>China Business News</td>
<td>China</td>
<td></td>
</tr>
<tr>
<td>Ms Chen Suihua</td>
<td>25 Mar-1 Apr 2006</td>
<td>Gujarzhou Daily</td>
<td>China</td>
<td></td>
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<tr>
<td>Mr Wiwat Panuwutiyanon</td>
<td>5-6 Apr 2006</td>
<td>Sarakadee Magazine</td>
<td>Senior Journalist</td>
<td>Thailand</td>
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<tr>
<td>Ms Nisha Devi Sabanayagam</td>
<td>5-6 Apr 2006</td>
<td>New Straits Times</td>
<td>Senior Journalist</td>
<td>Malaysia</td>
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<tr>
<td>Mr Wisnu Dewabrat</td>
<td>5-6 Apr 2006</td>
<td>Kompas News Print</td>
<td>Senior Journalist</td>
<td>Indonesia</td>
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<tr>
<td>Mr Pen Samiththy</td>
<td>5-6 Apr 2006</td>
<td>Rasmie Kampuchea</td>
<td>Senior Journalist</td>
<td>Cambodia</td>
</tr>
<tr>
<td>Dr Michael Brooks</td>
<td>26 April – 3 May 2006</td>
<td>New Scientist Magazine</td>
<td>Senior Features Editor</td>
<td>UK</td>
</tr>
<tr>
<td>Mr Vithal Nadkarni</td>
<td>26 April – 3 May 2006</td>
<td>The Economic Times</td>
<td>Science Editor</td>
<td>India</td>
</tr>
<tr>
<td>Visit 11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms Hasnaa Mokhtar</td>
<td>1-19 May 2006</td>
<td>Arab News Newspaper</td>
<td>Senior Journalist</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Mr Saleh Al Hamamy</td>
<td>1-19 May 2006</td>
<td>Arab News Newspaper</td>
<td>Senior Journalist</td>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Visit 12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms Kim Kyung Hee</td>
<td>14-26 May 2006</td>
<td>Seoul Broadcasting Service</td>
<td>News Reporter</td>
<td>South Korea</td>
</tr>
<tr>
<td>Ms Marieton Pacheco</td>
<td>14-26 May 2006</td>
<td>ABS-SBN Broadcasting Service</td>
<td>Senior Reporter (Host/Anchor)</td>
<td>The Philippines</td>
</tr>
<tr>
<td>Visit 13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Balazs Pocs</td>
<td>21-28 May 2006</td>
<td>Nepszabadsag Newspaper</td>
<td>Foreign Desk Editor</td>
<td>Hungary</td>
</tr>
<tr>
<td>Mr Jerzy Haszczynski</td>
<td>21-28 May 2006</td>
<td>Rzeczpospolita Daily</td>
<td>Foreign Editor</td>
<td>Poland</td>
</tr>
<tr>
<td>Mr Milan Fridrich</td>
<td>21-28 May 2006</td>
<td>Czech TV</td>
<td>Deputy Chief Editor / Noviny Daily</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>Mr Adam Cerny</td>
<td>21-28 May 2006</td>
<td>Hospodarske Noviny Daily</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visit 14</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Pablo Maas</td>
<td>12-20 Jun 2006</td>
<td>The Clarin Newspaper</td>
<td>Chief Editor</td>
<td>Argentina</td>
</tr>
<tr>
<td>Mr Sergio Malbergier</td>
<td>12-20 Jun 2006</td>
<td>Folha e Sao Paulo Portafolio</td>
<td>Business News Editor / Senior Trade Contributor</td>
<td>Brazil</td>
</tr>
<tr>
<td>Mr Tomas Uribe Mosquera</td>
<td>12-20 Jun 2006</td>
<td>ABC Color</td>
<td>Deputy Chief Editor</td>
<td>Paraguay</td>
</tr>
<tr>
<td>Mr Armando Rivarola</td>
<td>12-20 Jun 2006</td>
<td>El Diario Fianciero</td>
<td></td>
<td>Chile</td>
</tr>
<tr>
<td>Ms Marcela Corvalan</td>
<td>12-20 Jun 2006</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visit 15</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms Ida Suhadji</td>
<td>23-24 May 2006</td>
<td>GARTA</td>
<td>Foreign Correspondent</td>
<td>Indonesia</td>
</tr>
<tr>
<td>Ms Yuko Nakao</td>
<td>23-24 May 2006</td>
<td>Eumedia</td>
<td>Foreign Correspondent</td>
<td>Japan / New Zealand</td>
</tr>
<tr>
<td>Mr Tomohiro Takasa</td>
<td>23-24 May 2006</td>
<td>Nikkei</td>
<td>Foreign Correspondent</td>
<td>Japan</td>
</tr>
<tr>
<td>Mr Steven Bates</td>
<td>23-24 May 2006</td>
<td>Nikkei</td>
<td>Foreign Correspondent</td>
<td>Japan</td>
</tr>
</tbody>
</table>
### Questions in Writing

<table>
<thead>
<tr>
<th>Visitor(s)</th>
<th>Date</th>
<th>Organisation</th>
<th>Position</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Emma Henderson</td>
<td>23-24 May 2006</td>
<td>Jiji Press</td>
<td>Foreign Correspondent</td>
<td>Japan</td>
</tr>
<tr>
<td>Mr Susumu Sakata</td>
<td>23-24 May 2006</td>
<td>Kyodo News</td>
<td>Foreign Correspondent</td>
<td>Japan</td>
</tr>
<tr>
<td>Ms Miriam Raphael</td>
<td>23-24 May 2006</td>
<td>Kyodo News</td>
<td>Foreign Correspondent</td>
<td>Japan</td>
</tr>
<tr>
<td>Mr Sid Astbury</td>
<td>23-24 May 2006</td>
<td>Deutsche Press</td>
<td>Foreign Correspondent</td>
<td>Germany</td>
</tr>
<tr>
<td>Mr Rudolf Hermann</td>
<td>23-24 May 2006</td>
<td>Neue Zuercher</td>
<td>Foreign Correspondent</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Ms Vivian Jia Hou</td>
<td>23-24 May 2006</td>
<td>China Central TV</td>
<td>Foreign Correspondent</td>
<td>China</td>
</tr>
<tr>
<td>Mr Meng Tian</td>
<td>23-24 May 2006</td>
<td>China Central TV</td>
<td>Foreign Correspondent</td>
<td>China</td>
</tr>
<tr>
<td>Mr Urs Walterlin</td>
<td>23-24 May 2006</td>
<td>Zeitung / Handesblatt</td>
<td>Foreign Correspondent</td>
<td>Germany / Switzerland</td>
</tr>
<tr>
<td>Visit 16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr Urs Walterlin</td>
<td>5-7 June 2006</td>
<td>Zeitung / Handesblatt</td>
<td>Foreign Correspondent</td>
<td>Germany / Switzerland</td>
</tr>
<tr>
<td>Ms Vivian Jia Hou</td>
<td>5-7 June 2006</td>
<td>China Central TV</td>
<td>Foreign Correspondent</td>
<td>China</td>
</tr>
<tr>
<td>Mr Meng Tian</td>
<td>5-7 June 2006</td>
<td>China Central TV</td>
<td>Foreign Correspondent</td>
<td>China</td>
</tr>
<tr>
<td>Mr Oscar Cheng</td>
<td>5-7 June 2006</td>
<td>China Radio International</td>
<td>Foreign Correspondent</td>
<td>China</td>
</tr>
<tr>
<td>Mr Jinwei Li</td>
<td>5-7 June 2006</td>
<td>People’s Daily</td>
<td>Foreign Correspondent</td>
<td>China</td>
</tr>
<tr>
<td>Ms Emma Henderson</td>
<td>5-7 June 2006</td>
<td>Jiji Press</td>
<td>Foreign Correspondent</td>
<td>Japan</td>
</tr>
<tr>
<td>Mr Jorge Bechara</td>
<td>5-7 June 2006</td>
<td>O Estado de S. Paulo / RTP Portugal</td>
<td>Foreign Correspondent</td>
<td>Spain / Portugal</td>
</tr>
<tr>
<td>Mr Kimiko Aoki</td>
<td>5-7 June 2006</td>
<td>Eumedia</td>
<td>Foreign Correspondent</td>
<td>Japan / New Zealand</td>
</tr>
<tr>
<td>Mr Yumi Kobaysashi</td>
<td>5-7 June 2006</td>
<td>Nikkei</td>
<td>Foreign Correspondent</td>
<td>Japan</td>
</tr>
</tbody>
</table>

(b) IMV visitors are selected by the department following a process of nomination and consultation involving overseas posts and geographic and functional divisions. Visits can be themed around specific issues and high-level visitors in a given financial year. Ministers’ offices may be consulted about the selection of visitors and arrangements for programs.

The IMV program targets senior foreign journalists and editorial staff with the capacity to influence editorial content and/or generate informed international media coverage of Australia. Posts play an important role in identifying journalists that fit the objectives for each visit, determining the credentials of each candidate. The department in Canberra then selects the participants for each program.

(c) The objective of each visit is listed below:

<table>
<thead>
<tr>
<th>Visit Details</th>
<th>Objective of the visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Iraq 14-19 August 2005</td>
<td>Australia-Iraq Relations To promote contemporary Australia, including foreign and trade policies (particularly in the Middle East) and bilateral issues.</td>
</tr>
<tr>
<td>Visit Details</td>
<td>Objective of the visit</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2. Papua New Guinea (PNG)</td>
<td>Australia-PNG Relations</td>
</tr>
<tr>
<td>3-10 October 2005</td>
<td>To highlight person-to-person links between Australia and PNG – coincided with 30th Anniversary of PNG Independence.</td>
</tr>
<tr>
<td>3. China</td>
<td>China Group Media</td>
</tr>
<tr>
<td>16-23 October 2005</td>
<td>To support the bilateral trade and economic relationship and advocate Australia’s views relating to the prospective FTA between Australia and China. (Paid by China FTA Taskforce).</td>
</tr>
<tr>
<td>4. Vietnam, Malaysia, Indonesia</td>
<td>East Asian Media</td>
</tr>
<tr>
<td>27 November – 4 December 2005</td>
<td>To heighten awareness of Australia and the breadth/depth of its ties with the East Asia Region – in advance of the East Asia Summit in Kuala Lumpur on 4 December 2005.</td>
</tr>
<tr>
<td>5. Singapore</td>
<td>Strategic Studies for DFAT and the Australian Strategic Policy Institute (ASPI) Seminar on weapons of mass destruction and proliferation and Australia’s engagement in the region.</td>
</tr>
<tr>
<td>6-10 February 2006</td>
<td></td>
</tr>
<tr>
<td>6. Germany, The Netherlands</td>
<td>European Editors</td>
</tr>
<tr>
<td>20-24 February 2006</td>
<td>To raise Australia’s profile in The Netherlands and Germany as a diverse, sophisticated and innovative society.</td>
</tr>
<tr>
<td>7. India</td>
<td>Indian Editors</td>
</tr>
<tr>
<td>27 February – 3 March 2006</td>
<td>To promote the bilateral relationship (including trade and economic links) and highlight contemporary Australia and Australian Government Policy in the lead up to the Prime Minister’s visit to India in March 2006.</td>
</tr>
<tr>
<td>8. China</td>
<td>China Group Media</td>
</tr>
<tr>
<td>25 March – 1 April 2006</td>
<td>To support the bilateral trade and economic relationship and advocate Australia’s views relating to the prospective FTA between Australia and China. (Paid by China FTA Task Force).</td>
</tr>
<tr>
<td>Cambodia</td>
<td>To promote major international proliferation security initiative exercise hosted by Australia – Exercise Pacific Protector 06 in Darwin.</td>
</tr>
<tr>
<td>5-6 April 2006</td>
<td></td>
</tr>
<tr>
<td>10. United Kingdom (UK) &amp; India</td>
<td>Environment and Science Writers</td>
</tr>
<tr>
<td>26 April – 3 May 2006</td>
<td>To promote Australia’s policies on climate change and the environment.</td>
</tr>
<tr>
<td>11. Saudi Arabia</td>
<td>Saudi Arabia-Australia Relations</td>
</tr>
<tr>
<td>1-19 May 2006</td>
<td>To provide journalists with valuable insight into the workings of a major Australian newspaper and improve their understanding of Australia.</td>
</tr>
<tr>
<td>14-26 May 2006</td>
<td>To promote better understanding of the Australian media and how this is reflected in the region.</td>
</tr>
<tr>
<td>13. Hungary, Poland, Czech Republic</td>
<td>Central Europe Editors</td>
</tr>
<tr>
<td>21-28 May 2006</td>
<td>To increase international understanding of Australia (including foreign/trade policy, tourism, culture and gastronomy).</td>
</tr>
<tr>
<td>Visit Details</td>
<td>Objective of the visit</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>14. Argentina, Brazil, Colombia, Paraguay, Chile, 12-20 June 2006</td>
<td>Latin American Editors To promote Australia's objectives on agricultural liberalisation aiming to showcase efficiency, innovation and competitiveness of Australian agricultural sector – coincided with the lead-up to the Ministerial meeting marking the 20th anniversary of the Cairns Group's foundation. The Council of Australian Latin American Relations contributed to the program.</td>
</tr>
<tr>
<td>15. Foreign Correspondents' Annual visit to Canberra, 23-24 May 2006</td>
<td>Foreign Correspondents To provide resident foreign correspondents with a valuable insight into the operations of the Australian government and the role of parliament, parliamentary committees and the bureaucracy, and an understanding of a range of federal policy issues including foreign policy, trade, defence and other strategic issues.</td>
</tr>
<tr>
<td>16. Foreign Correspondents' Visit to South Australia</td>
<td>Foreign Correspondents To provide resident foreign correspondents with an understanding of contemporary Australia, highlighting Australian business activities and food and culture.</td>
</tr>
</tbody>
</table>

(d) The post responsible for the country of origin of each journalist submitted a report on each visit, outlining the benefits of the visit in terms of the initial objectives. The posts also submitted translations of the articles written by the visiting journalists in the local media in their country.

(e) Most of the journalists who visited Australia under the program generated extensive and positive reportage, under-scoring the opportunities for closer cooperation with targeted countries. Specific outcomes for each visit follow:

<table>
<thead>
<tr>
<th>Visit Details</th>
<th>Outcomes of the visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Iraq, 14-19 August 2005</td>
<td>Australia-Iraq Relations Post met with the journalists on their return to Baghdad. Journalists were pleased with the visit and valued the opportunity to meet with Foreign and Defence Ministers. A short DVD presentation was produced and the visit built considerable good will.</td>
</tr>
<tr>
<td>2. Papua New Guinea (PNG), 3-10 October 2005</td>
<td>Australia-PNG Relations The journalist was particularly prolific in his reporting. Some positive articles about Australia continue to appear in major PNG press. So far we have tracked 15 articles, including a full page supplement. Coverage included interviews with the Foreign Minister and former Australian missionary workers. The journalist also met the Governor-General.</td>
</tr>
<tr>
<td>3. China, 16-23 October 2005</td>
<td>China Group Media A total of 28 articles were published following the participation by the five journalists in this visit.</td>
</tr>
</tbody>
</table>

Visit Details | Outcomes of the visit
<table>
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<th></th>
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</thead>
<tbody>
<tr>
<td>Visit Details</td>
<td>Outcomes of the visit</td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>4. Vietnam, Malaysia, Indonesia</td>
<td>East Asian Media</td>
</tr>
<tr>
<td>27 November – 4 December 2005</td>
<td>In providing feedback to the post, the editors noted that the visit “significantly” improved their understanding of and reporting on Australia’s role in the region. Nine substantial articles, including a number of almost full page articles, were published by two of the three visit participants (Indonesia and Vietnam).</td>
</tr>
<tr>
<td>5. Singapore</td>
<td>Dr Ramakrishna provided positive feedback about his visit, noting that his meetings had been very productive and that he considered the ASPI seminar on WMD proliferation to have been very worthwhile.</td>
</tr>
<tr>
<td>6-10 February 2006</td>
<td></td>
</tr>
<tr>
<td>6. Germany, The Netherlands</td>
<td>European Editors</td>
</tr>
<tr>
<td>20-24 February</td>
<td>The editors were very appreciative of the visit and access to senior officials and Foreign Minister Downer. The visit resulted in at least four articles.</td>
</tr>
<tr>
<td>7. India</td>
<td>South Asian Editors</td>
</tr>
<tr>
<td>27 February – 3 March 2006</td>
<td>Both editors were very appreciative of the visit and opportunities it offered. A large number of articles based on the visit were published in the Hindu Business Line, including a major half-page story based on the journalist’s meeting with Foreign Minister Downer. The feature article was published just prior to Prime Minister Howard’s visit to India, raising Australia’s profile in a positive way at a key juncture. A total of 17 articles were published following the visit.</td>
</tr>
<tr>
<td>8. China</td>
<td>China Group Media</td>
</tr>
<tr>
<td>25 March – 1 April 2006</td>
<td>Nine newspaper articles were published following the visit. The positive coverage underlined the value of these visits to further raise the awareness of the depth of Australia’s economic relationship with China and the potential benefits of an FTA.</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Posts reported a positive response from journalists and the publication of four substantial articles, which were balanced and fair and included a positive representation of the goals and benefits of the Pacific Protector operation initiative.</td>
</tr>
<tr>
<td>5-6 April 2006</td>
<td>Environment and Science Writers</td>
</tr>
<tr>
<td>10. UK, India</td>
<td>Eight articles were published by the two journalists following this visit. We expect more articles will follow, particularly from the Indian participant. Journalists advised they were able to appreciate Australia’s strengths in sustainable environment practices and that this would be reflected in future reporting.</td>
</tr>
<tr>
<td>11. Saudi Arabia</td>
<td>Saudi Arabia-Australia Relations</td>
</tr>
<tr>
<td>1-19 May 2006</td>
<td>Post reported positive feedback from the journalists. One full feature article on Australia was published by one participant.</td>
</tr>
</tbody>
</table>
### Visit Details

<table>
<thead>
<tr>
<th>Visit Details</th>
<th>Outcomes of the visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>12. Korea, The Philippines 14-26 May 2006</td>
<td>The John Doherty Asia Pacific Journalism Internship (2006) The Philippines broadcast journalist produced two feature stories for ABS/CBN following her visit. She said her visit provided the opportunity to reflect a more accurate and balanced view regarding future reporting on Australia. The South Korean TV presenter/journalist was very positive about her participation in the visit. Two TV reports were produced (both on the Australia/US FTA) and were shown on TV morning news programs.</td>
</tr>
<tr>
<td>13. Hungary, Poland, Czech Republic 21-28 May 2006</td>
<td>Central Europe Editors To date, 23 newspaper articles have been published following the visit. Posts have advised further reporting can be expected. Articles covered broad themes: the economy, multiculturalism, sport, tourism and foreign policy. Feedback from the journalists has been enthusiastic, with all four noting their satisfaction with the content of the program and access/opportunities provided.</td>
</tr>
<tr>
<td>15. Foreign Correspondents’ Annual visit to Canberra 23-24 May 2006</td>
<td>Foreign Correspondents A significant number of foreign correspondents wrote articles for publication and continue to be influenced by the positive elements of the visit.</td>
</tr>
<tr>
<td>16. Foreign Correspondents’ Visit to South Australia</td>
<td>Foreign Correspondents A significant number of foreign correspondents wrote articles for publication and continue to do so.</td>
</tr>
</tbody>
</table>

(f) All the IMV visits were funded by the Department of Foreign Affairs and Trade’s International Media Centre, with the exception of three. Two visits by Chinese journalists in October 2005 and March 2006 were funded by departmental funds set aside to administer and support the Free Trade Agreement negotiations between Australia and China. The five journalists who visited under the Latin American Editors program in June 2006 were jointly funded by the IMC and the Council of Australia-Latin American Relations (COALAR).

(g) The total cost of these visits was $502,948.50 consisting of $381,000.00 expenditure under the International Media Visits program, $81,474 under the Australia-China FTA advocacy program, and $40,471.50 as the COALAR contribution to the joint funding of the Latin American editors’ visit. There were no co-sponsorships by organisations outside DFAT for any of the visits in 2005-06.

### Weight Reduction Drugs

**Question No. 4835**

Mr Laurie Ferguson asked the Minister for Health and Ageing, in writing, on 30 October 2006:

1. Does the Department of Health and Ageing conduct any trials to assess the efficacy of weight reduction drugs such as Fat Buster and Xenical.

2. Are manufacturers and promoters of weight reduction drugs required to provide details of any clinical studies they have conducted.

3. How many drugs that claim to aid in weight reduction are currently available for sale in Australia.
(4) Has the Department of Health or the Therapeutic Goods Administration ever taken any action against a manufacturer or promoter of weight reduction drugs for misleading and deceptive conduct; if so, what are those details.

Mr Abbott—The answer to the honourable member’s question is as follows:

(1) No. Conducting trials to support the approval of medicines is the responsibility of the sponsor of the product concerned.

(2) In general, products making therapeutic claims must be included in the Australian Register of Therapeutic Goods (ARTG) before being supplied in Australia. Medicines may be listed or registered in the ARTG depending on the ingredients they contain and the claims that are made for them.

Registered medicines (identifiable by an AUST R number on the label) are considered to be of relatively higher risk and are individually evaluated by the Therapeutic Goods Administration (TGA) for effectiveness as well as quality and safety prior to market entry.

Xenical is a registered medicine and therefore the TGA has assessed it for quality, safety and efficacy. Xenical is indicated for the treatment of obese patients with a body mass index (BMI) ≥ 30, and overweight patients with a BMI ≥ 27 in the presence of other risk factors, in conjunction with a mildly hypocaloric diet. Xenical is only permitted to be supplied by pharmacists.

There are two listed medicines containing the name “Fat Buster” on the ARTG. Listed medicines (identifiable by an AUST L number on the label) are of relatively lower risk, as they may only contain ingredients that have been approved by the TGA as being of low risk and may only make certain therapeutic claims.

The sponsors of such products are required to hold relevant evidence that is of the level and type appropriate for the product in accordance with the Guidelines for Levels and Kinds of Evidence to Support Indications and Claims For Non-Registerable Medicines, including Complementary Medicines, and other Listable Medicines. However, the TGA does not evaluate this evidence prior to the product being included on the ARTG as a Listed (low-risk) medicine.

Listed medicines may not generally refer to serious forms of disease, disorders or conditions, or indicate that they are for the treatment, cure, management or prevention of any disease, disorder or condition. Weight loss products that are Listed on the ARTG are not permitted to make claims relating to obesity as obesity is considered a serious condition.

Listed medicines may only make weight loss claims provided they clearly indicate that the product may only assist in losing weight when used in conjunction with dietary and exercise measures.

(3) The TGA conducted a search of the ARTG in response to the question. With regard to registered medicines, there are three active ingredients used in Registered prescription-only medicines for the purposes of weight loss, with twenty-five associated register entries (corresponding to different brands, strengths, etc). There is one active ingredient used in two (registered) over-the-counter medicines indicated for weight loss.

With regard to Listed medicines, there are currently 229 listed medicines that make reference to “weight loss”, “weight reduction” or “overweight” or that use the claim “May aid or assist weight loss by suppression of appetite in conjunction with (or as part of) a kilojoule/calorie controlled eating plan”.

(4) The TGA enforces the Therapeutic Goods Act 1989 (the Act) and subordinate legislation. This legislation relates to the regulation of medicines. Although advertising and claims are regulated under the Act, terms such as “misleading conduct” may relate to conduct that is also prohibited by the Trade Practices Act 1974.
The TGA has taken action where sponsors of weight loss products have breached the Act, including cancelling products. Where a sponsor makes an inappropriate claim (for example a listed medicine referring to obesity, or a claim outside those approved for the product), or a claim that cannot be substantiated, the TGA can take regulatory action. However, the details of such actions are not publicly available.

Additionally, the TGA has taken action where products have been advertised inappropriately. Under Australia’s co-regulatory system of advertising, the Complaints Resolution Panel (CRP) considers complaints against advertisements in mainstream print and broadcast media and internet advertising for therapeutic goods. The CRP publishes its determinations on the Complaints Register: <http://www.tgacc.com.au>. Other complaints (including some against internet advertisements and point of sale or direct mail material) are handled by the TGA directly.

Any advertisements for therapeutic goods are required to comply with the Therapeutic Goods Advertising Code (TGAC). Recent amendments to the TGAC have strengthened the requirements for advertisements making claims for weight management, whereby these advertisements must now have a balance between the claims and references to healthy energy-controlled diets and physical activity. Therefore, any weight management claim for such a medicine is dependent not only on the medicine’s ingredients, but also critically dependent on diet and exercise.

Clause 7(3) of the TGAC states that:

“Advertisements for therapeutic goods containing claims for weight management, meaning weight loss, measurement reduction, clothing size loss and weight control/maintenance, must have an appropriate balance between the claims and references to healthy energy-controlled diet and physical activity.”

Child Support Agency
(Question No. 4914)

Mr Katter asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 27 November 2006:

(1) Is he aware (a) of the hardship caused to fathers by the policies of the Child Support Agency (CSA), such as support payments calculated on gross income, and (b) that if the CSA makes a mistake it is generally the father who is required to find large sums of money immediately, potentially forcing him into debt and placing severe strain and financial hardship on his second marriage.

(2) What more can he do to alleviate this situation, particularly if the wife leaves with the children and is living in a financially secure environment, possibly with the support of two wages, while the father remains liable for high levels of child support payments.

(3) Why does current CSA policy allow a father be disadvantaged and left with poor financial resources, when his wife has moved on and entered another relationship.

Mr Brough—The answer to the honourable member’s question is as follows:

The principle of the Child Support Scheme is that children of separated parents should benefit from the financial support of both their parents, according to their parents’ capacity to support them. In most cases, a parent’s taxable (gross) income is a reliable and accurate measure of a parent’s capacity to provide financial support for their children. Using taxable income as the base places child support as the highest priority on a parent’s income, equivalent to paying tax. The recent Ministerial Taskforce on Child Support considered this issue, as part of extensive research undertaken on the costs of children, and recommended the continued use of taxable income for these reasons. Additionally, using net income would result in higher child support percentages in order to maintain an appropriate level of child support. This would disadvantage paying parents earning lower incomes as they pay lower levels of tax, and would therefore pay a higher proportion of their after-tax income in child support.
Most underpayments of child support are as a result of more accurate income information becoming available and being applied to the assessment. When an underpayment is due to a CSA error, CSA will endeavour to contact the parent to make appropriate arrangements for payment. CSA takes into account a parent's financial circumstances when entering into a payment arrangement. CSA is currently implementing the Building a Better CSA initiative, to improve customer service and reduce the occurrence of errors. As this is a service delivery issue, further questions should be directed to the Minister for Human Services, the Honourable Joe Hockey MP, who has responsibility for the service delivery of CSA.

The Child Support Scheme was recently the subject of an extensive review by a Ministerial Taskforce. The Australian Government has accepted the Taskforce's recommendations to improve the Child Support Scheme. The recommendations are currently being implemented in three stages, with the majority of reforms to be introduced from 1 July 2008. This will include a new child support formula based on new Australian research on the costs of children. The primary objective of the Child Support Scheme remains to ensure that separated parents take responsibility for the support of their children. As such, only the income of the child's natural or adoptive parents is taken into account, not the income of any new partner that either parent may have.

From 1 July 2008, income from second jobs and overtime that is earned by parents in the first three years after separation for the purpose of meeting re-establishment costs will be able to be excluded from the income that is used to calculate child support. This measure is part of Stage 3 of the Child Support Reforms from 1 July 2008 and will assist parents who need to re-establish themselves after relationship breakdown.

**Asia-Pacific Economic Cooperation 2007 Meetings**

(Question No. 4932)

**Mr Melham** asked the Minister for Industry, Tourism and Resources, in writing, on 29 November 2006:

(1) What is the total cost so far to the Department of Industry, Tourism and Resources, including
   (a) administrative expenses,
   (b) accommodation and property management,
   (c) travel,
   (d) security and
   (e) all other expenses, of the preparations for the APEC 2007 meetings which will be held in Australia.

(2) What is the projected total cost to the Department of Industry, Tourism and Resources, including
   (a) administrative expenses,
   (b) accommodation and property management,
   (c) travel,
   (d) security and
   (e) all other expenses, of holding the APEC 2007 meetings.

(3) How many Department of Industry, Tourism and Resources officers are primarily engaged on preparations for the APEC 2007 meetings.

**Mr Ian Macfarlane**—The answer to the honourable member’s question is as follows:

(1) The total cost so far to the Department of Industry, Tourism and Resources, for the preparations for the APEC 2007 meetings which will be held in Australia is: $876,587.

(2) The projected total cost to the Department of Industry, Tourism and Resources for holding the APEC 2007 meetings is: $3,153,831.
(3) The number of Department of Industry, Tourism and Resources officers primarily engaged on preparations for the APEC 2007 meetings is 25.9 ASL.

**Asia-Pacific Economic Cooperation 2007 Meetings**  
(Question No. 4933)

Mr Melham asked the Minister for Transport and Regional Services, in writing, on 29 November 2006:

1. What is the total cost so far to the Department of Transport and Regional Services, including (a) administrative expenses, (b) accommodation and property management, (c) travel, (d) security and (e) all other expenses, of the preparations for the APEC 2007 meetings which will be held in Australia.
2. What is the projected total cost to the Department of Transport and Regional Services, including (a) administrative expenses, (b) accommodation and property management, (c) travel, (d) security and (e) all other expenses, of holding the APEC 2007 meetings.
3. How many Department of Transport and Regional Services officers are primarily engaged on preparations for the APEC 2007 meetings.

Mr Vaile—The answer to the honourable member’s question is as follows:

1. Total cost: $1,164,837  
   (a) administrative expenses: $726,822  
   (b) accommodation and property management: $61,178*  
   (c) travel: $241,393  
   (d) security: $5,337*  
   (e) all other expenses: $130,107  
2. Projected total cost $3,540,839  
   (a) administrative expenses: $2,340,804  
   (b) accommodation and property management: $147,150*  
   (c) travel: $456,709  
   (d) security: $7,471*  
   (e) all other expenses: $588,705  
3. As at 1 December 2006, 10 staff were primarily engaged on preparations for APEC 2007 within the Department.

* Accommodation and security costs are derived from a notional allocation per FTE.

**Nicobrevin**  
(Question No. 4936)

Mr Laurie Ferguson asked the Minister for Health and Ageing, in writing, on 30 November 2006:

1. Was Nicobrevin the subject of an evaluation by the Therapeutic Goods Administration (TGA); if so, did the TGA seek the advice of any expert committee; and if so, (a) what was the substance of the advice received and (b) did the TGA accept the advice; if not, why not.
2. Noting that the Administrative Appeals Tribunal (AAT) was established to consider matters of fairness, process or public policy, upon what grounds, and with what level of expertise, can the AAT deliberate upon high-level technical or professional opinion.

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QUESTIONS IN WRITING
Mr Abbott—The answer to the honourable member’s question is as follows:

(1) Yes. The Therapeutic Goods Administration (TGA) sought the advice of the Medicines Evaluation Committee (MEC).
   (a) The MEC advised rejection of the application.
   (b) Yes.
(2) The TGA is obligated to follow any directions from the Administrative Appeals Tribunal. The structure and functions of the Administrative Appeals Tribunal are not matters that the Minister for Health and Ageing can advise on.

Legal Aid
(Question No. 4954)

Mr Murphy asked the Attorney-General, in writing, on 4 December 2006:

(1) Further to his response to question No. 4850, can he confirm that Commonwealth funding for legal aid services was, in 2005-06 dollar terms, (a) $78,897,447 in 2002-03; (b) $79,902,832 in 2003-04; (c) $41,425,010 in 2004-05; and (d) $38,778,000 in 2005-06.
(2) Since the 2003-04 Budget period, has there been a decline in Commonwealth legal aid funding of 51.5 per cent in dollar terms.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) No. As explained in my response to question number 4850, the Australian Government has funded Commonwealth legal aid services through two appropriations over the period in question. The figures referred to by the honourable member appear to relate to only a part of the total funding provided by the Government for these services – that allocated in Appropriation Act (No 2).
(2) No. As explained in my response to question number 4850, there has been no decline in total Commonwealth funding for legal aid over the period in question.

To the contrary, payments for legal aid services through legal aid commissions increased by 16.01 per cent between 2003-04 and 2005-06.

The reduction between 2003-04 and 2004-05 in the amount allocated in Appropriation Act (No 2) reflects the transfer of funding for legal aid services through the Legal Aid Commission of NSW to Appropriation Act (No 1). Payments for the provision of legal aid services through legal aid commissions are made directly to legal aid commissions in three jurisdictions under Appropriation Act (No 1) and to States and Territories for five other jurisdictions under Appropriation Act (No 2). Payments from both appropriations were: $128.02m in 2003-04; $144.67m in 2004-05; and $148.52m in 2005-06.

As explained in my response to question number 4850, the Australian Government provides funds for other forms of legal assistance as follows:

- payments for the provision of legal aid to Indigenous Australians
- payments to community legal services
- payments to Indigenous family violence prevention legal services; and
- payments under various schemes of financial assistance.

In 2003-04, funding for these payments and for legal aid services provided through legal aid commissions totalled $212.06m; in 2005-06, they totalled $236.08m – an increase of 11.33 per cent overall.
Superannuation
(Question No. 4957)

Mr Martin Ferguson asked the Minister for Revenue and Assistant Treasurer, in writing, on 6 December 2006:
For the 2005-06 financial year and for each federal electorate, how many people participated in the Government’s Co-contribution Superannuation Scheme.

Mr Dutton—The answer to the honourable member’s question is as follows:
The Commissioner of Taxation has advised he is unable to provide details about the number of people per electorate who have participated in the co-contribution scheme.

Migrant Workers
(Question No. 4965)

Mr Melham asked the Minister for Foreign Affairs, in writing, on 6 December 2006:
(1) Did the United Nations Convention on the Protection of Rights of All Migrant Workers and Members of their Families come into force on 1 July 2003.
(2) On what occasions, in what circumstances and with what results has Australia consulted with other States about becoming a party to the Convention.

Mr Downer—The answer to the honourable member’s question is as follows:
(1) Yes.
(2) Australia has not formally consulted with other States on becoming a party to the Convention.

Iraq
(Question No. 4974)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 7 December 2006:
(1) Has the United States Government made representations to the Government of Iraq requesting that the latter agree to a timetable for the disbanding of militias; if so what was the Iraqi Government’s response.
(2) Has Australia made similar representations; if so what response was received.

Mr Downer—The answer to the honourable member’s question is as follows:
(1) The United States Government has publicly stated its concerns about the impact of militias in Iraq and is in regular discussions with the Iraqi Government on a range of matters, including security.
(2) The Australian Government has had ongoing discussions with, and has made representations to, the Iraqi Government on a range of matters, including security.

Iraq
(Question No. 4975)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 7 December 2006:
What was the total cost of the allied contribution to the stabilisation of Iraq during the calendar year ending 30 December 2006.

Mr Downer—The answer to the honourable member’s question is as follows:
A figure for the total cost of international efforts to support the stabilisation of Iraq is not available. To determine the cost of contributions of each of the twenty seven coalition partners, as well as NATO and multilateral contributions, would entail a significant diversion of resources. I do not consider the additional work can be justified.
Iraq
(Question No. 4976)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 7 December 2006:
Does the Australian Government have details of the number of Iraqi civilians who were killed by acts of violence during the calendar year ending 30 December 2006; if so, what are those details.

Mr Downer—The answer to the honourable member’s question is as follows:
The Government remains concerned about the security situation in Iraq, including civilian deaths. There are no definitive estimates on Iraqi civilian casualties. Estimates, and the methodology used to compile them, vary widely.

Iraq
(Question No. 4978)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 7 December 2006:
Has the Australian Government been provided with information as to how many Iraqi citizens were displaced as a result of violence during the calendar year ending 30 December 2006; if so, what are those details.

Mr Downer—The answer to the honourable member’s question is as follows:
Figures for displaced Iraqis are not definitive and are difficult to substantiate. The UNHCR report “Update on the Iraq Situation” of November 2006, estimates that 1.6 million Iraqis are displaced in Iraq with 425,000 displaced since the February 2006 Samarra bombings. UNHCR estimates that a further 1.6 to 1.8 million Iraqis are in neighbouring countries, many of whom were displaced prior to 2003.

Iraq
(Question No. 4979)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 7 December 2006:
Has the Australian Government been provided with advice as to the extent to which the conflict in Iraq has increased the price of oil; if so, what is that advice.

Mr Downer—The answer to the honourable member’s question is as follows:
Advice to me is that changes in the price of oil in 2006 were due to a range of factors, particularly increased worldwide demand, including in China.

Oil for Food Program
(Question No. 5004)

Mr Kelvin Thomson asked the Minister for Foreign Affairs, in writing, on 7 December 2006:
Is the Department of Foreign Affairs and Trade (DFAT) intending to pay the legal costs of (a) past and, (b) current DFAT staff in connection with any criminal proceedings resulting from the Cole Inquiry.

Mr Downer—The answer to the honourable member’s question is as follows:
(a) and (b): All requests by past and present employees for assistance in relation to legal proceedings are considered on a case by case basis in accordance with Appendix E of the Legal Services Directions 2005.
Mr David Hicks
(Question No. 5280)

Mr Murphy asked the Attorney-General, in writing, on 7 December 2006:

(1) Has he made representations to the US Government seeking assurances that any interrogation of Mr David Hicks be video and/or audio recorded; if so, what were the full details and outcomes of those representations; if not, why not.

(2) Further to his response to Part (2) of question No. 4109 (Hansard, 2 November 2006, page 116), which stated that it would not be appropriate for him to comment on claims that there are no video and/or audio recordings of Mr Hicks’ interrogations, can he advise why it would not be appropriate to comment; if not, why not.

(3) Has he made representation to the US Government seeking a specific assurance that interrogation sheets used in the course of any future prosecution of Mr Hicks will (a) be accurate and (b) provide scope for cross-examination of his interrogators and the specific US marines involved with his capture; if so, what are the full details of those representations; if not, why not.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) No. The use of video and/or audio recordings by US authorities is a matter for those authorities.

(2) The use of video and/or audio recordings by US authorities is a matter for those authorities.

(3) No. The accuracy of evidence used in any prosecution of Mr Hicks before a military commission, including the accuracy of any interrogation sheets, is a matter for the military commission to determine. The Military Commissions Act of 2006 specifies that the accused shall be permitted to cross-examine the witnesses who testify against him and that defense counsel shall be given a reasonable opportunity to obtain witnesses.

Media Ownership
(Question No. 5284)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 7 December 2006:

In light of the Australian Competition and Consumer Commission’s (ACCC’s) publication, Media Mergers, which states inter alia that “media diversity is primarily protected by the restrictions on cross-media mergers”, how does the Minister reconcile the apparent conflict between her statements that the ACCC will be able to protect media diversity and the Government’s weakening of cross-media ownership laws.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

As has been consistently stated throughout the consultation and legislative processes, the Australian Competition and Consumer Commission’s (ACCC) role in assessing any proposed mergers involving media companies is the same as its role in assessing mergers in any other industry: to assess the competition impacts of proposals in relation to section 50 of the Trade Practices Act 1974.

However, the paper entitled Media Mergers, released in August 2006 by the ACCC, does in fact acknowledge that the ACCC’s assessment of proposed media mergers is likely to incidentally assess issues relating to diversity. When read in full, the quotation provided by Mr Murphy in his question reads:

“A key purpose of the Trade Practices Act is to protect competition in markets in Australia, including media markets. Media diversity is primarily protected by the restrictions on cross-media mergers in the Broadcasting Services Act.
However, the ACCC will consider the impact of media mergers on market concentration, and therefore on the number and market share of media outlets in a market. The ACCC will also consider whether a merged media business could exercise market power by reducing the quality of the content it provides consumers, which could include reducing the diversity of the content it provides.

The media reform package, which will relax the cross media laws upon Proclamation contains a number of significant safeguards to ensure that the diversity of Australian media is protected. Chief among these protections is the 5/4 media diversity rule, which will ensure that no transaction (cross media or otherwise) will be permitted in a radio licence area unless a minimum number of media groups will remain after that transaction is completed. This number is five in mainland state capitals and four in regional licence areas. This diversity protection mechanism will be administered by the Australian Communications and Media Authority.

A second safeguard is the ‘2 out of 3 rule’ which will ensure that no more than two of the three regulated media (that is, commercial radio, commercial television and associated newspapers) in any one radio licence area are able to be owned by the same media group.

Further diversity protection is provided through the retention of control limits, which limit a person to controlling not more than one television licence and two radio licences in a single licence area, and forbid the control of television licences which are capable of reaching more than 75 per cent of the population.